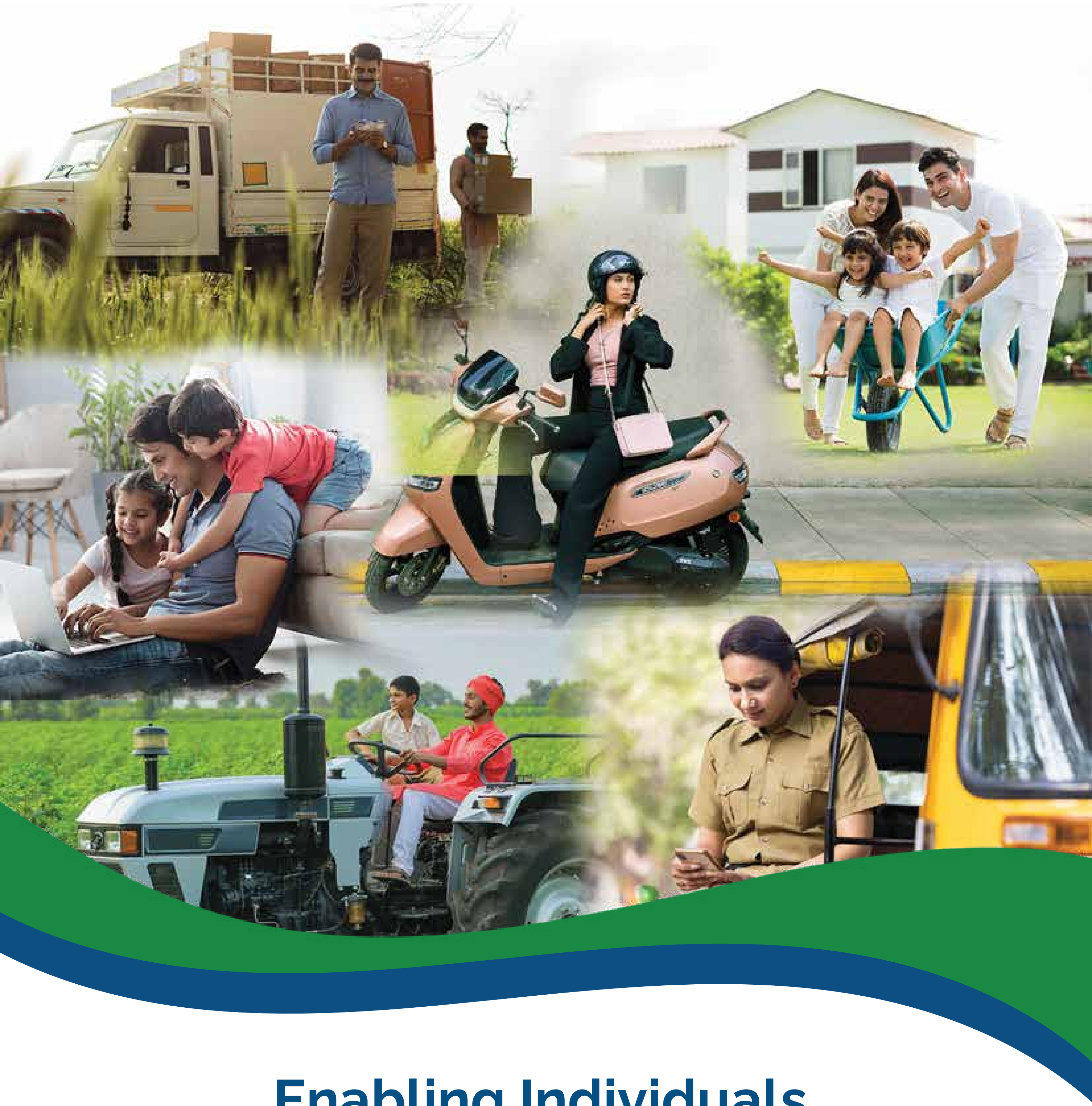

Enabling Individuals. Empowering Communities.

Annual Report 2023-24

TVS CREDIT

Empowering Indians to make a difference to society.

It is said that true success is determined by how positively you affect those around you. We at TVS Credit try to live by this credo, and enable our customers to do the same. Our financial solutions empower them to acquire what they desire, and make a difference to others as well.

Our Annual Report for 2023-24 has stories about the ways in which we make this happen. You'll learn about how, as we added 43 Lakh new customers to our family, we gave them the means to do more for their community.

It is truly inspiring to see each of our offerings having such a far-reaching impact. This is also reflected in the growth we saw last year. Our AUM stands at Rs 25,900 Crore, a 26% growth over the past year. Our total income grew by 40% to reach Rs 5,795 Crore, while profit after tax increased by 47% to touch the Rs 572 Crore mark. We will always strive to empower individuals in ways that help the nation progress.

Empowering India.
One Indian at a time.

BOARD OF DIRECTORS
Sudarshan Venu, Chairman
Venu Srinivasan
R Gopalan
K N Radhakrishnan
B Sriram
Kalpana Unadkat

AUDIT COMMITTEE
R Gopalan, Chairman
B Sriram
Kalpana Unadkat

NOMINATION AND REMUNERATION COMMITTEE
Kalpana Unadkat, Chairperson
Sudarshan Venu
B Sriram

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE
Venu Srinivasan, Chairman
R Gopalan
K N Radhakrishnan

RISK MANAGEMENT COMMITTEE
K N Radhakrishnan, Chairman
R Gopalan
Kalpana Unadkat

ASSET LIABILITY MANAGEMENT COMMITTEE
Ashish Sapra, Chairman
Sudarshan Venu
B Sriram

INFORMATION TECHNOLOGY STRATEGY COMMITTEE
B Sriram, Chairman
Sudarshan Venu
K N Radhakrishnan

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
Roopa Sampath Kumar
Muralidhar Sripathi
R Ananthakrishnan
Shelvin Mathews
P V Kasturirangan
Pravin Patel
Charandeep Singh
Soujanya Aluri
Vikas Arora

CHIEF EXECUTIVE OFFICER
Ashish Sapra

CHIEF FINANCIAL OFFICER
Roopa Sampath Kumar

COMPANY SECRETARY
Sreejith Raj P

STATUTORY AUDITORS
Sundaram & Srinivasan
Chartered Accountants
23, C.P. Ramaswamy Road,
Alwarpet, Chennai – 600 018
Email ID: sundaramandsrinivasan1948@gmail.com

CNGSN & Associates LLP
Chartered Accountants
Agastyar Manor
No. 20, Raja Street,
T. Nagar, Chennai - 600 017
Email ID: info@cngsn.com

SECRETARIAL AUDITOR
B. Chandra & Associates
AG 3 Ragamalika,
No. 26, Kumaran Colony Main Road,
Vadapalani, Chennai - 600 026
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

Aditya Birla Finance Limited
Axis Bank Limited
Bajaj Finance Limited
Bandhan Bank Limited
Bank of Baroda
Bank of India
Deutsche Bank
Emirates NBD Bank
Federal Bank Limited
HDFC Bank Limited
HDFC Asset Management Company Limited
ICICI Prudential Asset Management Company Limited
IDBI Bank Limited
Indian Bank
IndusInd Bank Limited
Karnataka Bank Limited
Kotak Mahindra Bank Limited
Mizuho Bank Limited
MUFG Bank Limited (erstwhile Bank of Tokyo)
Punjab & Sind Bank
Punjab National Bank
RBL Bank Limited
Reliance General Insurance Company Limited
SBI DFHI Limited
SBI Life Insurance Company Limited
SBI Funds Management Limited
Small Industries Development of India (SIDBI)
South Indian Bank Limited
State 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

IDBI Trusteeship Services Limited
Registered Office and Corporate Office
Ground Floor, Universal Insurance Building,
Sir Phirozshah Mehta Road, Fort Bazargate,
Mumbai, India - 400001
Tel: 022-40807014
E-mail: teamolive@idbitrustee.com

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NOTICE is hereby given that the Sixteenth Annual General Meeting of Shareholders of TVS Credit Services Limited (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 Wednesday, 7th August 2024 at 4:00 P.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 2024, together with the Directors' Report and the Auditors' Report thereon as circulated to the members and presented to the meeting be and the same 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 K N Radhakrishnan (holding DIN: 02599393), 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.

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

   RESOLVED THAT pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Circular issued by Reserve Bank of India vide no. RBI/2021-22/25 Ref. No.Dos.CO.ARG/SEC.01/08.91.001/2021-22 dated 27th April 2021 ('RBI Guidelines'), and any other applicable laws issued from time to time, including any amendments, modifications, variations or re-enactments thereof M/s. Suri and Co, Chartered Accountants, Chennai, having Firm Registration No. 004283S allotted by the Institute of Chartered Accountants of India who have offered themselves for appointment and have confirmed their eligibility to be appointed as joint statutory auditors in terms of Section 141 of the Companies Act, 2013 and applicable rules thereunder and RBI Guidelines, be and are hereby appointed as Statutory Auditors of the Company to hold office for a continuous period of three years until the conclusion of 19th Annual General Meeting of the Company to be held in the year 2027;

   RESOLVED FURTHER THAT the Board and Audit Committee thereof, be and are hereby severally authorised to decide and finalise the terms and conditions of appointment, including the overall audit fees of the Joint Statutory Auditors;

   RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board (including the Audit Committee of the Board or any other person(s) authorised by the Board or the Audit Committee in this regard), be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to implementation of the resolution including but not limited to determination of roles and responsibilities/ scope of work of the respective Joint Statutory Auditors, negotiating, finalising, amending, signing, delivering, executing, the terms of appointment including any contracts or documents in this regard, without being required to seek any further consent or approval of the Members of the Company.

By order of the Board
For TVS Credit Services Limited

Place : Chennai
Date : 8th May 2024

Sreejith Raj P
Company Secretary

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not to be a member of a company. The Instrument appointing a proxy, in order to be effective must be deposited at the registered office of the company, duly completed and signed, not less than forty eighty (48) hours before the commencement of meeting. The Proxy Form would be circulated separately to the Shareholders.

2. A person can act as a proxy on behalf of Members not exceeding fifty (50) in number and holding in aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. A Member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.

3. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.

4. All the relevant documents referred to in this Notice shall remain open for inspection by the Members of the Company at the Registered Office from 10:00 AM to 5:00 PM on all working days up to the date of this Annual General Meeting. Members may also note that the Annual Report will also be available on the Company's website viz., www.tvscredit.com for their download.

5. Entry to the place of meeting will be regulated by an Attendance Slip circulated to the members. Members/Proxies attending the meeting are kindly requested to complete the Attendance Slip and affix their signature at the place provided thereon and hand it over at the entrance.

6. Route map for the Meeting would be shared separately.

The Directors have the pleasure of presenting the Sixteenth Annual Report and the audited accounts of the Company for the year ended 31st March 2024.

1. BUSINESS AND FINANCIAL PERFORMANCE

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

₹ in Crore

Particulars	Year ended	
	31st March 2024	31st March 2023
Revenue from Operations	5,789.57	4,147.00
Other Income	5.47	4.70
Total Income (A)	**5,795.04**	**4,151.70**
Finance Costs	1,653.64	1,168.28
Fees & Commission, Employee Benefit, Administrative & Other Operating Expenses	2,225.02	1,821.56
Impairment of Financial Instruments	1,127.05	629.14
Depreciation and Amortisation Expenses	27.39	21.43
Total Expenses (B)	**5,033.10**	**3,640.41**
Profit / (Loss) before Tax & Exceptional Item (A) - (B)	**761.94**	**511.29**
Less: Exceptional Items	-	-
Profit / (Loss) before Tax	**761.94**	**511.29**
Less: Tax Expense		
- Current Tax	307.64	197.78
- Deferred Tax	(117.53)	(75.17)
Profit / (Loss) after Tax	**571.83**	**388.68**
Other Comprehensive Income	(20.69)	5.80
Total Comprehensive Income	**551.14**	**394.48**
Balance brought forward from Previous Year	951.51	634.77
Transfer to Statutory Reserve	(114.37)	(77.73)
Surplus / (Deficit) carried to Balance sheet	**1,388.28**	**951.51**

Company's Performance

The Company registered a growth of 16% in disbursements from ₹ 21,652 crore to ₹ 25,018 crore for the financial year ended 31st March 2024. The Company ended the year with assets under management (AUM) of ₹ 25,900 crore as against ₹ 20,602 crore as of the end of the previous year, registering a growth of 26%. AUM of the Company is well diversified with various portfolios and % of total loans as of 31st March 2024 are as follows: Retail Finance business - Two-Wheeler Loans (27%) and Used Car Loans (8%), Commercial Finance business - Tractor Loans (23%), Used Commercial Vehicle Loans (12%) and Business Loans (3%) and Consumer Finance business – Consumer Durable Loans (11%) and Personal Loans (17%).

Total income during the financial year ended 31st March 2024 increased to ₹ 5,795 crore from ₹ 4,152 crore, an increase of 40% over the previous year. The profit before tax and exceptional items for the year stood at ₹ 762 crore as against ₹ 511 crore during the previous year, registering a growth of 49%.

Key Product-wise Performance during the Financial Year

Two-Wheeler Loans: AUM of two-wheeler loans have increased from ₹ 5,556 crore as of March 2023 to ₹ 6,970 crore in as of 31st March 2024 registering a growth of 25%. The Company continues to be the leading financier for TVS Motor Company Ltd, the holding Company.

Used Car Loans: AUM of Used car loans as of 31st March 2024 is at ₹ 2,132 crore against ₹ 1,806 crore as at 31st March 2023, registering an increase of 18%.

Consumer Durable Loans: The customer base expanded by 48% in the current fiscal, an increase from 23.11 lakh customers to 34 lakh customers. AUM of consumer durable loans have increased from ₹ 1,338 crore to ₹ 2,734 crore, registering a growth of 104% over the previous year.

Personal Loans: The personal loans portfolio has increased from ₹ 3,587 crore as at March 2023 to ₹ 4,802 crore as of March 2024, registering an increase of 34%.

Tractor Loans: There has been degrowth in the disbursements in the New tractor loans which resulted in the decrease in the AUM from ₹ 3,356 crore to ₹ 2,798 crore as of 31st March 2024, registering a decrease of 17%. This is on primarily on account of the conscious decision taken by the Company to implement necessary credit interventions given the recent stress noted in this portfolio. In respect of Used Tractors, there has been increase in AUM from ₹ 2,047 crore to ₹ 2,685 crore as of 31st March 2024, an increase of 31% over the corresponding previous year.

Used Commercial Vehicle Loans: The Company scaled up its Used Commercial Vehicle Loans business during the year and accordingly there has been a growth of 44% in AUM, which increased from ₹ 2,236 crore to ₹ 3,219 crore as of 31st March 2024.

2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

India's economic growth has been resilient against global headwinds consistently for three fiscal years. India is the fifth-largest economy in the world in terms of GDP and it continues to maintain its position as one of the fastest-growing economies globally.

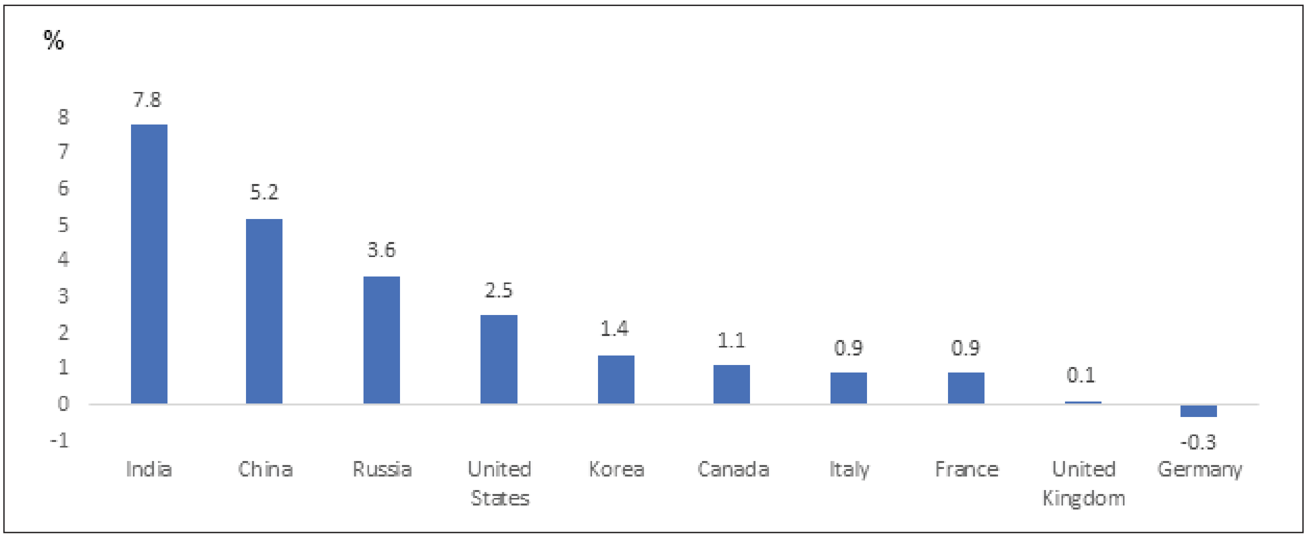
India witnesses strong growth in fiscal 2024

In fiscal 2024, as per the National Statistical Office (NSO) estimates, the real GDP is expected to grow at a robust 7.6% year-on-year basis. This can be attributed to various factors such as demographic advantage, robust domestic demand, economic reforms, Government's capex push for manufacturing and infrastructure development, digital push, and technological advancements.

The Monetary Policy Committee (MPC) of RBI held rates steady throughout fiscal 2024. RBI also held on to its stance of withdrawal of accommodation as it steadfastly pursued two goals – complete transmission of the rate hikes (100 bps transmission in fiscal 2024 in addition to 150 bps in fiscal 2023) and alignment of headline inflation at a threshold of 4%. Fiscal 2024 witnessed both CPI and Core Inflation easing by end of this fiscal. Headline consumer price inflation eased to 5.4% in fiscal 2024 from 6.7% in fiscal 2023. This coupled with the Government measures to reduce cooking gas prices helped ease fuel inflation. However, food inflation surged to 7.5% from an already elevated levels of 6.6% in fiscal 2023.

International Monetary Fund, in its recent economic outlook update, revised its India economic growth estimate upwards in real terms for fiscal 2024 to 7.8% from previous 6.7% estimate in January 2024, citing momentum from resilient domestic demand. India's growth story this fiscal in terms of leading GDP growth indicators is backed by strong fundamentals, growing young population, skilled and educated workforce and digital transformation initiatives as is evident from the comparison across major economies as presented below:

Real GDP growth for major global economies (CY2024)



Source: IMF, CRISIL MI&A

Rapid growth in digital infrastructure supported economic growth

Improvement in the literacy levels and increasing access to information and awareness has led to a digitally savvy middle-income India. Technology is revolutionising the way India is conducting business by enhancing efficiency and increasing digital penetration across semi-urban and rural areas. The Government's focus on the tech space, including the launch of 5G services in India, is propelling digital transformation and connectivity to new heights. As of fiscal 2024, the share of 5G subscribers in India reached 17-18%, with a total base of 160-170 million subscribers.

The expansion of mobile networks, internet access and electricity are extending subscriber footprints to remote areas, leading to higher smartphone and internet penetration in the country. Total internet subscribers in India reached 918.19 million as of September 2023, growing at a compound annual growth rate (CAGR) of 16% over the last decade.

Digital payments in India have experienced significant growth in recent years with 80% contribution from Unified Payment Interface (UPI). UPI has been a gamechanger, leading India's digital payment transformation. Between April 2023 and February 2024, UPI has facilitated 11,772 crore transactions (by volume) worth ₹ 180 lakh crore. The RBI also expanded the scope of UPI and introduced pre-sanctioned Credit Lines at Banks through UPI which revolutionised access to credit. All these measures are aimed at financial inclusion and simplifying access to credit for both businesses and individuals.

Other digital initiatives launched by the Government such as Trade Receivables e-Discounting System (TReDS), Central KYC (CKYC), E-KYC and Aadhaar-based authentication, Open Network for Digital Commerce (ONDC), Account aggregators, DigiLocker services and National Financial Information Registry in the last couple of years have been instrumental in accelerating sustainable development in the country.

Rural demand experienced degrowth in fiscal 2024

As per NSO estimates, Gross Value Added (GVA) at constant prices of agricultural and allied activities witnessed slow year-on-year growth at 0.7% in fiscal 2024 as compared to 4.7% growth in fiscal 2023 and 3.8% CAGR over the last 6 years. The agricultural sector growth was impacted by erratic monsoon (6% below normal south-west monsoon and 9% below normal north-east monsoon) due to El Niño conditions and decline in rabi acreage. Further, reservoir level for the country as of March 2024 remained ~16% below the last year's storage level during the same period and ~3% lower over last 10 years average. Due to these factors, the domestic tractor sales were impacted in fiscal 2024 as compared to previous fiscal. Negative farmer sentiments also impacted the festive demand this fiscal, being lower by 6% as compared to the same period last fiscal.

India to remain one of the fastest growing economies in the world in fiscal 2025

After a strong 7.8% (IMF estimates) growth this fiscal, India would continue to remain the fastest growing economy in the world with real GDP growth estimated at 6.8% in fiscal 2025 by IMF.

As of fiscal 2024, manufacturing sector contributed ~14% in overall Gross Value Added (GVA) of India at current prices. GVA of the manufacturing sector witnessed an increase of 6.7% year-on-year in fiscal 2024 as compared to 4.2% in fiscal 2023. Growth in fiscal 2024 was led by resilient domestic demand, easing commodity prices and supply constraints and buoyant external demand.

The transmission of rate hikes effected by the MPC from 4.0% in April 2022 to 6.5% in May 2023 is likely to weigh in the next fiscal given the stance of withdrawal of accommodation by the RBI. Inflation is estimated to moderate to around 4.5% in fiscal 2025 due to soft commodity prices and healthier farm output. This reduction in inflation would lead to an increase in purchasing power of the consumers. Government spending in rural development, estimated healthy rabi sowing and good kharif output in addition to expected normal spell of monsoon next fiscal would improve agricultural incomes.

With expected healthy agricultural output, food inflation is also likely to tone down from an estimated 7.4% in fiscal 2024. Government aims to reduce the fiscal deficit to 5.1% of GDP next fiscal from 5.8% in the current fiscal through reduced revenue expenditure and marginally better tax collections.

Growth in real GDP in fiscal 2025 is expected to be driven by the following factors:

- Recovery in rabi sowing, resilient domestic demand and sustained profitability in manufacturing and services sectors.
- Increase in total capital expenditure by 17.7% year-on-year from revised estimate of ₹ 12.7 lakh crore in fiscal 2024 to budgeted estimate of ₹ 15.0 lakh crore in fiscal 2025.
- Increase in budget allocation to Ministry of Rural Development by 13% in interim budget 2024-25 to ₹ 1.78 lakh crore, positively impacting rural growth.
- Rising middle Indian population (defined as households with annual income between ₹ 2 lakhs and ₹ 10 lakhs)
- Rising consumer confidence aiding improvement in household consumption.
- Improved business sentiments, healthy balance sheet of banks and corporates and rising integration in global supply chain.

Rural demand to increase in fiscal 2025

Rural demand is expected to rise in the second half of next fiscal year on expectations of above normal monsoon season (IMD estimate for 2024 – 106% of LPA), increased MSP prices for all mandated Kharif, Rabi and other commercial crops, and healthy reservoir levels. Healthy reservoir levels would likely boost rabi acreage and crop profitability which would thereby positively impact farmer sentiments. Hence, in fiscal 2025, domestic tractor sales are expected to grow by 5-7% in volume terms as compared to previous fiscal.

The financial assistance scheme of Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA) witnessed a ~40% rise in budget allocation from ~ ₹ 61,000 crore for fiscal 2024 to ~ ₹ 85,000 crore for fiscal 2025.

The Government is also committed to encourage both public and private investments in post-harvest activities including modern storage facilities, efficient supply chain, aggregation, marketing, and branding, to ensure faster growth of the agriculture sector and rural development in India.

Growth of middle India population: Boosting consumption and opportunities for financial services

Proportion of Middle India has been on a rise over the last decade and is expected to grow further with continuous increase in the GDP and household incomes. India's per-capita Net National Income (NNI), a broad indicator of living standards, rose from ₹ 94,054 in fiscal 2022 to ₹ 1,06,134 in fiscal 2024, recording a CAGR of 6%.

Rising middle India population and growth in disposable incomes have led to an increase in the consumption of consumer goods. Private consumption accounts for the largest share of GDP at 57% as of fiscal 2024. It helped India stay resilient in periods of slowing global growth. The combined mix of greater purchasing power and willingness to spend has resulted in a change in consumption patterns. From a medium to long-term perspective, rising working age population and higher per capital incomes are expected to raise the share of discretionary spends (such as consumer durables and automobiles) in private consumption. Growth in consumption of discretionary products would witness contribution from rural India as well owing to favourable inflation, better agriculture output and increased Government spending towards rural India in this fiscal.

India's focus on financial inclusion is increasing

India has low household credit to GDP ratio at 37% which is much lower than the other developed nations across the world. According to the National Financial Literacy and Inclusion Survey (NCFE-FLIS) 2019, only 27% of Indian population is financially literate indicating the need for financial inclusion and potential for financial services industry.

Over the years, the share of rural and semi-urban population in banking credit has increased from 18% as of March 2018 to 21% as of December 2023. With more people attached to the formal banking sector, the demand for financial products in smaller cities has also seen a major increase in the recent years.

The credit penetration in India is expected to rise with Government's continuous efforts for financial inclusion and rising credit accessibility to the underserved population. Support in technological advancement would also promote financial inclusion, ensure better availability of customer data, enable faster and secure sharing of documents with financial institutions and increase rural penetration.

Risks and concerns

The key challenges which might impact growth during next fiscal year would be elevated inflation, aggressive rate hikes by major central banks including the repo rate increase, other regulatory changes by Reserve Bank of India 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 4.6% in fiscal 2025 from 5.4% this fiscal owing to various Government measures undertaken addressing the raising inflation. Cyber risk has emerged as a significant threat to the continued digitalisation. As more individuals, businesses and Government services rely on digital infrastructure, the potential impact of cyber-attacks has increased exponentially. The Corporate India should look to invest in strengthening the digital infrastructure and security framework to address the threats from time to time.

Systemic credit to grow at 12%-13% CAGR between 2024-2026

In fiscal 2024, systemic credit showed strong growth of 14% on the back of pent-up retail demand from sectors like housing and vehicle, and strong credit demand from NBFCs. Retail segment continued to lead the systemic credit growth in fiscal 2024, supported by the focussed approach of banks and NBFCs in increasing the retail portfolio. The credit growth of banks and NBFCs is expected to grow at a CAGR of ~13% and ~15%, respectively, between fiscals 2024 and 2026. This growth would be led by key retail segments such as housing, personal loans, vehicle loans along with MSMEs in the wholesale segment. Credit growth would be supported by effective risk management, evolving economic dynamics and a proactive regulatory landscape.

NBFCs witnessed double-digit growth in fiscal 2024; Retail credit drove overall credit growth

NBFCs have registered a strong presence in the financial ecosystem owing to their inherent strength of providing last-mile funding, focussed approach to tap underserved and niche customer segments, ability to penetrate deeper into geographies, leveraging technology (artificial intelligence and machine learning models) to reinvent the lending process, enhance customer experience, strong origination capabilities, improve productivity and shorter turnaround time.

Banks' exposure towards NBFCs continued to grow to around ₹ 15 trillion as of March 2024 from ₹ 7 trillion as of March 2019, highlighting the latter's importance and growth prospects over the medium term.

Over past five years, NBFC credit has grown at a faster pace than overall systemic credit, growing at a CAGR of 11%. In fiscal 2024, NBFC credit witnessed highest year-on-year growth of 18%, led by higher consumer demand and continued focus on retail segment which has resulted in an increase in the share of retail credit in overall NBFC credit and is expected to further strengthen in fiscal 2025.

Within retail credit, NBFC's auto segment loan book continued to grow at a robust pace of 20-21% in fiscal 2024. Growth was driven by rising demand for commercial vehicles (CVs), cars, utility vehicles (UVs), and two-/three-wheelers, augmented by bigger ticket financing, new product launches, shift towards EVs and the Government's focus on infra spending. Going forward, auto loan book is expected to grow at 15-16% in fiscal 2025, led by improving rural productivity supported by above normal monsoon resulting in increase in sowing, Government income support (increase in MSP), improving industrial activity and focus on infrastructure development.

The two-wheeler disbursements are estimated to have increased by 14% in fiscal 2024 on account of rising income sentiments, EV penetration and improvement in rural infrastructure. Passenger vehicle segment grew by 14% due to a paradigm shift in consumer sentiments away from the traditional fuel-efficient budget-friendly hatchback segment towards higher priced feature UVs which offer much more space, taller ride height and improved performance. The three-wheeler disbursements are estimated to have witnessed exponential growth of 70-75% in fiscal 2024 led by higher demand, growth in sales and higher finance penetration. Three-wheeler disbursements is expected to grow at robust in fiscal 2025, driven by improvement in urban sentiments along with increase in three-wheeler EV penetration.

NBFCs have established a strong foothold in the used car segment by prioritising customer needs, ensuring swift processing, delivering excellent customer service, and expanding their geographical coverage. Their cumulative market share in outstanding used car loans has been increasing. Further, strong traction of rising automobiles and adoption by buyers due to greater formalisation of the market is keeping the asset quality in used car segment low.

The CV financing segment grew by 16% in fiscal 2024 owing to increased Government spending, robust replacement demand and strong end-user sectors such as construction and mining. The tractor financing segment is increasingly becoming a stronghold of NBFCs due to their greater ability to tap rural markets by offering loans at rates much lower than those of unorganised peers. Though tractor demand is majorly dependent on the rural economy and monsoon, NBFCs remain poised to dominate the tractor financing segment.

In fiscal 2024, MSME lending is estimated to have grown at a 17-19% growth rate augmented by more data availability and Government initiatives like GST has led to increasing focus of lenders, and a rise in entrepreneurship in India.

During fiscal 2024, the housing loans of NBFCs grew at 13-14% year-on-year, led by the aspirations of a growing young population with rising disposable income migrating to metro cities and elevated demand in Tier 2 and 3 cities as well. In fiscal 2025, the segment is expected to growth at 11-13% supported by increasing affordability, urbanisation, and supportive Government policies.

NBFCs' gold loan portfolio is estimated to have increased by 11-13% in fiscal 2024 owing to steady customer base, increasing penetration by opening branches in newer geographies and rising gold prices. Going forward, growth in NBFCs' gold loan portfolio is expected to grow by 12-13% supported by increasing branch penetration, increase in organised market.

The Consumer Durable segment witnessed a strong growth of 39-41% owing to pick up in consumption demand, which was fuelled by an increase in disposable incomes, urbanisation and changing consumer trends.

The growth in personal loan book (unsecured lending) of NBFCs is estimated in the range of 25-27% in fiscal 2024, with loan volumes crossing ₹ 11 trillion as of March 2024 backed by specialised focus, extensive branch network to reach remote areas and rising contribution from the digital platform.

Credit card segment is estimated to have witnessed robust growth at 32-33% year-on-year in fiscal 2024 owing to increased demand for consumer durables, rising number of credit card holders, booming e-commerce, inclusion of digital credit card payments and feature of equated EMI options for large ticket size payments. The credit card outstanding has surged to over ₹ 2.5 trillion. The credit card segment is expected to witness high growth in fiscal 2025 owing to rising credit card adoption, digitisation, evolving consumer behaviour and sustained demand for consumer durables.

The acceleration in unsecured lending has outpaced growth in overall bank credit. The rapid expansion of unsecured lending in India has raised concerns over increasing leverage of the borrowers in the financial ecosystem especially in an environment of economic uncertainty. Overleveraging of households could pose systemic risks if widespread defaults occur, underscoring the need for prudent credit underwriting and monitoring by financial institutions.

During the fiscal 2024, the NBFCs saw an increase in the borrowing costs to 8.3% - 8.5% on account of the implementation of recent RBI Guidelines on increased risk weight on consumer credit portfolio and the borrowing costs is expected to further increase by 10-20 bps in fiscal 2025.

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.

Robust disbursements growth at 16% year-on-year

During FY 2024, the Company registered a strong 16% year-on-year growth in disbursements. The assets under management of the Company grew by 26% to ₹ 25,900 crore as of 31st March 2024 as compared to ₹ 20,602 crore as of end of previous financial year. The Company had around 13 million customers as at the end of March 2024. 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 2024.

Disbursement in the Retail Finance business comprising Two-Wheeler Loans and Used Car Loans witnessed a robust growth of 17% year-on-year in FY 2024. For Two-wheeler Loans, the Company entered Jammu & Kashmir and Gujarat, and further expanded into the north-eastern states. For Used Car Loans, the Company focussed on going deeper in southern states and Maharashtra. As a result, the Company witnessed an increase in penetration for Two-wheeler Loans and Used Car Loans. Going forward, the Company would continue deepening its footprint in the existing geographies in the short term and increase the scale of businesses in FY 2025.

The Company significantly scaled up its Consumer Finance business comprising Consumer Durable Loans through tie-ups with more OEMs and channel partners and increase in the personal Loans to existing customers due to growth in the customer base over the previous financial years. This year, the Company achieved the milestone of disbursing loans of more than ₹ 10,000 crore under the consumer finance business registering a strong growth in disbursements year-on-year. During the year, the Company focussed on building deeper reach in certain geographies like Uttar Pradesh and disbursement in the State touched over 1 lakh loans during the festive season month.

The Company also launched a separate collection app for consumer durable loans. In Personal Loans, the Company started click-based journey for customers for better customer experience. The Company has partnered with various large ecom players this year through which the penetration of personal loans to existing customers have also increased.

During FY 2024, the Company experienced degrowth in disbursement in respect of new tractors. The Company reinvented its approach in New Tractor Loans segment by crafting a geo-specific approach to reach the targeted customer segment in addition to implementing various credit interventions aimed at ensuing good portfolio quality on the new acquisitions.

In respect of Used Tractor Loans business, the Company witnessed growth in direct business and empanelled new channel partners. 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. Going forward, the Company would be focussing on getting onboard more strategic channel partners for Used Tractor Loans.

The Used Commercial Vehicle better than expected growth this fiscal. The Small and Light Commercial Vehicle Loans (SLCVs) business which was piloted in fiscal 2023 also recorded robust year-on-year growth in disbursements. For lead generation, the Company has taken several initiatives this fiscal such as customer referral programme, field marketing activities, bureau triggers and activation non-conventional partners such as drivers and salesman. These initiatives have led to an increased proportion of direct business and productivity in the commercial finance business.

In the Mid-corporate segment, the Company has re-oriented sector-based approach to cater to specific identified eco-system and focussed on increasing relationships deeply.

During FY 2024, the Company launched gold loans and have opened new locations in Tamil Nadu. The Company has also signed partnership agreement with RBL Bank for launch of co-branded credit card in March 2024. The Company would keep investing in credit underwriting, enhancing cloud-based infrastructure and tech-based applications across all business segments to further expand direct business and facilitate enhanced customer experience.

Continued focus on Distribution reach and Collections supporting the growth in Company's performance

The Company continue to invest on distribution reach, strengthen the collection teams, build necessary digital capabilities and infrastructure to address the portfolio growth and maintain quality during this fiscal year.

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

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

The new-to-credit customer segment continued to be the significant part of the business acquisitions this fiscal. By leveraging the data & analytics platform, the Company has developed in-house monitoring tools which enable the collections teams to have a focussed approach thus saving time and improving efficiency. Other digital initiatives such as automation of processes, increase in the e-Nach penetration and tie-ups with various digital partners like payment gateways, wallets and e-commerce platforms enabled increase in digital collections across all products / business segments during last year.

The Company has categorised the borrowers into multiple risk deciles / categories based on their origination characteristics and repayment patterns to focus on accounts that are likely to show higher propensity for delays and defaults. Further, requisite actions at relatively earlier stages were undertaken in respect of overdue accounts to enhance collections and recovery.

The various credit interventions undertaken by the Company across all product categories in this year 2024 in response to the stress noted in rural portfolio and certain geographies and customer segments has positively impacted the portfolio quality in respect of new business originations during this fiscal.

Digital Sourcing

In the realm of digital transformation, the Company's strategic endeavours such as the revitalisation of the website and App experiences, stood out as key drivers of growth and enhancement of customer satisfaction in this fiscal year. The revamped corporate website unveiled this year harnesses the power of the latest CMS platform to ensure scalability and is hosted on AWS platform. Noteworthy improvements encompass a mobile-first design philosophy, action-driven pages, SEO-optimised content, and an enhanced user interface aimed at providing superior service to our valued customers and stakeholders.

The digital sourcing business experienced a growth of 30% compared to the previous fiscal year. In this financial year, the digital sourcing contributed to around 14% to the overall business, with Consumer Finance accounting for 79% and share of Commercial Finance and Retail Finance at 15%, and 6% respectively. In FY 2025, the Company's primary focus areas would encompass boosting digital disbursals, improving the Saathi App, introducing pre-approved customer journeys on digital platforms, delivering personalised customer experiences, and leveraging Gen AI for content creation.

Increased use of Data and Analytics across the Business Segments

Building upon the successes of Data & Analytics over the last few years, the Company expanded the use of analytics and AI/ML models in decision making. In FY 2024, the Company successfully deployed the first deep-learning model as part of cross-sell underwriting processes. As such, evaluation of deep-learning models as part of model development has become the norm for all new model builds and model refreshes. In addition, the breadth of ML model usage has expanded with propensity models driving customer outreach efforts, attrition models driving retention efforts for the Company's field force and price estimation models driving residual management. There were also other initiatives like Data enrichment based on Bureau data, risk, and fraud analytics to identify potential theft. Channel segmentation and advanced technologies like deep-learning and computer vision were also leveraged for targeted sales and improved customer engagement.

Investment in strengthening the Digital Infrastructure for sustainable growth

In the previous fiscal year, the Company embarked on strategic initiatives that have yielded significant achievements in the current fiscal period. By transitioning to a completely cloud-powered infrastructure, the Company witnessed a remarkable reduction in downtime and implemented auto-scaling capabilities for select applications, ensuring optimal performance and efficiency.

Furthermore, notable progress was made in software development with the introduction of the Collection One app and a dedicated Partner app. These innovative applications not only enhance internal processes but also strengthen collaboration with partners, fostering a more seamless and productive ecosystem. The Company also established a data lakehouse to optimise datamart operations and enhance data enrichment processes.

As the Company gears up for the next fiscal year, pivotal initiatives are on the horizon to drive operational excellence and enhance customer experiences. The Company is working on investment in Single Loan Management System (LMS) and One Loan Origination System (LOS) along with enhancing the Customer App. Furthermore, the next phase of investment in Data Lakehouse is poised to revolutionise data management across the Company.

Increased emphasis on customer experience through service-to-sales strategy

The Company's core focus remains enriching the customer journey by elevating the digitalisation with an impressive digitisation rate of 86% with robust self-service metrics. The strategic service-to-sales approach aims to transform service interactions into valuable business opportunities through effective cross-selling and retention strategies. This proactive initiative has yielded an impressive conversion rate and a solid retention rate of our customers.

The Company has taken proactive measures to address customer feedback though implementation of Total Quality Management involving detailed Root Cause Analysis (RCA) and initiating necessary action plans and streamlining processes across key complaint categories. This proactive approach has resulted in a substantial reduction in monthly average of complaints in specific areas, showcasing the Company's unwavering dedication to continuous enhancement and customer-centric approach.

Going forward, the Company will continue to focus on transitioning from customer service to customer experience through strategic expansion aimed at seamlessly onboarding customers and servicing them throughout their journeys. In addition, the Company will remain committed to advancing digital adoption and implementing predictive services to improve the customer experience.

Innovative marketing and branding initiatives increased brand visibility and customer reach

The Company implemented various innovative strategies across all business segments to boost brand visibility and customer reach, thereby covering 44,000 touchpoints this fiscal year. These initiatives included instituting co-branded offers and activities with OEMs, dealerships, and various formats of channel partners. Moreover, regional visibility campaigns featuring dealerships were executed which further strengthened Company's channel partner relationships.

Furthermore, various strategic social media campaigns amplified the Company's brand's reach and engagement with a monthly online average reach of 21 million, gaining an overall reach of 252 million across all social media platforms. This surge could be attributed to traffic on the Company's revamped website and Saathi App along with the Company's first series-ad campaign titled 'Sid and Poo' and other successful marketing campaigns such as Magical Diwali, Khushiyan Unlimited alongside topical campaigns specifically tailored for engaging with GenZ and millennial audiences.

The Company has also launched a direct-to-consumer horizontalisation initiative known as 'Pragati Parv' that offers TVS Credit's product portfolio under a single umbrella. The programme is focussed on boosting brand awareness, creating sales opportunities, and nurturing long-term relationships with customers and channel partners. Through a mix of online and offline marketing efforts, Pragati Parv reached ~13 lakh individuals across 21 locations in Uttar Pradesh, generating substantial business opportunities while enhancing brand reach and visibility.

Annual Campus Engagement Programme

To increase brand visibility among future employees, the Company emphasises on engaging with top campuses and inspire budding talent to generate innovative solutions for business challenges. The fifth edition of the E.P.I.C Campus Challenge held in fiscal 2024 got participation from a diverse cohort of over 96,000 students from around 4,200 esteemed colleges, resulting in a 100% growth in participation from the previous year.

Human Resources

In the current fiscal year, the Company has experienced significant growth in business expansion contributed by strong employee base of 17,780 employees as of 31st March 2024. The Company's Career Accelerator Programme (CAP) assisted the Company in identifying internal talent for various positions and brought a notable shift in roles as many frontline employees transitioned to supervisory positions and supervisors advanced to managerial roles. The implementation of a Leadership and Management structured development programme has also gained momentum, underscoring the Company's commitment to nurturing leadership talent within its ranks.

The Company believes that its people are the greatest assets. This year, the Company is immensely proud to have recognised to have been as a "Great Place to Work within NBFC," an accolade that underscores the unwavering commitment to creating a workplace where employees feel valued, respected and empowered. The journey to becoming a Great Place to Work has been driven by the focus on building a high-trust and high-performance culture.

The leadership development programs are designed to cultivate the next generation of leaders within the organisation. These structured initiatives comprising of training sessions, workshops, mentoring and coaching sessions ensure that the leaders at all levels are equipped with the skills and knowledge necessary to drive business growth and foster a positive organisational culture. These programs are comprehensive and tiered to address the needs of senior leaders, emerging leaders and young leaders across the Company. The Company has also designed various technical, functional trainings and career development programs to ensure continuous learning and growth opportunities across the organisation.

In addition to the internal development programs, the Company is also actively participating and hiring under the National Apprenticeship Promotion Scheme (NAPS), a government initiative designed to develop skilled manpower across the country. The recruitment focuses on rural and semi-urban locations across India, nurturing these individuals into well-rounded professionals to enable them to contribute towards the growth of the Company.

Process Excellence

The Company has developed a Theme: E+E = E - Ensuring Error-Free Processes and Minimal Customer Efforts for Enhanced Customer Experience. The primary goal of this initiative is to enhance customer loyalty and drive cross-selling by delivering exceptional experiences across the entire customer loan journey. Undertook the streamline process and reduce customer efforts across all products and reimaged the journey.

TVS Credit has actively engaged in various external forums, where the Company has highlighted the enhancements implemented within the organisation and received commendation for our efforts. During the year, the Company has presented various case studies in domestic and international forums, secured 27 awards and 2 awards at the American Society for Quality (ASQ) and the Kaizen Institute in Switzerland.

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 9001/2015 and ISO/IEC 27000:2013 recertification for management systems from Bureau Veritas for all processing hubs and central operations.

Awards and Recognitions

During fiscal 2024, the Company was honoured with various awards and recognitions. Some of the key awards are listed below:

- 'Economic Times – Best BFSI Brands 2024' for 5th consecutive year at Economic Times Award
- Featured in 'India's Leading BFSI and FinTech Company' by Dun & Bradstreet at their BFSI and FinTech Summit for 2023 and 2024
- Great Place to Work recognition in workplace culture assessment and recognition by Great Place to Work Institute
- 'Exceptional Employee Experience' award for 2023 at Economic Times HRWorld
- India's Best Workplaces in Health and Wellness 2023 by Great Place to Work
- 'Best Customer Experience' award for 2023 in the Mid Layer NBFCs Class by ASSOCHAM
- 'Innovative Tractor Financing Solution of the Year 2023' award by Indian Tractor of the Year (ITOTY) Awards
- Featured in the '100 Brands to Watch Out for in 2024' by Local Samosa under the BFSI-NBFC category
- 'Best Financial Service App' award for Saathi App 2023; 'Best Engagement in Social Media Campaign' award for Sid & Poo Chronicles and 'Best Financial Service – Website' award for 2024 at Drivers of Digital Awards by Inkspell
- 'Best Content in a Search Marketing Campaign' award for our Sid & Poo Chronicles and 'Most Innovative Content in a Social Media Marketing Campaign' award for the Two-Wheeler Loans - Marriage Season campaign in 2023 at Indian Content Leadership Awards
- Recognition for process improvements across SBUs and functions at the 16th edition of CII International Competitiveness and Cluster Summit

Community Support Initiatives

Our community support initiative, Saksham, in collaboration with Yuva Parivartan NGO empowers underprivileged youth in Chhattisgarh (Raipur), Karnataka (Bengaluru) and Maharashtra (Bhandara, Chandrapur, Gondia Nashik, Nanded, Nagpur, Pune and Thane) and Madhya Pradesh (Indore). Our comprehensive approach, including hands-on practical training and soft skill development is designed to facilitate job placements and create self-employment opportunities. Since 2018, Saksham has impacted over 850 individuals across eleven locations.

Funding

The Company has constituted Asset Liability Committee (ALCO) in line with guidelines issued by RBI to monitor asset liability mismatches, liquidity position, funding sources, liquidity and interest rate risks management and compliance with various regulatory guidelines and lenders stipulations.

As on 31st March 2024, the outstanding borrowing of the Company was ₹ 22,581 crore During the year, the Company has raised fresh borrowings to the tune of ₹ 12,985 crore (including long and short-term borrowings) to meet its business requirement despite challenging environment. The debt raise demonstrates time-tested relationships with the lender community and focussed efforts in constantly expanding and diversifying lender base.

The borrowing strategy of the Company has always been in tandem with asset composition with appropriate consideration for mitigation of interest rate and liquidity risk. To this effect, the Company works closely with its lenders in innovating and identifying funding avenues suitable for its asset composition. Consequently, the Company was able to raise funds at competitive rates than the benchmark rates commensurate with similar rating category. The Company continues to seek cost-effective debt funding from a variety of sources and instruments.

Some of the key funding arrangements concluded by the Company, during the year, are summarised below:

- Raised ₹ 500 crore of subordinated debt (Tier II) in December 2023 despite difficult funding scenario for NBFC for Tier II capital.
- Maiden floating rate Non-Convertible Debenture (NCD) issuance thereby raising ₹ 225 crore from a large private bank.

Prudent Asset Liability Mix aided the Company in having positive cumulative mismatches in all tenure maturity buckets as against negative mismatch stipulated by RBI / Internal guidelines. Besides, the Company always maintains healthy liquidity position, which resulted in higher Liquidity Coverage Ratio (LCR) than regulatory norms. The liquidity ratios of the Company are within the approved tolerance limits set by ALCO.

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.

With equity infusion, participation from NBFCs, banks and 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 2024 stood at 18.59%.

During the year, CRISIL, ICRA and Brickworks Ratings have reaffirmed the Company's long-term ratings at AA (Stable) and short-term ratings at A1+ by CRISIL and ICRA. The Company continues to engage with rating agencies on an ongoing basis with a view to improving the credit rating.

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

3. SHARE CAPITAL

During the year under review, the Company issued and allotted 1,83,84,684 Compulsorily Convertible Preference Shares (CCPS) having a face value of ₹ 10 per share at a premium of ₹ 305.48 per share. Consequent to the aforesaid allotments of CCPS, the total paid-up capital of the Company as on 31st March 2024, stood at ₹ 246.60 crore comprising 22,82,23,926 equity shares and 1,83,84,684 CCPS, having a face value of ₹ 10 each.

Non-Convertible Debentures

During the year under review, the Company issued Non-Convertible Debentures (NCDs) of ₹ 725 crore 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).

4. DIVIDEND

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

5. TRANSFER TO RESERVES

During the year, ₹ 114.37 crore were transferred to the Statutory Reserve created as required under Section 45-IC of the Reserve Bank of India Act, 1934.

6. PUBLIC DEPOSITS

The Company is a Non-Deposit taking Non-Banking Financial Company 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.

7. 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 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, which 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 ₹ 762 crore for the year ended 31st March 2024 as compared to ₹ 512 crore in the previous year.

Subsidiary Companies

The following companies are the subsidiaries of the Company as on 31st March 2024, 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 as **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 and 80.53% on a fully diluted basis.

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors' Appointment / Re-appointment / Cessation

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.

During the year under review, Mr. V Srinivasa Rangan, Independent Director resigned from the Board effective 30th October 2023, and thereby ceased as a member of all the Committees of the Board in which he was nominated as a member.

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. K N Radhakrishnan, Non-Executive Director, who is liable to retire at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee, at their meeting held on 8th May 2024 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 11th March 2024. 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.

a) **Non-Independent Directors (Non-IDs)**

IDs used various criteria prescribed by the Nomination and Remuneration Committee (NRC) 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.

b) **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.

c) **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 to improve governance and enhance the personal effectiveness of Directors.

The evaluation process focussed 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 field. 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.

d) **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, 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 technology was duly incorporated in the overall review of the Board.

e) **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 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.

Based on 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.

Key Managerial Personnel

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

During the year, Mr. Anand V resigned from the post of Company Secretary effective 10th May 2023 and Mr. Sreejith Raj P was appointed as Company Secretary of the Company.

9. 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 for the year ended 31st March 2024.

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 2023-24 do not contain any qualifications, reservations, or adverse remarks, and the same is attached with the annual financial statements.

10. SECRETARIAL AUDITORS

The Board of Directors at their meeting held on 3rd May 2023, on the recommendation of Audit Committee, has appointed B. Chandra & Associates, Company Secretaries, as Secretarial Auditor of the Company for the year ended 31st March 2024.

As required under Section 204 of the Act, 2013, the Secretarial Audit Report for the year 2023-24, 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.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The financial statements are prepared in accordance with the Indian Accounting Standards ('Ind AS') under historical cost convention on accrual basis except for certain financial instruments, which are measured at fair value pursuant to the provisions of the Act and guidelines issued by SEBI/RBI. Accounting policies have been consistently applied except where revision to an existing Accounting Standard requires a change in the accounting policy.

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

a. In the preparation of the annual accounts for the year ended 31st March 2024 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 judgements and estimates that were reasonable and prudent 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 2024 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.

12. 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 www.tvscredit.com.

13. 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, 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**.

Board Meetings

During the year under review, the Board met seven times on 6th April 2023, 3rd May 2023, 21st July 2023, 20th September 2023, 27th October 2023, 23rd January 2024, and 21st March 2024, 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 as amended.

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

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.

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 2023-24, 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 during 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 2023-24.

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 shall meet all criteria specified in Section 149 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 2024 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.

14. 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. To strengthen risk management, the Company has put in place Enterprise Risk Management Framework to promote a proactive approach to measuring, evaluating, mitigating, and reporting key risks associated with the business. The Company has implemented Internal Capital Adequacy Assessment Process (ICAAP) for quantitative and qualitative assessments of these key risks and impact on capital and profitability under three stress scenarios like Base, Medium and Severe. Stress scenarios are identified basis historical data on shift in the key metrics in case of various economic cycles of last 10 years. ICAAP Assessment reports are periodically placed before the Risk Management Committee and the Asset Liability Management Committee for reviewing and monitoring the risks and capital planning at quarterly basis. The Company has RMC approved Risk Appetite statement that covers key metrics on Risk, Earnings, Profitability, Liquidity and Capital Adequacy.

Liquidity risk and interest rate risk arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of the maturity profiles and liquidity ratios like Liquidity Coverage Ratio and Stock Ratios against the Board approved limits.

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. Operational Risk Register with all operational risks, control and residual risk is maintained with key risk indicators defined to measure, mitigate and report. Standard Operating Procedures are well documented to ensure enhanced control over processes and regulatory compliance.

Compliance Risk arising from Non-compliance with the guidelines and statutes from various regulatory bodies are addressed through a well-defined compliance risk framework approved by the Board. The Company has implemented compliance tool that adequately captures all regulatory requirements and helps to meet various timelines.

Internal Audit department does annual review of all risk management frameworks from Board approved policies and regulatory requirement perspective as an assurance to the Board for compliance purposes.

The Company is categorised as Middle Layer NBFC as per the Scaled Based Regulations Framework guidelines applicable to all NBFCs from 1st October 2022.

15. 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.

16. 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.

17. 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 self-reliant rural community. Over 28 years of service, SST has played a pivotal role in changing 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 are falling 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 ₹ 10 crore 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 2023-24 and the Company has met the CSR spending through SST. The CFO of the Company has also ensured the spending through SST for FY 2023-24.

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 and livelihoods through livestock, SST is working in collaboration with organisations like Agastya International Foundation, Villmart, Navsahyog Foundation, Sankara Eye Foundation, Gramalaya and Shreeja Mahila Milk Producers Company Limited.

All the projects undertaken through SST, are within the limit of ₹ 1 crore individually and do not require impact assessment. However, SST is working with Tata Institute of Social Sciences (TISS) and Deloitte to carry out social impact studies.

TISS is working to study the impact created on livelihoods by SST in rural Pabal area in Pune district, Maharashtra.

Deloitte is working to study the impact created on livelihoods by NABARD's wadi programme. This was implemented by SST in Javadhu hills in Tamil Nadu.

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 2023-24 are given by way of Annexure IV 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 2024-25, 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.

18. 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.

19. 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. The number of Complaints received, disposed off, and pending during FY 2024 is given in the Corporate Governance Report.

20. 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.

21. 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 FY 2024 is ₹ 33.77 crore (previous year ₹ 80.20 crore). The Company did not have any foreign exchange earnings.

22. 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.

23. 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.

24. DETAILS OF LOANS / GUARANTEES / INVESTMENTS MADE

The details of investments made by the Company for the financial year 2023-24 is as per Note no. 9 to Notes on account.

In terms of Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014 NBFCs 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.

25. REPORTING OF FRAUD

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

26. 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.

27. 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 18.59% 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 experience and emerging trends. The Company has also complied with the direction of RBI with restructuring of loans including 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.

28. 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 special appreciation of the employees of the Company for their dedication and commitment in delivering the highest quality of service to every one of our valued customers.

For and on behalf of the Board of Directors

Place : Chennai
Date : 8th May 2024

Sudarshan Venu
Chairman
DIN: 03601690

Annexure - III to Directors' Report to the Shareholders – FY 2023-24

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 programmes 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)	₹ 256.76 crore
	(b) Two percent of average net profit of the Company as per section 135(5) of the Companies Act, 2013	₹ 5.14 crore
	(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)	₹ 5.14 crore
6.	(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	₹ 10.00 crore
	(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)]	₹ 10.00 crore

	(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
10.00 crore	Not Applicable				

	(f) Excess amount for set off, if any

S.No.	Particulars	Amount (₹ in crore)
i.	Two percent of average net profit of the Company as per Section 135(5)	5.14
ii.	Total amount spent for the financial year	10.00
iii.	Excess amount spent for the financial year [(ii)-(i)]	4.86
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)]	4.86

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 : 8th May 2024

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	Harita Two Wheeler Mall Private Limited	TVS Housing Finance Private Limited	Harita ARC Private Limited
2.	Reporting period for the subsidiary concerned, if different from the Holding Company's reporting period	01.04.2023 to 31.03.2024		
3.	Reporting Currency and Exchange Rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	₹	₹	₹
4.	Share Capital / Contribution	0.25	1,200.00	0.25
5.	Reserves & Surplus	(1.69)	348.66	(1.69)
6.	Total Assets	0.24	1,572.36	0.24
7.	Total Liabilities	1.67	23.70	1.67
8.	Investments	-	-	-
9.	Turnover	-	96.10	-
10.	Profit/(Loss) before taxation	(0.31)	95.64	(0.31)
11.	Provision for taxation / Current Year Taxes	-	23.47	-
12.	Profit/(Loss) after taxation	(0.31)	72.17	(0.31)
13.	Proposed Dividend	-	-	-
14.	% of shareholding	100%	100%	100%

Part "B"

Associates and Joint Ventures- Not Applicable

For and on behalf of the Board

Sudarshan Venu
Chairman

Ashish Sapra
Chief Executive Officer

Roopa Sampath Kumar
Chief Financial Officer

Sreejith Raj P
Company Secretary

Place : Chennai
Date : 8th May 2024

As per our report annexed

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

C.N. Gangadaran
Partner
Membership No.: 011205
8th May, 2024

As per our report annexed

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

S. Usha
Partner
Membership No.: 211785
8th May, 2024

Annexure-V to Directors' Report to the Shareholders

Company's Philosophy on Corporate Governance

As part of 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 total functioning of the Company, which are pre-requisites 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 is mandated and reviewed by the Board and the duly constituted committees of the Board.

Board of Directors

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 2024, the Board comprises six Directors, viz.,

Name of the Director (M/s.)	DIN	Category	Initial Date of Appointment	No. of Other Directorships#	No. of shares held in the Company	Committee Memberships	
						Member	Chairman
Sudarshan Venu	03601690	NED & Chairperson	31 Jan 2013	17	-	2	1
Venu Srinivasan	00051523	NED	21 Jun 2010	23	-	1	-
K N Radhakrishnan	02599393	NED	17 Feb 2010	5	10*	2	1
R Gopalan	01624555	ID	20 Jul 2019	9	-	8	2
B Sriram	02993708	ID	12 Oct 2019	7	-	6	1
Kalpana Unadkat	02490816	ID	28 Jul 2021	2	-	6	1

NED : Non Executive Director ID : Independent Director

#includes private companies and companies incorporated outside India

*Held as nominee of TVS Motor Services Limited

Mr V Srinivasa Rangan resigned from the Board on 30th October 2023.

None of the directors, other than Mr Venu Srinivasan and Mr Sudarshan Venu, are related to each other.

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 8 (Eight) times on the following dates:

FY 2023-24		Meeting Date
April - June	(Q1)	6th April 2023 3rd May 2023 9th June 2023
July - September	(Q2)	21st July 2023 30th September 2023
October - December	(Q3)	27th October 2023
January - March	(Q4)	23rd January 2024 21st March 2024

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 iPads as an eco-friendly

TVS CREDIT

Her new scooter could take Ramita anywhere.
And her tuition students benefited, everywhere.

When a **TVS Credit Two Wheeler Loan** gives a tutor the freedom to go further, it also makes learning easier for the children who depend on her.

MAXIMUM*	2-MINUTE*	MINIMAL
FUNDING	LOAN APPROVAL	DOCUMENTATION

*Terms and conditions apply

Ankit's laptop helped him become a stockbroker.
His children got a full-time father.

When a **TVS Credit Consumer Durable Loan** gives a professional the freedom to work from anywhere, it also gives his family the joy of being together.

MINIMAL*	NO COST	2-MINUTE*
DOCUMENTATION	EMI	LOAN APPROVAL

*Terms and conditions apply

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 17th July, 2023
		Held	Attended	
1.	Sudarshan Venu	8	8	No
2.	Venu Srinivasan	8	5	No
3.	V Srinivasa Rangan	6	5	No
4.	K N Radhakrishnan	8	8	Yes
5.	R Gopalan	8	8	Yes
6.	B Sriram	8	8	No
7.	Kalpana Unadkat	8	7	Yes

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
Sudarshan Venu	TVS Holdings Limited	Executive Director
	Coromandel International Limited	Independent Director
	TVS Motor Company Limited	Executive Director
Venu Srinivasan	TVS Holdings Limited	Non-Executive Director – Chairman
	Sundaram-Clayton Limited	Executive Director
	TVS Motor Company Limited	Executive Director
K N Radhakrishnan	TVS Motor Company Limited	Executive Director
R Gopalan	TVS Holdings Limited	Non-Executive Director
	Sundaram-Clayton Limited	Independent Director
	Zee Entertainment Enterprises Limited	Independent Director – Chairman
B Sriram	ICICI Bank Limited	Independent Director
	Nippon Life India Asset Management Limited	Independent Director
	TVS Motor Company Limited	Independent Director
	TVS Supply Chain Solutions Limited	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 11th March 2024 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, the Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole.

Familiarisation programme

Familiarisation programme 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 programme 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 2023-24, in terms of the requirements of SEBI Listing Regulations are available on the website of the Company and can be accessed at www.tvscredit.com.

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
Mr Sudarshan Venu	Leadership, Industry Knowledge, Risk Management Business and Strategic Planning, Financial Sector experience, Governance, Ethics and Regulatory Oversight, Information Technology, Human Resource
Mr Venu Srinivasan	Leadership, Industry Knowledge, Risk Management Business and Strategic Planning, Financial Sector experience, Governance, Ethics and Regulatory Oversight, Information Technology, Human Resource
Mr K N Radhakrishnan	Leadership, Industry Knowledge, Risk Management Business and Strategic Planning, Governance, Ethics and Regulatory Oversight, Information Technology, Human Resource
Mr R Gopalan	Leadership, Industry Knowledge, Risk Management Business and Strategic Planning, Financial Sector experience, Governance, Ethics and Regulatory Oversight, Information Technology, Human Resource
Mr B Sriram	Leadership, Industry Knowledge, Risk Management Business and Strategic Planning, Financial Sector experience, Governance, Ethics and Regulatory Oversight, Information Technology, Human Resource
Ms Kalpana Vasantrai Unadkat	Leadership, Industry Knowledge, Risk Management Business and Strategic Planning, Legal, Governance, Ethics and Regulatory Oversight, Information Technology, Human Resource

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 www.tvscredit.com.

All the Members of the Board and Senior Management Personnel have confirmed compliance with the Code for the year ended 31st March 2024.

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
	B Sriram	Independent Director	Member	11-Jan-2024
	Kalpana Unadkat	Independent Director	Member	27-Oct-2023
Nomination & Remuneration Committee	Kalpana Unadkat	Independent Director	Chairperson	04-Feb-2022
	Sudarshan Venu	Non-executive Director	Member	04-Feb-2022
	B Sriram	Independent Director	Member	04-Feb-2022
Risk Management Committee	K N Radhakrishnan	Non-executive Director	Chairperson	22-Oct-2018
	R Gopalan	Independent Director	Member	11-Jan-2024
	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 Unadkat	Independent Director	Member	04-Feb-2022
Corporate Social Responsibility Committee	Venu Srinivasan	Non-executive Director	Chairperson	27-Mar-2015
	K N 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
Asset Liability Committee	Ashish Sapra	Chief Executive Officer	Chairperson	01-Sep-2022
	Sudarshan Venu	Non-executive Director	Member	31-Jan-2013
	B Sriram	Independent Director	Member	12-Oct-2019
Credit Sanction Committee	B Sriram	Independent Director	Chairperson	10-Mar-2020
	Sudarshan Venu	Non-executive Director	Member	10-Mar-2020
	K Gopala Desikan	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 Section 177 of the Companies Act, 2013, Master Direction – Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 and SEBI Listing Regulations. The composition of the Committee is in accordance with the requirements of Section 177 of the Companies Act, 2013 and SEBI Listing Regulations.

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 effectiveness of 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 value not exceeding ₹ 1 crore per transaction for a period of one year.

Roles and Responsibilities:

- Oversight of 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, focussing 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 judgement by management.
    iii. Qualifications in draft audit report.
    iv. Significant adjustments arising out of 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 company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of company at large.
- Reviewing with the management, reports of external and internal auditors, and the adequacy of internal control systems.
- Reviewing the adequacy of 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 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 of internal control systems.
- Authority to investigate into any matter referred to it by the Board.
- All other roles/responsibilities of audit committee as specified in Section 177 and other applicable provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016.

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 Mr V Srinivasa Rangan, Independent Director and Mr K N Radhakrishnan, Non-executive Director ceased to be the member of the Committee. Mr B Sriram and Ms Kalpana Unadkat, Independent Directors were appointed as members of the committee.

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 (M/s)				
	R Gopalan (Chairman)	V S Rangan*	K N Radhakrishnan#	B Sriram	Kalpana Unadkat
3rd May 2023	✓	✓	✓	NA	NA
21st July 2023	✓	✓	✓	NA	NA
20th September 2023	✓	✓	✓	NA	NA
27th October 2023	✓	✓	✓	NA	NA
23rd January 2024	✓	NA	NA	✓	✓
21st March 2024	✓	NA	NA	✓	LOA

LOA - Leave of Absence

*Resigned as ID with effect from 30th October 2023

#Ceased to be a member of Audit Committee with effect from 27th October 2023

The matters reviewed and recommended by the Audit 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 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 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.
- All other roles/responsibilities of audit committee as specified in Section 135 of Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014.

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) in compliance with the CSR policy of the Company and contributed ₹ 10 crore constituting more than 2% of average net profits, for the immediate past three financial years, towards CSR spending for the financial year 2023-24.

SST, with over 28 years of service, has played a pivotal role in changing 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.

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 (M/s)		
	Venu Srinivasan (Chairman)	R Gopalan	K N Radhakrishnan
3rd May 2024	✓	✓	✓

The matters reviewed and recommended in the meetings of the CSR 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, *inter-alia,* to formulate and recommend to the board of directors, the Company's policies relating to 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, 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 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. 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 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.

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 ‘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 the Company to lay down the terms and conditions in relation to appointment and remuneration of Director(s), KMP and SMP.

1.2 Evaluating the performance of the Director(s) and providing necessary report 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 the Company based on (i) Company’s structure and financial performance and (ii) remuneration trends and practices that prevail in peer companies across 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 in the Board.

1.6 Develop a succession plan for the Board and SMP.

1.7 All other roles/responsibilities of nomination and remuneration committee as specified in Section 178 and other applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 (M/s)		
	Kalpana Unadkat (Chairman)	Sudarshan Venu	B Sriram
3rd May 2023	✓	✓	✓
21st July 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.

d. Risk Management Committee:

The Company has laid down procedures to inform Board about the risk assessment and mitigation procedures, to ensure that 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 lay procedures regarding managing and mitigating the risk through integrated risk management systems, strategies and mechanism.

In conformity with the Corporate Governance guidelines issued by RBI vide its circular DNBR (PD) CC.No.053/03.10.119/2015-16, as amended the Committee meets periodically to review the effectiveness of 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 risks 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 its 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 meeting.
- 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.
- All other roles/responsibilities of Risk Management Committee as specified SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023 and other Circulars/Directions of Reserve Bank of India as applicable to NBFCs.

The Risk Management Committee was reconstituted during the year by appointing Mr R Gopalan, Independent Director as the member due to the resignation of Mr V S Rangan.

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 (M/s)			
	K N Radhakrishnan (Chairman)	R Gopalan#	Kalpana Unadkat	V S Rangan*
26th June 2023	✓	NA	LOA	✓
19th September 2023	✓	NA	✓	LOA
24th October 2023	✓	NA	✓	✓
13th March 2024	✓	✓	✓	NA

LOA - Leave of Absence

Appointed as member with effect from 11th January 2024

*Resigned from the Company with effect from 30th October 2023

The matters reviewed and recommended in the meetings of the Risk Management 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.

The Board at its meeting held on 20th September 2023 reconstituted the Committee by appointing Mr. Ashish Sapra, Chief Executive Officer as the Chairman and redesignated Mr. B Sriram as member effective that date.

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 (M/s)		
	Ashish Sapra (Chairman)	Sudarshan Venu	B Sriram
26th June 2023	✓	LOA	✓
27th September 2023	✓	✓	✓
9th December 2023	✓	LOA	✓
18th March 2024	✓	✓	✓

LOA - Leave of Absence

The matters reviewed and recommended in the meetings of ALCO were apprised to the Board by the Chairman of the Committee, for its approval. All the recommendations made by ALCO 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.

The role and responsibilities of the Information Technology Strategy Committee inter-alia include:

- Approving IT strategy and policy documents and ensuring that the management has put an effective strategic planning process in place.
- Ascertaining that management has implemented processes and practices that ensure that the IT delivers value to the business;
- Ensuring IT investments represent a balance of risks and benefits and that budgets are acceptable.
- Reviewing the effectiveness of IT outsourced operations.
- All other roles/responsibilities of IT Strategy Committee as specified in Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices and other circulars/directions issued by Reserve Bank of India and applicable to NBFCs.

As per the above requirement, the Company has constituted an Information Technology Strategy Committee. 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 (M/s)				
	B Sriram (Chairman)	Sudarshan Venu	K N Radhakrishnan	Ashish Sapra*	Soujanya Aluri*
26th June 2023	✓	LOA	✓	✓	✓
9th December 2023	✓	LOA	LOA	✓	✓
30th March 2024	✓	LOA	✓	✓	✓

LOA - Leave of Absence

*Ceased to be members with effect from 8th May 2023

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.

Pursuant to Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated 7th November 2023, issued by Reserve Bank of India, the Committee was required to be re-constituted in order to ensure that, the Committee is established as a Board-level committee with minimum three directors, who are technically competent as members and an independent director with substantial IT expertise as chairperson of the Committee. Accordingly, the Committee was reconstituted with Mr. B Sriram, as Chairman; and Mr. Sudarshan Venu, and Mr. K N Radhakrishnan as members.

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	Member
4.	K Gopala Desikan	Member

h. Senior Management Committee:

The Company had 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 30th June 2023, 28th September 2023, 18th December 2023, and 16th March 2024.

i. Stakeholders Relationship Committee:

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

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

Date of the Meeting	Members Present (M/s)		
	K N Radhakrishnan (Chairman)	Kalpana Unadkat	R Gopalan
27th October 2023	✓	✓	✓

There were no complaints received during the year 2023-24.

iii) General Body Meeting:

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

Year	Venue of the Meeting	Date	Time
2020-21	Registered Office	28th July 2021	10.00 AM
2021-22	Registered Office	29th June 2022	02.00 PM
2022-23	Registered Office	17th July 2023	10.00 AM

Special Resolutions passed in the previous three AGMs:

Year	Subject Matter of Special Resolution	Date of AGM
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 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
2022-23	-	17th July 2023

Special resolutions passed the EGMs during the Financial Year:

Date	Place	Subject Matter of Special Resolution
14th June 2023	Registered Office	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 an Increase in authorised Share Capital 4. Approval for issuance of shares on a preferential basis to TVS Motor Company Limited.
18th August 2023	Registered Office	Approval of amendment of Articles of Association of the Company.
22nd September 2023	Registered Office	Approval for issuance of shares on a preferential basis to PI Opportunities Fund I Scheme II.
27th September 2023	Registered Office	Approval of adoption of restated Articles of Association of the Company.

There was no resolution passed through postal ballot and no special resolution is proposed to be conducted through 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 announcement, annual report, 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 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 the 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	:	7th August 2024 at 04:00 P.M.
Financial year	:	1st April to 31st March
Financial calendar	:	2024-25
Financial reporting	:	Financial calendar
for the quarter ending		
30th June 2024	:	Before 14th August 2024
30th September 2024	:	Before 14th November 2024
31st December 2024	:	Before 14th February 2025
31st March 2025	:	Before 30th May 2025

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, 2024	1. INE729N08030 2. INE729N08048 3. INE729N08055 4. INE729N08063 5. INE729N08071 6. INE729N08089	7. INE729N07032 8. INE729N07040 9. INE729N08097 10. INE729N07057 11. INE729N08105

(Note: Annual listing fees and custodial charges for the year 2023-24 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 FY 2023-24, 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 & 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., is processed by STA within the prescribed time.

e. The Company, as required under the 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 maintenance of share transfer facility by STA in compliance with the Regulation 7(3) of the Listing Regulations have been obtained and the same have 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	5*	26.31	50	0.00
5001-10000	1	5.26	8,516	0.00
10001-20000	1	5.26	17,032	0.01
20001-50000	2	10.53	68,126	0.03
50001-100000	2	10.53	1,02,190	0.04
100001 & above	8	42.11	22,80,28,012	99.91
Total	**19**	**100**	**22,82,23,926**	**100**

* The shares are held by 5 individuals as nominees of TVS Motor Services Limited.

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 2024, 22,47,23,926 representing 98.47% 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 Financial Statements forming part of this Annual Report.

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

During the year, the Company has paid ₹ 62.50 Lakhs 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. The details of case of sexual harassment reported during the financial year 2023-24 are as under:

No. of Complaints during FY 2024	1
No. of Complaints resolved during FY 2024	1
No. of Complaints pending at the end of FY 2024	-

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 (LC).

As per SEBI Master Circular for Issue and Listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated 10th August 2021 (updated till 7th July 2024) ("Master Circular") {Chapter XII – Fund raising by issuance of Debt securities by Large Corporate}, the company can issue debt securities over a contiguous period of 3 Years (block period). Accordingly, the shortfall of ₹ 1,868.75 crore for FY 2024 can be met on or before FY 2026 as per the Master Circular. The Company is in compliance with the Master Circular.

Subsequently, considering prevailing market conditions and representations from market participants, SEBI notified the revised circular dated 19th October 2023, which will become effective from 1st April 2024. As per clause 8 of revised circular, Chapter XII of Master circular got replaced with the new circular. To bring the LCs under new guidelines, SEBI has recommended LCs to provide one time explanation in the annual report for the shortfall and transition to new guidelines from 1st April 2024 onwards, in line with clause 7 of revised circular. The company will align to the provisions of new circular.

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 K N Radhakrishnan, Non-Executive Director as on 31st March 2024 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 in the Company's website namely www.tvscredit.com. The results are not sent to the shareholders individually.

c. Audit qualifications:

There were no audit qualifications during the Financial Year under review.

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 2023- 24 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 2024.

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 clear threshold limit, are regularly placed before the Audit Committee meeting convened in 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 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 amount not exceeding ₹ 1 crore 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.

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-à-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. Loans and advances in the nature of loans to firms/companies in which Directors are interests by name and amount – Nil.

e. 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.

f. 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.

g. **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 2024.

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

h. **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 28 states and 4 Union Territories in India and in 142 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 – 400 051 E-mail: compliance@beacontrustee.co.in IDBI Trusteeship Services Limited Address: Ground Floor, Universal Insurance Building, Sir Phirozshah Mehta Road, Fort Bazargate, Mumbai, India - 400 001 E-mail: teamolive@idbitrustee.com

xxi) Pursuant to the guidelines on '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, increase transparency so that customers have a better understanding of what they can reasonably expect of the services being offered, encourage 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 & 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 proper responsibility and authority matrix inculcated in the structure of certification to ensure compliance from diversified and various locations.

xxv) Remuneration to Directors:

<u>Criteria for remuneration to Directors</u>:

The non-executive / independent director(s) receive remuneration by way of fees for attending meetings of Board or any committee in which director(s) is 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 aggregate commission amount would not exceed the limit as prescribed under the provisions of the Act, 2013.

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 meeting thereof attended by them, which is within the limits, prescribed under the Act, 2013.

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 and hence IDs are being paid by way of sitting fees and commission.

The Board at its meeting held on 8th May 2024 approved the payment of commission of ₹ 20,00,000/- to the Non-executive Independent Directors of the Company for the year ended 31st March 2024. 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 shares of the Company. Sitting fees and Commission paid to NEDs for the meetings held during 2023-24 are as follows -

S.No.	Name of the Director (M/s.)	Sitting Fees (Amount in ₹)	Commission (Amount in ₹)
1.	Sudarshan Venu	-	NA
2.	Venu Srinivasan	60,000	NA
3.	K N Radhakrishnan	2,00,000	NA
4.	R Gopalan	1,80,000	20,00,000
5.	V Srinivasa Rangan*	50,000	11,63,934
6.	B Sriram	2,00,000	20,00,000
7.	Kalpana Unadkat	1,50,000	20,00,000

* Mr V Srinivasa Rangan resigned with effect from 30th October 2023.

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

xxvii) **Detailed reasons for the resignation of an Independent Director who resigns before the expiry of his tenure:**

Mr V Srinivasa Rangan, Independent Director resigned from the Company with effect from 30th October 2023. The resignation was due to his proposed appointment as Whole time Director (WTD) in HDFC Bank Limited. His resignation letter confirms that there is no other material reason for his resignation.

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

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

xxix) **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

xxx) **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.

xxxi) **Breach of the Covenant:**

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

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

As per the last available RBI Supervisory Report for the Financial Year 2021-22, there is no divergence in asset classification and provisioning assessed by RBI.

xxxiii) The certification from Mr. Ashish Sapra, Chief Executive Officer and Ms. Roopa Sampath Kumar, Chief Financial Officer on the financial statements has 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
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 and 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

S No.	Particulars	Regulation Number	Compliance Status (Yes/No/NA)
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	Familiarisation 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

xxxiv) 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, 2024

[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

Dear sirs,

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 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 secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2024 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 2024 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;

vi) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent applicable to debt listed companies.

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) Reserve Bank of India (Non-Banking Financial Company-Scale Based Regulation) Directions, 2023 effective from October 2023 and other directions/regulations issued by Reserve Bank of India applicable for Middle Layer NBFC;

(b) Compliance under 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;

(c) Labour Laws & Contract Labour (Regulations & Abolition) Act, 1970 as applicable;

(d) Indian Stamp Act and Rules;

(e) 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 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 22^{nd} 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 proper balance of Non-Executive Directors and Independent Directors.

2) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and in case where meeting was held on shorter notice, necessary compliances as per the act and standards have been complied with 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) 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 member.

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	Allotted on
1.	Non-Convertible Debentures	22,500 X 1,00,000	28/06/2023
2.	Non-Convertible Debentures	500 X 1,00,00,000	27/12/2023
3.	Compulsorily Convertible Preference Shares	63,39,546 X 10	26/06/2023
4.	Compulsorily Convertible Preference Shares	1,20,45,138 X 10	22/09/2023

Consequent to a restructuring of the group Companies duly approved by the Hon'ble National Company Law Tribunal, Division Bench at Chennai, the name of the ultimate Holding Company is changed to TVS Holdings Limited.

Name of the Company Secretary: B Chandra
Membership No. FCS 20879
Certificate of Practice No. 7859
UDIN: A020879F000331761
PEER REVIEW NUMBER 602/2019

Place : Chennai
Date : 8th May 2024

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 record 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 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 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 happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on 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.

7. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Name of the Company Secretary: B Chandra
Membership No. FCS 20879
Certificate of Practice No. 7859
UDIN: A020879F000331761
PEER REVIEW NUMBER 602/2019

Place : Chennai
Date : 8th May 2024

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 31st March 2024, 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 material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 2024, 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 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 significant impact on the standalone financial statements. The estimates regarding impairment allowances are complex and require a significant degree of judgement, which increased with implementation of 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 1, 2 and 3 based on identification of: (a) exposures with 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 AS109 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 macro-economic scenarios including the impact of Covid-19 Pandemic and the associated probability weights. • We also assessed the approach of the Company for categorisation of 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, reasonableness of PD, accuracy of LGD and ECL computation. • We have also verified the compliance of circulars issued by 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 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, program development and computer operations. We tested the design and operating effectiveness of key controls over user access management which includes granting access right, 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, 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 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 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 are 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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 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 standalone 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 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2024 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. 42.

      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 derivative 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 has 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 and edit log, based on our examination which included test checks, the Company has used multiple accounting softwares for maintaining its books of account which has the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

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

S. Usha
Partner
Membership No. 211785

Date: 08th May 2024
Place: Chennai

UDIN: 24211785BKCPSB1044

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

C.N. Gangadaran
Partner
Membership No. 011205

Date: 08th May 2024
Place: Chennai

UDIN: 24211785BKCPSB1044

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 2024, 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 ₹ 5 crore from banks and financial institutions on the basis of 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 ₹ 3,723.00 crore for which repayment of principal and payments of interest are not regular.

Bucket	Amount (₹)
1-90 DPD	2,980.20 crore
More than 90 DPD#	742.80 crore

Includes contracts restructured based on June 2019 circular classified as Stage-3 with DPD less than 91 days and Contracts with less than 91 DPD classified as Stage-3 owing to Customer level Staging.

d) The amounts overdue for more than 90 days aggregating principal repayment and interest payments is ₹ 742.80 crore. In our opinion, reasonable steps have been taken by the Company for 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 186(1) of the Act in respect of the investments made. There are no loans, guarantees given and securities provided in respect of which provisions of Section 185 and 186 of the Companies Act, 2013 are 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 crore (₹)
Disputed Service Tax Demand inclusive of Penalty and GST Demands – Commissioner order/Additional Commissioner appealed against by Company during previous years.	9.46

(viii) There were no transactions 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 wilful 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 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.

f) The Company has not raised loans during the year on 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 monies by way of 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 of the Company 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) No Fraud by the Company or No Material fraud on the Company has been noticed or reported during the year.

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 2024.

(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 Valid Certificate of Registration from 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 more than one 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 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 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 project 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: 08th May, 2024
Place: Chennai

UDIN: 24211785BKCPSB1044

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

C.N. Gangadaran
Partner
Membership No. 011205

Date: 08th May, 2024
Place: Chennai

UDIN: 24211785BKCPSB1044

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 2024 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 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 ("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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 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 2024, 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: 08th May, 2024
Place: Chennai

UDIN: 24211785BKCPSB1044

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

C.N. Gangadaran
Partner
Membership No. 011205

Date: 08th May, 2024
Place: Chennai

UDIN: 24211785BKCPSB1044

STANDALONE BALANCE SHEET
AS ON 31ST MARCH 2024

(All amounts in ₹ crore unless otherwise stated)

S.No.	Particulars	Note No.	As at 31st March 2024	As at 31st March 2023
	ASSETS			
1	**Financial Assets**			
(a)	Cash and Cash Equivalents	4	1,745.97	1,525.17
(b)	Bank Balances other than (a) above	5	5.90	5.72
(c)	Derivative Financial Instruments	6	90.67	170.86
(d)	Receivables			
	i) Trade Receivables	7	117.20	64.36
(e)	Loans	8	25,470.24	20,545.09
(f)	Investments	9	109.71	12.01
(g)	Other Financial Assets	10	25.05	22.84
	Total		**27,564.74**	**22,346.05**
2	**Non-Financial Assets**			
(a)	Current Tax Assets (Net)	11	19.80	-
(b)	Deferred Tax Assets (Net)	12	337.96	213.45
(c)	Investment Property	13	85.16	85.16
(d)	Property, Plant and Equipment	14	35.92	29.24
(e)	Right-to-use Asset	14	26.58	28.73
(f)	Other Intangible Assets	14	2.94	1.95
(g)	Other Non-Financial Assets	15	64.45	45.33
	Total		**572.81**	**403.86**
	Total Assets		**28,137.55**	**22,749.91**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial Liabilities**			
(a)	Payables			
	I. Trade Payables			
	i) Total outstanding dues of micro enterprises and small enterprises	16	14.19	19.13
	ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	16	1,035.09	616.56
(b)	Debt Securities	17	1,450.00	2,607.04
(c)	Borrowings other than Debt Securities	18	18,991.81	14,518.93
(d)	Subordinated Liabilities	19	2,146.62	1,744.80
(e)	Other Financial Liabilities	20	513.97	391.68
	Total		**24,151.68**	**19,898.14**
2	**Non-Financial Liabilities**			
(a)	Current Tax Liabilities (Net)	11	-	9.60
(b)	Provisions	21	67.59	52.67
(c)	Other Non-Financial Liabilities	22	52.80	31.39
	Total		**120.39**	**93.66**
3	**Equity**			
(a)	Equity Share Capital	23	228.22	228.22
(b)	Instruments entirely equity in nature	23	18.38	-
(c)	Other Equity	24	3,618.88	2,529.89
	Total		**3,865.48**	**2,758.11**
	Total Liabilities and Equity		**28,137.55**	**22,749.91**
Material Accounting Policies forming part of financial statements		**3**		
Additional Notes forming part of financial statements		**42**		

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 : 8th May 2024

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

Sreejith Raj P
Company Secretary

Place : Chennai
Date : 8th May 2024

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2024

(All amounts in ₹ crore unless otherwise stated)

S.No.	Particulars	Note No.	Year ended 31st March 2024	Year ended 31st March 2023
	Revenue from Operations			
i)	Interest Income	25	5,110.10	3,754.78
ii)	Fee and Commission Income	26	594.38	392.22
iii)	Other Operating Income	27	85.09	-
I)	**Total Revenue from Operations**		**5,789.57**	**4,147.00**
II)	Other Income	28	5.47	4.70
III)	**Total Income (I + II)**		**5,795.04**	**4,151.70**
	Expenses			
i)	Finance Costs	29	1,653.64	1,168.28
ii)	Fees and Commission Expenses		429.72	272.39
iii)	Impairment of Financial instruments	30	1,127.05	629.14
iv)	Employee Benefit Expenses	31	1,200.78	1,039.51
v)	Depreciation, Amortisation and Impairment		27.39	21.43
vi)	Other Expenses	32	594.52	509.66
IV)	**Total Expenses**		**5,033.10**	**3,640.41**
V)	Profit / (Loss) before exceptional items and tax		**761.94**	**511.29**
VI)	Exceptional Items		-	-
VII)	**Profit / (Loss) before tax**		**761.94**	**511.29**
VIII)	Tax Expenses	33		
	Current Tax		307.64	197.78
	Deferred Tax		(117.53)	(75.17)
IX)	**Profit/(Loss) for the year**		**571.83**	**388.68**
X)	Other Comprehensive Income	34		
A.	Items that will not be reclassified to Profit or Loss - Itemwise			
	Remeasurement of the defined benefit plans		(9.72)	(0.96)
	Income Tax relating to these items		2.46	0.24
B.	Items that will be reclassified to Profit or Loss - Itemwise			
	Fair value change on cash flow hedge		(17.95)	8.71
	Income Tax relating to these items		4.52	(2.19)
	Other Comprehensive Income (A+B)		**(20.69)**	**5.80**
XI)	**Total Comprehensive Income for the year (Comprising Profit/(Loss) and other Comprehensive Income for the Year)**		**551.14**	**394.48**
XII)	Earnings Per Share	35		
	Basic (₹)		24.99	18.72
	Diluted (₹)		23.90	18.72
Material Accounting Policies forming part of financial statements		**3**		
Additional Notes forming part of financial statements		**42**		

As per our report of even date

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

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 : 8th May 2024

Sudarshan Venu
Chairman
DIN-03601690

Ashish Sapra
Chief Executive Officer

Roopa Sampath Kumar
Chief Financial Officer

Sreejith Raj P
Company Secretary

Place : Chennai
Date : 8th May 2024

(All amounts in ₹ crore unless otherwise stated)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Cash Flow From Operating Activity		
Profit Before Income Tax	761.94	511.29
Adjusted for:-		
Depreciation and Amortisation Expense	27.39	21.43
Impairment of Financial Assets	219.39	321.42
(Profit)/Loss on disposal of Property, Plant and Equipment	(0.47)	(0.71)
Finance Charges	1,653.64	1,168.28
Unwinding of discount on Security Deposits	(0.95)	(3.92)
Remeasurement of Defined Benefit Plans	(9.72)	(0.96)
Cash generated from operations before working capital changes	**1,889.28**	**1,505.54**
Change in Operating Assets and Liabilities		
(Increase)/Decrease in Trade Receivables	(55.22)	(26.49)
(Increase)/Decrease in Loans	(5,142.17)	(6,852.18)
(Increase)/Decrease in Other Financial Assets	(1.26)	39.53
(Increase)/Decrease in Other Non-Financial Assets	(19.12)	(5.52)
Increase/(Decrease) in Trade Payables	413.58	301.07
Increase/(Decrease) in Other Financial Liabilities	99.53	64.73
Increase/(Decrease) in Other Non-Financial Liabilities	36.34	16.18
Financing Charges paid	(1,628.48)	(1,081.67)
Cash used in Operations	**(3,645.58)**	**(5,527.52)**
Income taxes paid	(337.04)	(181.08)
Net Cash Outflow from Operating Activities	**(3,982.62)**	**(5,708.60)**
Cash Flows from Investing Activities		
Investment in Property, Plant and Equipment	(26.89)	(25.11)
Proceeds from sale of Property, Plant and Equipment	0.56	1.47
Decrease in Deposits with Bank	(0.18)	0.28
Investment in Government Securities	(93.46)	-
Investment in Compulsory Convertible Debentures	(0.25)	-
Investment in Alternate Investment Fund	(4.00)	-
Net Cash Outflow from Investing Activities	**(124.22)**	**(23.36)**
Cash Flows from Financing Activities		
Proceeds from issue of Equity Shares	-	500.00
Proceeds from issue of Compulsorily Convertible Preference Shares	558.00	-
Proceeds from Issue/(Repayment) of Debt Securities (net)	(1,157.04)	393.36
Proceeds/(Repayment) of Borrowings other than Debt Securities (net)	4,535.59	4,972.77
Proceeds/(Repayment) of Subordinated Liabilities (net)	401.82	451.46
Payments of Lease Liabilities	(10.66)	(8.23)
Net Cash Inflow from Financing Activities	**4,327.71**	**6,309.36**
Net Increse in Cash & Cash Equivalents	**220.87**	**577.40**
Cash and cash equivalents at the beginning of the year	**1,525.01**	**947.61**
Cash and Cash equivalents at the end of the year	**1,745.88**	**1,525.01**

As per our report of even date

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

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

S. Usha
Partner
Membership No. 211785

Place : Chennai
Date : 8th May 2024

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

C.N. Gangadaran
Partner
Membership No. 011205

Sudarshan Venu
Chairman
DIN-03601690

Ashish Sapra
Chief Executive Officer

Roopa Sampath Kumar
Chief Financial Officer

Sreejith Raj P
Company Secretary

Place : Chennai
Date : 8th May 2024

(All amounts in ₹ crore unless otherwise stated)

I) Equity Share Capital

	Notes	Amounts
Balance as at 1st April 2022		**201.20**
Changes in equity share capital during the year	23	27.02
Balance as at 31st March 2023		**228.22**
Changes in equity share capital during the year	23	-
Balance as at 31st March 2024		**228.22**

II) Instruments entirely equity in nature

	Notes	Amounts
Balance as at 1st April 2022		**-**
Changes in equity share capital during the year	23	-
Balance as at 31st March 2023		**-**
Changes in equity share capital during the year	23	18.38
Balance as at 31st March 2024		**18.38**

III) Other Equity

Reserves and Surplus						
	Notes	Securities Premium Account	Statutory Reserve	Retained Earnings	Other Reserves - Hedge Reserve	Total
Balance as at 1st April 2022		**863.37**	**164.30**	**621.98**	**12.79**	**1,662.44**
Change in accounting policy		-	-	-	**-**	-
Profit for the year	24	-	-	388.67	**-**	388.67
Other comprehensive income	24	-	-	(0.72)	6.52	5.80
Transaction in the capacity as owners						
Transfer to Statutory reserve	24	-	77.73	(77.73)	**-**	-
Issue of equity shares	24	472.98	-	-	**-**	472.98
Balance as at 31st March 2023		**1,336.35**	**242.03**	**932.20**	**19.31**	**2,529.89**
Profit for the year	24	-	-	571.83	-	571.83
Other comprehensive income	24	-	-	(7.26)	(13.42)	(20.68)
Transaction in the capacity as owners						
Transfer to Statutory reserve	24	-	114.37	(114.37)	-	-
Issue of equity shares	24	537.84	-	-	-	537.84
Balance as at 31st March 2024		**1,874.19**	**356.40**	**1,382.40**	**5.89**	**3,618.88**

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
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ICAI Regn No. FRN 004915S

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For and on behalf of the Board of Directors of
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(All amounts in ₹ crore unless otherwise stated)

1 Corporate Information

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 Certificate of Registration (No. N-07-00783) dated 13th April 2010 from Reserve Bank of India (RBI) and commenced Non-Banking financial activity thereon. 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 01st October 2022, the Company has been categorised as NBFC-Middle Layer under the RBI Scale Based Regulation dated 22nd October 2021.

2 Basis of Preparation

2.1 Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the updated Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time and other applicable RBI circulars/notifications, notification for Implementation of Indian Accounting Standards issued by RBI vide circular RBI/2019-20/170 DOR(NBFC).CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020 ('RBI notification for Implementation of Ind AS') and other applicable RBI circulars/notifications.

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

The financial statements are prepared on going concern basis based on the ability of the Company to continue its business for the foreseeable future and no material uncertainity exists that may cause significant doubt on the going concern assumption. In making this assessment, the Company has considered wide range of information relating to present & likely future conditions incliding projections of cash flows & profitability.

2.2 Presentation of Financial Statements

Financial assets and financial liabilities are generally reported on a gross basis in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and/or its counterparties

2.3 Significant Estimates and Judgements

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 period. This note provides an overview of the areas that involved a higher degree of judgement 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 judgements is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

(All amounts in ₹ crore unless otherwise stated)

The areas involving critical estimates are:

(a) Business model assessment - Refer Note 3.5.1A

(b) Fair value of financial instruments - Refer Note 37

(c) Impairment of financial asset - Refer Note 38

(d) Provisions & Other Contingent Liabilities - Refer Note 21

(e) Estimation of defined benefit obligation - Refer Note 36

3 Material Accounting Policies

3.1 Property, Plant and Equipment (PPE)

Items of property, plant & equipment are stated at 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 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.

3.2 Depreciation

Depreciation is provided on 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 phone (office equipment), on which depreciation is considered as 2 years based on the technical evaluation and leased vehicles (Vehicles) have been depreciated over lease period.

Useful life as used by the Company and as indicated in Schedule II are listed below:

Nature of Asset	Useful life as per Schedule II	Useful life adopted by the Company
Computers	3 years	3 years
Computer Software	3 years	3 years
Furniture & Fixtures	10 years	10 years
Furniture & Fixtures (Leasehold Improvements)	10 years	As per lease tenure
Office Equipments (Mobile Phones)	5 years	2 years
Office Equipments (Other than mobile phones)	5 years	5 years
Vehicles (Motor Cycle)	10 years	10 years
Vehicles (Motor Car)	8 years	8 years

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.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(All amounts in ₹ crore unless otherwise stated)

3.3 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.

3.4 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 licence period whichever is lower on Straight Line basis.

3.5 Financial Instruments

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

Financial instruments are measured at amortised cost, unless otherwise specified.

All financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments along with the certainty of ultimate collection in case of financial assets. For tradable securities, the Company recognises the financial instruments on settlement date.

3.5.1 Financial Assets

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity.

3.5.1A 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.

<u>Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)</u>

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.

(All amounts in ₹ crore unless otherwise stated)

3.5.1B Measurement

At initial recognition, the Company measures financial assets, except those at FVTPL, at their fair value adjusted for transaction costs or origination income directly attributable to the acquisition. Transaction costs for financial assets measured at FVTPL are expensed in profit or loss.

i. Debt instruments carried at amortised cost (AC):

(a) The business model of the Company for assets subsequently measured at amortised cost category is to hold and collect contractual cash flows. However, considering the economic viability of carrying the delinquent portfolios on the books of the Company, it may enter into immaterial and infrequent transactions to sell these portfolios to banks and/or asset reconstruction companies without affecting the business model of the Company.

(b) After initial measurement, such financial assets are subsequently measured at amortised cost on Effective Interest Rate (EIR). Refer note 3.5.5A for further details.

ii. Debt instruments at fair value through other comprehensive income (FVTOCI):

(a) 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. Since, the loans are held to sale and collect contractual cash flows, they are measured at FVTOCI.

(b) Financial assets included within the FVOCI category are measured at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit or loss.

iii. Debt instruments at fair value through profit or loss (FVTPL):

Financial assets which do not meet the criteria for categorisation as at amortised cost or as FVOCI, are measured at FVTPL. Subsequent changes in fair value are recognised in the statement of profit and loss.

iv. Equity instruments at cost:

Investments in subsidiary and associate are measured at cost as per Ind AS 27 – Separate Financial Statements.

v. Equity instruments at fair value through other comprehensive income (FVTOCI):

Investments in equity instruments other than in subsidiaries and associates are measured at fair value.

The Company has strategic investments in equity for which it has elected to present subsequent changes in fair value in other comprehensive income. The classification is made on initial recognition and is irrevocable.

All fair value changes of the aforesaid equity instruments are recognised in OCI and are not reclassified to the Statement of Profit and Loss subsequently, even on sale of those investments.

vi. Investment in Government Securities:

Investment in Government Securities are measured in the financial statements at amortised cost. The Company intends to hold these instruments till maturity and any sale of these instruments, if any necessitated by requirements or events are likely to be infrequent and immaterial.

vii. Investment in Compulsory Convertible Debenture:

Investment in Compulsorily Convertible Debentures are classified and measured in the financial statements at fair value through other comprehensive income.

(All amounts in ₹ crore unless otherwise stated)

viii. Investment in Alternate Investment Fund:

Investment in Alternative Investment Fund is classified and measured at fair value through other comprehensive income. Any gain/losses on disposal or subsequent re-measurement is recognised in the other comprehensive income.

3.5.2 Financial Liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

3.5.2A Initial recognition and measurement

All financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

3.5.2B Subsequent Measurement

Financial liabilities are carried at amortised cost using the effective interest method.

3.5.3 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the year ended 31st March 2024 and 31st March 2023.

3.5.4 Derecognition of Financial Assets & Liabilities

i) Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

ii) Derecognition of financial assets other than due to substantial modification of terms and conditions

(a) A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

(b) The Company enters into securitisation transactions where financial assets are transferred to a special purpose vehicle for a purchase consideration. The credit enhancement is provided in the form of cash collateral and investment in equity tranche PTCs, pursuant to the transfer of financial assets under securitisation. Basis this, the Company concluded that securitisation transactions entered by the Company does not qualify for derecognition since substantial risk and rewards of the ownership has not been transferred. The transactions are treated as financing arrangements and the sale consideration received is treated as borrowings.

iii) Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially

(All amounts in ₹ crore unless otherwise stated)

different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

3.5.5 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 are 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.

(3) Interest on govt securities is recognised as interest income in Profit & Loss statement

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

(3) The Company recognises revenue from contract 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 Operatiang Income:

The Company recognises proceeds from sale of written off & stressed financial asset.

E) 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.

3.5.6 Impairment of Financial Assets

The Company recognises loss allowance for Expected Credit Loss "ECL" on the following financial assets 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-month 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) 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.

(All amounts in ₹ crore unless otherwise stated)

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage	Days Past due	ECL	Risk
Stage 1	Up to 30 days	12-month ECL	Low credit risk
Stage 2	31-90 days	Life-time ECL	Significant increase in credit risk
Stage 3	More than 90 days	Life-time ECL	Impaired assets

Stage 1:

When loans are first recognised, the Company recognises an allowance based on 12 months ECL. Stage 1 loans includes those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from Stage 2 or Stage 3. (If completely regularised to zero DPD for Stage 3)

Stage 2:

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for life time ECL. Stage 2 loans also include where the loans have been re-structured as per extent RBI Regulations.

Significant increase in credit risk: The Company monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Company will measure the loss allowance based on lifetime ECLs rather than 12-month ECLs. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available with.

Stage 3: Credit-impaired financial assets: A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower;
- a breach of contract such as a default or past due event;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses

Loans considered credit impaired are the loans which are past due for more than 90 days and has not been completely regularised to zero DPD & 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. Loan accounts where principal and/or interest are past due for more than 90 days along with all other loans of such customer, continue to be classified as Stage 3, till overdue across all loan accounts are cleared. The Company records an allowance for life time ECL.

Measurement of ECLs

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including past events, current conditions and current profile of customers. Additionally, forecasts of future macro situations and economic conditions are considered as part of the ECL model. Forward-looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro-economic factors.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD.

(All amounts in ₹ crore unless otherwise stated)

Probability Of Default ('PD'):

PD is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure At Default ('EAD'):

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest.

Loss Given Default ('LGD'):

LGD is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The Company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward-looking estimates are analysed.

Mechanics of ECLs

The Company applies a three-stage approach to measure ECL on financial assets that are not measured at fair value through profit or loss:

Stage 1: 12-month ECL

At initial recognition and for financial instruments where there has not been a significant increase in credit risk since initial recognition, the Company recognises an allowance based on the 12-month ECL. The 12-month ECL represents the portion of lifetime ECL that result from default events that are possible within the 12 months after the reporting date. The Company calculates this allowance based on the expectation of a default occurring within 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecasted Exposure at Default (EAD) and multiplied by the expected Loss Given Default (LGD).

Stage 2: Lifetime ECL-not credit impaired

When a financial asset shows a significant increase in credit risk since origination but is not considered credit-impaired, the Company records an allowance for lifetime ECL.

The mechanics are similar to Stage 1 but the Probability of Default (PD) and LGD are estimated over the remaining lifetime of the instrument.

Stage 3: Lifetime ECL-credit impaired

For financial assets that are credit-impaired, the Company recognises the lifetime ECL.

The methodology is similar to Stage 2, but with the PD set at 100% to reflect that the asset is already credit impaired.

Forward-looking information:

In its ECL models, the Company relies on a broad range of forward-looking macro parameters and estimated the impact on the default at a given point of time.

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.

(All amounts in ₹ crore unless otherwise stated)

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 for internal operation. Any surplus funds are returned to the borrower and accordingly collateral repossessed are not recorded on the balance sheet and not treated as assets held for sale.

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.

3.5.7 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 37. Movements in the hedging reserve in shareholders' equity are shown in Note 24.

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.

3.5.8 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.

3.6 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.

3.7 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 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 in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. 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 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.

3.8 Employee Benefits

(a) Short-term Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are 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) Long-term Employee Benefits

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 employee 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.

(d) Other Employee Benefits

The Company contributes to Employees State Insurance Scheme and recognises such contribution as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

3.9 Functional Currency

3.9.1 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.

3.9.2 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.

3.10 Borrowing cost

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

3.11 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 as permitted by Ind AS 7.

3.12 Earnings Per Share

In accordance with Ind AS 33 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.

3.13 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 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.

3.14 Lease

The Company evaluates each contract or arrangement, 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 corresponding lease liability, except for leases with 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 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.

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

3.15 Segment reporting

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

3.16 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.

3.17 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.

3.18 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 4 Cash and Cash Equivalents

S.No.	Description	As at 31st March 2024	As at 31st March 2023
a)	Cash on hand*	4.91	2.49
b)	Balance with banks		
	- Current accounts	1,741.06	1,522.68
	Total	**1,745.97**	**1,525.17**

* Includes 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 2024	As at 31st March 2023
a)	Cash and Cash equivalents as shown above	1,745.97	1,525.17
b)	Less: Overdrafts utilised	0.09	0.16
	(Grouped under Borrowings (other than debt securities) - Note 18)		
	Total	**1,745.88**	**1,525.01**

NOTE 5 Bank Balance other than Cash and Cash Equivalents*

S.No.	Description	As at 31st March 2024	As at 31st March 2023
a)	Bank Balance other than Cash and Cash equivalents	5.90	5.72
	Total	**5.90**	**5.72**

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

NOTE 6 Derivative Financial Instruments

S.No.	Description	As at 31st March 2024		
		Notional amounts	Fair Value - Assets	Fair Value - Liabilities
a)	Other Derivatives - Cross Currency Swap Derivatives designated as cash flow hedges	751.50	90.67	-
	Total	**751.50**	**90.67**	-

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**	**-**

The Company has a Board approved policy for entering into derivative transactions. Derivative transactions comprises 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 7 Trade Receivables

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31st March 2024					
		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	117.20	-	-	-	-	117.20
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	**117.20**	**-**	**-**	**-**	**-**	**117.20**

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**

NOTE 8 Loans

S.No.	Description	As at 31st March 2024	As at 31st March 2023
		Amortised Cost	
a)	Term Loans		
	i) Automobile Financing	18,408.49	15,449.23
	ii) Consumer Lending	7,719.97	4,793.90
	iii) Small Business Lending	277.86	1,012.02
	Total Loans - Gross	**26,406.31**	**21,255.15**
b)	Less: Impairment Loss Allowance	936.07	710.06
c)	**Total Loans - Net (a) - (b)**	**25,470.24**	**20,545.09**
	Nature		
a)	Secured by Tangible Assets	20,897.00	15,893.44
b)	Unsecured Loans	5,509.31	5,361.71
c)	**Total Gross (a) + (b)**	**26,406.31**	**21,255.15**
d)	Less: Impairment Loss Allowance	936.07	710.06
e)	**Total - Net (c) - (d)**	**25,470.24**	**20,545.09**

(All amounts in ₹ crore unless otherwise stated)

NOTE 8 Loans (Contd.)

S.No.	Description	As at 31st March 2024	As at 31st March 2023
i)	Loans in India		
	Public Sector	-	-
	Others	26,406.31	21,255.15
	Total Gross	**26,406.31**	**21,255.15**
	Less: Impairment Loss Allowance	936.07	710.06
	Total - Net	**25,470.24**	**20,545.09**
ii)	Loans Outside India	-	-
iii)	**Total Loans (i) + (ii)**	**25,470.24**	**20,545.09**

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 5,863 nos. repossessed vehicles as at Balance Sheet date. (31st March 2023: 6,958 nos.).

c. The term loans include loans given to related parties (refer note 41) and these loans which have been granted to related parties are specified with terms or period of repayment. These loans have been classified under 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 for NPAs with respect to RBI's supervisory inspection for the year ended 31st March 2022.

e. Percentage (%) of Gold Loan to Total Assets as on 31st March 2024 is 0.00% (as per rounding up norms of the Company).

NOTE 9 Investments

S.No.	Description	As at 31st March 2024	As at 31st March 2023
A	**At Cost:**		
a)	**Investment in Equity Instruments of Subsidiaries:**		
i)	TVS Housing Finance Private Limited (1,20,00,000 (31st March 2023: 1,20,00,000) shares of ₹10 each fully paid up)	12.00	12.00
ii)	Harita Two Wheeler Mall Private Ltd (2,500 (31st March 2023: 2,500) shares of ₹10 each fully paid up)	0.00	0.00
iii)	Harita ARC Private Limited (2,500 (31st March 2023: 2,500) shares of ₹10 each fully paid up)	0.00	0.00
b)	**Investment in Government Securities**	93.46	-
B	**At fair value through other comprehensive income:**		
a)	**Investment in Alternative Instrument fund:**		
	40,000 units of Eight Innovate Fund II (31st March 2023: Nil)	4.00	-
b)	**Investment in Compulsory Convertible Debenture:**		
	25 (31st March 2023 : Nil) 0.001% Compulsorily Convertible Debentures of ₹ 1,00,000 each in Hyper Grocers Private Limited	0.25	-
	Total – Gross (A)	**109.71**	**12.01**
	(i) Investments outside India	-	-
	(ii) Investments in India	109.71	12.01
	Total	**109.71**	**12.01**
	Less: Impairment Loss Allowance (B)	-	-
	Total - Net = (A) - (B)	**109.71**	**12.01**

(All amounts in ₹ crore unless otherwise stated)

NOTE 10 Other Financial Assets

S.No.	Description	As at 31st March 2024	As at 31st March 2023
a)	Employees Related Receivables	10.49	7.97
b)	Security Deposit for Leased Premises	11.17	9.65
c)	Other Financial Assets - Related Parties	0.02	0.02
d)	Other Financial Assets - Non-Related Parties	0.71	9.74
e)	Deposit with Service Providers	2.66	5.19
	Total Gross	**25.05**	**32.57**
	Less: Impairment Loss Allowance	-	9.73
	Total	**25.05**	**22.84**

NOTE 11 Current Tax Assets

S.No.	Description	As at 31st March 2024	As at 31st March 2023
a)	Opening Balance	(9.60)	7.10
b)	Add: Taxes Paid	337.04	181.08
c)	Less: Taxes Payable	(307.64)	(197.78)
	Total	**19.80**	**(9.60)**

NOTE 12 Deferred Tax Assets/(Liabilities)

The balance comprises temporary differences attributable to:

S.No.	Description	As at 31st March 2022	Charge/ (Credit) to profit and loss	Charge/ (Credit) to OCI	As at 31st March 2023	Charge/ (Credit) to profit and loss	Charge/ (Credit) to OCI	As at 31st March 2024
	Deferred Tax Assets/(Liabilities) on account of :							
a)	Impairment allowance for financial instruments	101.12	74.04	-	175.16	48.82	-	223.98
b)	Difference between depreciation as per Books of Account and the Income Tax Act, 1961	5.24	(0.40)	-	4.84	0.04	-	4.88
c)	Provision for Compensated Absences and Gratuity	7.20	3.17	1.44	11.81	1.13	2.27	15.21
d)	Provision for Pension	3.47	0.19	(1.20)	2.46	0.18	0.19	2.83
e)	Expenses Disallowed under Section 40 (a) (ia)	10.57	11.93	-	22.50	24.16	-	46.66
f)	Impact of effective interest rate adjustment on Financial Assets	17.68	(12.78)	-	4.90	43.52	-	48.42
g)	Impact of unwinding the advances to related parties	0.81	(0.81)	-	-	-	-	-
h)	Mark-to-market on derivatives	(4.30)	-	(2.20)	(6.50)	-	4.52	(1.98)
i)	Impact of effective interest rate adjustment on Financial Liabilities	(2.52)	(0.30)	-	(2.82)	(0.42)	-	(3.24)
j)	Impact of Lease Accounting as per Ind AS 116	0.96	0.14	-	1.10	0.10	-	1.20
	Total Deferred Tax Assets/(Liabilities)	**140.23**	**75.18**	**(1.96)**	**213.45**	**117.53**	**6.98**	**337.96**

(All amounts in ₹ crore unless otherwise stated)

NOTE 13 Investment Property

Description	Land	Building	Total
As at 31st March 2024			
Gross carrying amount as at 1st April 2023	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 2024 (A)-(B)	**85.16**	**-**	**85.16**
Net carrying value as at 31st March 2023	**85.16**	**-**	**85.16**

Description	Land	Building	Total
As at 31st March 2023			
Gross carrying amount as at 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**

(i) Fair value

	As at 31st March 2024	As at 31st March 2023
Investment Properties	411.15	411.15

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 14 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		
As at 31st March 2024							
Gross carrying amount as at 1st April 2023	43.10	13.26	15.45	1.49	73.30	56.86	18.37
Additions	14.05	7.52	3.19	-	24.75	6.10	2.14
Adjustment due to revaluation and acquisitions through business combinations	-	-	-	-	-	-	-
Sub-total	**57.15**	**20.78**	**18.64**	**1.49**	**98.05**	**62.96**	**20.51**
Disposals	8.66	0.96	2.15	-	11.77	-	-
Closing gross carrying amount (A)	**48.49**	**19.82**	**16.49**	**1.49**	**86.28**	**62.96**	**20.51**
Depreciation and amortisation							
Opening accumulated depreciation	23.32	9.77	10.87	0.10	44.06	28.13	16.42
Depreciation/amortisation charge during the year	13.27	1.97	2.56	0.19	17.99	8.25	1.15
Sub-Total	**36.59**	**11.74**	**13.43**	**0.29**	**62.05**	**36.38**	**17.57**
Disposals	8.64	0.90	2.14	-	11.69	-	-
Closing accumulated depreciation and amortisation (B)	**27.95**	**10.84**	**11.29**	**0.29**	**50.36**	**36.38**	**17.57**
Net carrying value as at 31st March 2024 (A)-(B)	**20.54**	**8.98**	**5.20**	**1.20**	**35.92**	**26.58**	**2.94**
Net carrying value as at 31st March 2023	**19.78**	**3.49**	**4.58**	**1.39**	**29.24**	**28.73**	**1.95**

Description	Property, Plant and Equipment					Right-to-use Asset	Intangible Assets (Computer Software)
	Computer	Furniture & fixtures	Office equipment	Vehicles	Total		
As at 31st March 2023							
Gross carrying amount as at 1st April 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**

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 15 Other Non-Financial Assets

S.No.	Description	As at 31st March 2024	As at 31st March 2023
a)	Advances to dealers	0.31	0.55
b)	Prepaid Expenses	22.43	27.37
c)	Vendor Advances	33.95	9.24
d)	Balances with GST / Service Tax Department	7.76	5.86
e)	Surplus in gratuity fund	-	2.31
	Total	**64.45**	**45.33**

NOTE 16 Trade Payables

S.No.	Description	As at 31st March 2024	As at 31st March 2023
(a)	Total outstanding dues of micro enterprises and small enterprises	14.19	19.13
(b)	Total outstanding dues of creditors other than micro enterprises and small enterprises	1,035.09	616.56
	Total	**1,049.28**	**635.69**

NOTE 16.1 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 2024				
		<1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed dues - MSME*	14.19	-	-	-	14.19
(ii)	Undisputed dues - Others	1,034.99	0.10	-	-	1,035.09
(iii)	Disputed dues - MSME*	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-
	Total	**1,049.18**	**0.10**	**-**	**-**	**1,049.28**

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**

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

Under Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) certain disclosures are required to be made relating to Micro, Small and Medium enterprises. Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars are furnished below:

(All amounts in ₹ crore unless otherwise stated)

NOTE 16 Trade Payables (Contd.)

Particulars	As at 31st March 2024	As at 31st March 2023
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	14.19	19.13
- 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 have 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 17 Debt Securities

Description	As at 31st March 2024	As at 31st March 2023
At Amortised Cost		
Commercial Paper (Unsecured)	-	1,382.04
Non-Convertible Debentures (Secured)	1,450.00	1,225.00
Total (A)	**1,450.00**	**2,607.04**
Debt Securities in India	1,450.00	2,607.04
Debt Securities outside India	-	-
Total (B)	**1,450.00**	**2,607.04**

NOTE 18 Borrowings (Other than Debt Securities)

Description	As at 31st March 2024	As at 31st March 2023
At Amortised Cost		
(a) Term Loans (Secured)		
i) From banks	13,521.94	10,243.50
ii) From other parties	839.78	200.00
iii) External Commercial Borrowings	833.00	1,615.27
(b) Loans Repayable on Demand		
i) Cash Credit from Banks (Secured)	0.09	0.16
ii) Working Capital Demand Loan (Secured)	3,372.00	2,195.00
iii) Working Capital Demand Loan (Unsecured)	425.00	265.00
Total (A)	**18,991.81**	**14,518.93**
Borrowings in India	18,158.81	12,903.66
Borrowings outside India	833.00	1,615.27
Total (B)	**18,991.81**	**14,518.93**

(All amounts in ₹ crore unless otherwise stated)

NOTE 19 Subordinated Liabilities

Description	As at 31st March 2024	As at 31st March 2023
At Amortised Cost - Unsecured		
(a) Perpetual Debt Instruments to the extent that do not qualify as equity	99.91	99.88
(b) Other Subordinated Liabilities		
From Banks	-	100.00
From Others	2,046.71	1,544.92
Total (A)	**2,146.62**	**1,744.80**
Subordinated Liabilities in India	2,146.62	1,744.80
Subordinated Liabilities outside India	-	-
Total (B)	**2,146.62**	**1,744.80**

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 are no unhedged foreign currency exposures.
f. The Company has not breached any covenant of loan availed or debt securities issued.
g. Change in liabilities arising from financing activities

Particulars	As at 1st April 2023	Cash Flows	Exchange Differences	Other	As at 31st March 2024
Debt Securities	2,607.04	(1,175.00)	-	17.96	1,450.00
Borrowings other than Debt Securities	14,518.93	4,537.97	(62.06)	(3.03)	18,991.81
Subordinated Liabilities	1,744.80	400.38	-	1.45	2,146.62
Total	**18,870.77**	**3,763.35**	**(62.06)**	**16.38**	**22,588.43**

Particulars	As at 1st April 2022	Cash Flows	Exchange Differences	Other	As at 31st March 2023
Debt Securities	2,213.68	400.00	-	(6.64)	2,607.04
Borrowings other than Debt Securities	9,457.10	4,985.11	78.41	(1.69)	14,518.93
Subordinated Liabilities	1,293.34	450.00	-	1.46	1,744.80
Total	**12,964.11**	**5,835.11**	**78.41**	**(6.86)**	**18,870.77**

(i) Other column represents the amortisation of processing fees
(ii) Liabilities represents Debt Securities, Borrowings (Other Than Debt Securities) and Subordinated Liabilities

(All amounts in ₹ crore unless otherwise stated)

Annexure

Terms of the Debt Securities, Borrowings and Subordinated Liabilities as at 31st March 2024

Institution	Amount Outstanding as at 31st March 2024	Type of Security	Interest Rate	Total Instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Debt Securities								
Non-convertible Debentures	800.00	Secured	8.30%	2	2	Bullet	14/08/2025	12/09/2025
Non-convertible Debentures	425.00	Secured	8.15%	2	2	Bullet	19/09/2024	18/10/2024
Non-convertible Debentures	225.00	Secured	8.40%	1	1	Bullet	26/06/2026	26/06/2026
	1,450.00							
Loan repayable on demand	3,372.09	Secured	7.40%	Repayable on demand				
	425.00	Unsecured	8.71%					
	3,797.09							
Term Loan								
Bank	62.49	Secured	6.30%	8	2	Quarterly	31/12/2022	30/09/2024
Bank	125.00	Secured	6.30%	8	4	Quarterly	31/05/2023	28/02/2025
Bank	299.95	Secured	7.00%	10	6	Quarterly	30/04/2023	30/07/2025
Bank	489.08	Secured	7.59%	10	7	Quarterly	30/09/2023	31/12/2025
Bank	746.10	Secured	8.34%	15	14	Quarterly	31/03/2024	01/10/2027
Bank	99.22	Secured	7.70%	39	39	Monthly	31/07/2024	30/09/2027
Bank	499.95	Secured	8.25%	11	11	Quarterly	01/10/2024	01/04/2027
Bank	281.22	Secured	8.30%	16	15	Quarterly	29/03/2024	29/12/2027
Bank	124.99	Secured	7.94%	4	2	Quarterly	30/11/2023	31/08/2024
Bank	299.90	Secured	8.35%	14	14	Quarterly	31/08/2024	30/11/2027
Bank	200.00	Secured	7.00%	1	1	Bullet	27/10/2024	27/10/2024
Bank	400.00	Secured	8.10%	1	1	Bullet	29/05/2026	29/05/2026
Bank	124.97	Secured	8.26%	6	5	Half Yearly	30/08/2024	30/08/2025
Bank	41.67	Secured	7.75%	36	3	Monthly	25/07/2021	24/06/2024
Bank	83.34	Secured	7.50%	36	6	Monthly	28/10/2021	27/09/2024
Bank	62.53	Secured	8.27%	36	9	Monthly	31/01/2022	30/12/2024
Bank	175.58	Secured	5.60%	37	13	Monthly	30/04/2022	29/04/2025
Bank	324.30	Secured	6.35%	37	16	Monthly	29/07/2022	28/07/2025
Bank	291.18	Secured	7.25%	12	7	Quarterly	23/03/2023	21/01/2026
Bank	59.33	Secured	7.60%	37	22	Monthly	02/02/2023	21/01/2026
Bank	40.00	Secured	7.75%	12	8	Quarterly	20/05/2023	21/03/2026
Bank	58.38	Secured	7.75%	37	24	Monthly	20/03/2023	21/03/2026
Bank	249.45	Secured	7.25%	12	8	Quarterly	30/06/2023	28/04/2026
Bank	456.44	Secured	7.10%	16	13	Quarterly	30/09/2023	29/06/2027

(All amounts in ₹ crore unless otherwise stated)

Institution	Amount Outstanding as at 31st March 2024	Type of Security	Interest Rate	Total Instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Bank	151.61	Secured	7.10%	16	13	Quarterly	30/09/2023	30/06/2027
Bank	335.70	Secured	7.10%	16	14	Quarterly	27/12/2023	26/09/2027
Bank	100.63	Secured	7.54%	16	14	Quarterly	27/12/2023	26/09/2027
Bank	374.60	Secured	7.15%	15	12	Quarterly	29/02/2024	30/11/2027
Bank	93.65	Secured	7.15%	12	12	Quarterly	26/03/2024	27/03/2027
Bank	749.18	Secured	7.10%	39	39	Monthly	30/04/2024	30/06/2027
Bank	249.97	Secured	8.25%	1	1	Bullet	29/09/2025	29/09/2025
Bank	249.92	Secured	8.25%	1	1	Bullet	30/06/2026	30/06/2026
Bank	299.95	Secured	8.50%	10	6	Quarterly	02/06/2023	02/09/2025
Bank	299.95	Secured	8.50%	10	6	Quarterly	29/06/2023	01/10/2025
Bank	100.00	Secured	7.28%	10	5	Quarterly	31/01/2023	30/04/2025
Bank	249.98	Secured	8.08%	10	10	Quarterly	29/04/2024	29/07/2026
Bank	249.98	Secured	8.20%	10	10	Quarterly	20/07/2024	20/10/2026
Bank	100.00	Secured	7.10%	13	13	Quarterly	30/06/2024	30/06/2027
Bank	300.00	Secured	8.15%	8	8	Quarterly	11/03/2025	08/12/2026
Bank	329.95	Secured	8.03%	10	7	Quarterly	31/07/2023	31/10/2025
Bank	349.94	Secured	8.65%	10	7	Quarterly	30/09/2023	31/12/2025
Bank	919.84	Secured	8.35%	10	8	Quarterly	31/03/2024	30/06/2026
Bank	458.23	Secured	8.35%	12	11	Quarterly	29/02/2024	30/11/2026
Bank	49.96	Secured	8.30%	12	12	Quarterly	30/06/2024	31/03/2027
Bank	124.93	Secured	8.40%	8	4	Quarterly	23/06/2023	23/03/2025
Bank	156.25	Secured	8.40%	8	5	Quarterly	20/07/2023	20/04/2025
Bank	333.20	Secured	8.40%	12	8	Quarterly	10/05/2023	10/02/2026
Bank	999.73	Secured	8.25%	11	11	Quarterly	27/06/2024	27/03/2027
Bank	299.73	Secured	8.25%	1	1	Bullet	27/03/2025	27/03/2025
Others	299.94	Secured	8.00%	43	43	Monthly	20/06/2024	20/12/2027
Others	499.84	Secured	8.25%	12	12	Quarterly	10/06/2024	10/03/2027
Others	40.00	Secured	7.85%	5	1	Quarterly	05/05/2023	30/04/2024
Bank-ECB	833.00	Secured	6.92%	1	1	Bullet	02/12/2024	02/12/2024
	15,194.72							

(All amounts in ₹ crore unless otherwise stated)

Institution	Amount Outstanding as at 31st March 2024	Type of Security	Interest Rate	Total Instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Subordinated Liabilities								
Perpetual Debt	99.91	Unsecured	11.50%	1	1	Bullet	25/11/2027	25/11/2027
Other Subordinated Liabilities:								
Others	99.90	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	350.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	148.57	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	148.87	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	305.00	Unsecured	9.50%	1	1	Bullet	31/01/2028	31/01/2028
Others	200.00	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
Others	500.37	Unsecured	9.30%	1	1	Bullet	27/06/2029	27/06/2029
Total	**2,046.71**							
Subordinated Liabilities Total	**2,146.62**							

Terms of the Debt Securities, Borrowings and Subordinated Liabilities as at 31st March 2023

Institution	Amount Outstanding as at 31st March 2023	Type of Security	Interest Rate	Total Instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Commercial Paper	396.25	Unsecured	7.75%	1	1	Bullet	16/05/2023	16/05/2023
Commercial Paper	739.51	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	800.00	Secured	8.30%	2	2	Bullet	14/08/2025	12/09/2025
Non-convertible Debentures	425.00	Secured	8.15%	2	2	Bullet	19/09/2024	18/10/2024
	2,607.04							
Loan repayable on demand	2,195.16	Secured	7.40%	Repayable on demand				
	265.00	Unsecured	8.10%					
	2,460.16							

(All amounts in ₹ crore unless otherwise stated)

Institution	Amount Outstanding as at 31st March 2023	Type of Security	Interest Rate	Total Instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Term Loan								
Bank	74.99	Secured	8.40%	8	3	Quarterly	18/02/2022	18/11/2023
Bank	149.98	Secured	7.85%	8	4	Quarterly	29/06/2022	29/03/2024
Bank	187.47	Secured	6.30%	8	6	Quarterly	21/12/2022	30/09/2024
Bank	250.00	Secured	6.30%	8	8	Quarterly	31/05/2023	28/02/2025
Bank	499.92	Secured	7.00%	10	10	Quarterly	30/04/2023	30/07/2025
Bank	698.56	Secured	7.59%	10	10	Quarterly	01/07/2023	01/10/2025
Bank	416.63	Secured	7.70%	12	10	Quarterly	26/11/2022	26/08/2025
Bank	149.91	Secured	7.90%	12	6	Quarterly	30/09/2024	31/12/2025
Bank	249.84	Secured	7.80%	10	10	Quarterly	31/07/2023	31/10/2025
Bank	166.53	Secured	8.00%	12	8	Quarterly	25/09/2022	25/03/2025
Bank	200.00	Secured	7.00%	1	1	Bullet	27/10/2024	27/10/2024
Bank	24.99	Secured	7.25%	10	1	Quarterly	04/08/2022	04/05/2023
Bank	199.97	Secured	8.00%	1	1	Bullet	01/05/2024	01/05/2024
Bank	150.00	Secured	8.76%	1	1	Bullet	25/10/2024	25/10/2024
Bank	50.00	Secured	8.76%	6	2	Half Yearly	12/08/2022	01/02/2024
Bank	300.00	Secured	7.25%	4	4	Quarterly	20/11/2023	20/05/2025
Bank	41.67	Secured	8.40%	36	5	Monthly	21/09/2020	21/08/2023
Bank	50.00	Secured	8.57%	36	9	Monthly	31/01/2021	31/12/2023
Bank	208.31	Secured	7.75%	36	15	Monthly	25/07/2021	24/06/2024
Bank	250.00	Secured	7.50%	36	18	Monthly	28/10/2021	27/09/2024
Bank	145.80	Secured	8.37%	36	21	Monthly	31/01/2022	30/12/2024
Bank	337.76	Secured	5.60%	37	25	Monthly	30/04/2022	29/04/2025
Bank	567.53	Secured	6.35%	37	28	Monthly	29/07/2022	28/07/2025
Bank	457.58	Secured	7.25%	12	11	Quarterly	23/03/2023	21/01/2026
Bank	91.74	Secured	7.60%	37	34	Monthly	02/02/2023	21/01/2026
Bank	60.00	Secured	7.75%	12	12	Quarterly	20/05/2023	21/03/2026
Bank	87.57	Secured	7.75%	37	36	Monthly	20/03/2023	21/03/2026
Bank	374.18	Secured	7.25%	12	12	Quarterly	30/06/2023	28/04/2026
Bank	120.00	Secured	8.50%	10	6	Quarterly	29/04/2022	29/07/2024
Bank	120.00	Secured	8.50%	10	6	Quarterly	13/05/2022	13/08/2024
Bank	249.95	Secured	7.50%	1	1	Bullet	30/09/2025	30/09/2025
Bank	499.91	Secured	7.65%	10	10	Quarterly	02/06/2023	02/09/2025
Bank	100.00	Secured	7.75%	10	10	Quarterly	29/06/2023	29/09/2025
Bank	399.91	Secured	7.75%	10	10	Quarterly	01/07/2023	01/10/2025
Bank	180.00	Secured	7.00%	10	9	Quarterly	31/01/2023	30/04/2025
Bank	33.32	Secured	8.50%	36	12	Monthly	30/04/2021	30/03/2024

(All amounts in ₹ crore unless otherwise stated)

Institution	Amount Outstanding as at 31st March 2023	Type of Security	Interest Rate	Total Instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Bank	199.91	Secured	8.03%	10	10	Quarterly	30/06/2023	30/09/2025
Bank	300.00	Secured	8.03%	10	10	Quarterly	31/07/2023	31/10/2025
Bank	499.90	Secured	8.10%	10	10	Quarterly	30/09/2023	30/12/2025
Bank	249.86	Secured	7.60%	8	8	Quarterly	23/06/2023	23/03/2025
Bank	250.00	Secured	7.60%	8	8	Quarterly	20/07/2023	20/04/2025
Bank	499.83	Secured	7.50%	12	12	Quarterly	10/05/2023	10/02/2026
Bank	99.98	Secured	8.75%	10	4	Quarterly	19/12/2021	19/03/2024
Others	200.00	Secured	7.60%	5	5	Quarterly	05/05/2023	30/06/2024
Bank-ECB	410.43	Secured	6.94%	1	1	Bullet	13/07/2023	13/07/2023
Bank-ECB	385.94	Secured	6.94%	1	1	Bullet	19/10/2023	19/10/2023
Bank-ECB	818.90	Secured	6.92%	1	1	Bullet	02/12/2024	02/12/2024
	12,058.77							
Subordinated Liabilities								
Perpetual 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	350.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	148.17	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	148.15	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	305.00	Unsecured	9.50%	1	1	Bullet	31/01/2028	31/01/2028
Others	200.00	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**							

Details of Security

i. Non-convertible Debentures of ₹ 1,450.00 crore inclusive of Current and Non-Current Dues (as at 31st March 2023 ₹ 1,225.00 crore) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Company.

ii. Term Loan received from Banks and Other Parties of ₹ 15,194.72 crore inclusive of Current and Non-Current Dues (as at 31st March 2023 ₹ 12,058.77 crore) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Company.

iii. Working Capital Demand Loan and Cash Credit of ₹ 3,372.08 crore (as at 31st March 2023 ₹ 2,195.16 crore) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Company.

(All amounts in ₹ crore unless otherwise stated)

NOTE 20 Other Financial Liabilities

S.No.	Description	As at 31st March 2024	As at 31st March 2023
a)	Interest Accrued But Not Due	179.30	154.78
b)	Employee Related Liabilities	166.08	139.40
c)	Security Deposit	137.23	64.39
d)	Lease Liability (refer Note 40)	31.36	33.11
	Total	**513.97**	**391.68**

NOTE 21 Provisions

S.No.	Description	As at 31st March 2024	As at 31st March 2023
a)	Pension	11.23	9.78
b)	Gratuity	0.57	-
c)	Compensated Absences	55.79	42.89
	Total	**67.59**	**52.67**

NOTE 22 Other Non-Financial Liabilities

S.No.	Description	As at 31st March 2024	As at 31st March 2023
a)	Statutory Dues	52.80	31.39
	Total	**52.80**	**31.39**

NOTE 23 Equity Share Capital

a) Terms/Rights Attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except for interim dividend. Repayment of capital will be in proportion to the number of equity shares held.

S.No.	Description	As at 31st March 2024	As at 31st March 2023
b)	**Authorised Share Capital:**		
	300,000,000 (31st March 2023 : 250,000,000) equity shares of ₹10 each	300.00	250.00
	20,000,000 (31st March 2023 : Nil) 0.001% Compulsorily convertible preference shares of ₹10 each	20.00	-
	Total	**320.00**	**250.00**
c)	**Issued, Subscribed and Paid-up:**		
	Equity Share:		
	228,223,926 (31st March 2023 : 228,223,926) equity shares of ₹10 each	228.22	228.22
	Total	**228.22**	**228.22**
	Instruments entirely equity share in nature:		
	18,384,684 (31st March 2023 : Nil) 0.001% Compulsorily convertible preference shares of ₹10 each	18.38	-
	Total	**18.38**	**-**

(All amounts in ₹ crore unless otherwise stated)

NOTE 23 Equity Share Capital (Contd.)

d) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:

Equity Share:

Particulars	As at 31st March 2024		As at 31st March 2023	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	228,223,926	228.22	201,196,900	201.20
Changes due to prior period errors	-	-	-	-
Restated shares at the beginning of the year	228,223,926	228.22	201,196,900	201.20
Add: Issued during the year	-	-	27,027,026	27.03
At the end of the year	**228,223,926**	**228.22**	**228,223,926**	**228.22**

0.001% Compulsorily convertible preference shares:

Particulars	As at 31st March 2024		As at 31st March 2023	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	-	-	-	-
Changes due to prior period errors	-	-	-	-
Restated shares at the beginning of the year	-	-	-	-
Add: Issued during the year	18,384,684	18.38	-	-
At the end of the year	**18,384,684**	**18.38**	**-**	**-**

e) Number of Shares held by Holding Companies

Particulars	As at 31st March 2024	As at 31st March 2023
Equity Shares:		
TVS Motor Company Limited	195,424,754	195,424,754
0.001% Compulsorily convertible preference shares:		
TVS Motor Company Limited	3,169,773	-

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 2024		As at 31st March 2023	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Shares:				
TVS Motor Company Limited	195,424,754	85.63%	195,424,754	85.63%
0.001% Compulsorily convertible preference shares:				
TVS Motor Company Limited	3,169,773	17.24%	-	-
PI Opportunities Fund I Scheme II	15,214,911	82.76%	-	-

g) Shares held by promoters at the end of year

Promoter Name	No. of Shares	% of Total Shares	% change during the year
Equity Shares:			
TVS Motor Company Limited	195,424,754	85.63%	-
0.001% Compulsorily convertible preference shares:			
TVS Motor Company Limited	3,169,773	17.24%	17.24%

(All amounts in ₹ crore unless otherwise stated)

NOTE 24 Other Equity

Description	As at 31st March 2024	As at 31st March 2023
a) Securities Premium Reserves	1,874.19	1,336.35
b) Statutory Reserve	356.40	242.03
c) Retained Earnings	1,382.40	932.20
d) Other Reserves	5.89	19.31
Total reserves and surplus	**3,618.88**	**2,529.89**

a) Securities Premium Reserves	As at 31st March 2024	As at 31st March 2023
Opening balance	1,336.35	863.37
Additions during the year	537.84	472.98
Closing balance	**1,874.19**	**1,336.35**

b) Statutory Reserves	As at 31st March 2024	As at 31st March 2023
Opening balance	242.03	164.30
Transfer from retained earnings	114.37	77.73
Closing balance	**356.40**	**242.03**

c) Retained Earnings	As at 31st March 2024	As at 31st March 2023
Opening balance	932.20	621.98
Net Profit for the Year	571.83	388.67
Items of other Comprehensive Income recognised directly in Retained Earnings:		
- Remeasurements of post-employment benefit obligation net off tax	(7.26)	(0.72)
Transfer to Statutory Reserve	(114.37)	(77.73)
Closing balance	**1,382.40**	**932.20**

d) Other Reserves - Hedging Reserve	As at 31st March 2024	As at 31st March 2023
Opening balance	19.31	12.79
Add: Change in fair value of hedging instruments, net of tax	(13.42)	6.52
Closing balance	**5.89**	**19.31**

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.

(All amounts in ₹ crore unless otherwise stated)

NOTE 25 Interest Income

Description	Year ended 31st March 2024	Year ended 31st March 2023
On Financial assets measured at amortised cost:		
Interest on Loans	5,046.04	3,736.84
Interest on Deposits with Bank	64.01	17.94
Interest on Government Securities	0.05	-
Total	**5,110.10**	**3,754.78**

NOTE 26 Fees and Commission Income

Description	Year ended 31st March 2024	Year ended 31st March 2023
Fee-based Income	408.18	307.80
Service Income	186.20	84.42
Total	**594.38**	**392.22**

NOTE 27 Other Operating Income

Description	Year ended 31st March 2024	Year ended 31st March 2023
Realisation on sale of written off and stressed loans	85.09	-
Total	**85.09**	**-**

NOTE 28 Other Income

Description	Year ended 31st March 2024	Year ended 31st March 2023
Unwinding of discount on security deposits and receivable for investments	0.95	3.92
Other Non-Operating Income	3.88	0.78
Interest on Income tax refund	0.64	-
Total	**5.47**	**4.70**

NOTE 29 Finance Costs

Description	Year ended 31st March 2024	Year ended 31st March 2023
Interest Cost on financial liabilities measured at amortised cost:		
- Interest on Borrowings (other than Debt Securities)	1,253.76	826.56
- Interest on Debt Securities	216.98	191.67
- Interest on Subordinated Liabilities	172.23	141.51
Other Interest Cost:		
- Interest on Lease Liabilities	2.82	2.08
- Others	7.85	6.46
Total	**1,653.64**	**1,168.28**

(All amounts in ₹ crore unless otherwise stated)

NOTE 30 Impairment of Financial Instruments

Description	Year ended 31st March 2024	Year ended 31st March 2023
On Financial Instruments measured at Amortised Cost		
Bad Debts written off (net)	633.57	136.26
Net Loss on sale of Repossessed Assets	274.09	171.46
Impairment Provision on Loans	217.01	321.40
Impairment Provision on Trade Receivables and Other Financial Assets	2.38	0.02
Total	**1,127.05**	**629.14**

NOTE 31 Employee Benefit Expenses

Description	Year ended 31st March 2024	Year ended 31st March 2023
Salaries and Wages	1,051.73	922.69
Contribution to Provident and other funds	59.01	49.21
Staff Welfare	90.04	67.61
Total	**1,200.78**	**1,039.51**

NOTE 32 Other Expenses

Description	Year ended 31st March 2024	Year ended 31st March 2023
Travelling and Conveyance	130.46	124.21
Communication Costs	128.83	152.60
Rent, Taxes and Energy Costs (Refer note 40c)	34.17	33.03
Repairs & Maintenance	17.26	14.51
Insurance Expenses	0.39	0.69
Legal and Prof Charges	140.59	101.76
Information Technology Expenses	66.70	47.60
Brand Royalty Fee	15.60	-
Auditors Fees and Expenses*	0.67	0.65
Directors Sitting Fees & Commission Expenses	0.95	0.71
Corporate Social Responsibility **	10.00	5.00
Donation***	13.70	2.83
Printing and Stationery	6.05	9.95
Others	29.15	16.12
Total	**594.52**	**509.66**

(All amounts in ₹ crore unless otherwise stated)

*Auditors Fees and Expenses

Description	Year ended 31st March 2024	Year ended 31st March 2023
Statutory Audit	0.51	0.50
Tax Audit	0.08	0.08
Certification	0.04	0.04
Reimbursement of Expenses	0.04	0.03
Auditors Fees and Expenses	**0.67**	**0.65**

** Expenditure incurred on Corporate Social Responsibility activities:

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
(i) Amount required to be spent by the Company during the year	5.12	3.11
(ii) Amount of expenditure incurred	10.00	5.00
(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	10.00	5.00
Total	**10.00**	**5.00**

***The Company has made a donation amounting to ₹ 10 crore to Prudent Electoral Trust during the year.

NOTE 33 Income Tax Expenses

Description	Year ended 31st March 2024	Year ended 31st March 2023
(a) Income tax expense:		
Current tax on profits for the year	307.64	197.78
Tax profits relating to prior period	-	-
Total current tax expense	**307.64**	**197.78**
Deferred tax		
Decrease/(increase) in deferred tax assets	(117.53)	(75.17)
(Decrease)/increase in deferred tax liabilities	-	-
Total deferred tax expense/(benefit)	**(117.53)**	**(75.17)**
Income tax expense for the year	**190.11**	**122.61**
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	761.94	511.28
Tax at the Indian tax rate of 25.168% (Year ended 31st March 2023 – 25.168%)	191.76	128.68
Tax effect of amounts which are permanent differences in nature in calculation of taxable income	(1.65)	(6.07)
Income tax expense	**190.11**	**122.61**

(All amounts in ₹ crore unless otherwise stated)

NOTE 34 Other Comprehensive Income

Description	Year ended 31st March 2024	Year ended 31st March 2023
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans	(9.72)	(0.96)
Income tax relating to these items	2.46	0.24
Items that will be reclassified to profit or loss		
Fair value change on cash flow hedge	(17.95)	8.71
Income tax relating to these items	4.52	(2.19)
Other Comprehensive Income	**(20.69)**	**5.80**

NOTE 35 Earnings Per Share

Description	Year ended 31st March 2024	Year ended 31st March 2023
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Company	24.99	18.72
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the Company	23.90	18.72
(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	571.83	388.68
Diluted earnings per share:		
Profit attributable to equity holders of the Company used in calculating diluted earnings per share	571.83	388.68
(d) Weighted average number of equity shares used as the denominator in calculating basic earnings per share	228,849,197	207,631,553
(e) Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	239,228,062	207,631,553

(All amounts in ₹ crore unless otherwise stated)

NOTE 36 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 at 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
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-	-	-	-	(1.15)	-	(1.15)
Experience (gains)/losses	-	-	-	-	-	-	17.39	-	17.39
Total amount recognised in profit or loss	**6.51**	**(2.16)**	**4.34**	**0.75**	**-**	**0.75**	**18.34**	**-**	**18.34**
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)	-	-	-
Experience (gains)/losses	4.43	-	4.43	(3.06)	-	(3.06)	-	-	-
Total amount recognised in other comprehensive (income)/losses	**3.14**	**2.59**	**5.73**	**(4.78)**	**-**	**(4.78)**	-	-	-
Employer contributions	-	(9.57)	(9.57)	-	-	-	-	-	-
Benefit payments	(3.54)	3.54	-	-	-	-	-	-	-
As at 31st March 2023	**33.85**	**(36.16)**	**(2.31)**	**9.77**	**-**	**9.77**	**42.88**	**-**	**42.88**
As at 1st April 2023	**33.85**	**(36.16)**	**(2.31)**	**9.77**	**-**	**9.77**	**42.88**	**-**	**42.88**
Current service cost	5.38		5.38			-			-
Interest expense/(income)	2.54	(2.82)	(0.28)	0.74		0.74	3.28		3.28
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-	-	-	-	0.18	-	0.18
Experience (gains)/losses	-	-	-	-	-	-	9.45	-	9.45
Total amount recognised in profit or loss	**7.92**	**(2.82)**	**5.10**	**0.74**	**-**	**0.74**	**12.91**	**-**	**12.91**
Remeasurements									
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.74	0.74	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	0.16	-	0.16	0.22	-	0.22	-	-	-
Experience (gains)/losses	8.10	-	8.10	0.50	-	0.50	-	-	-
Total amount recognised in other comprehensive (income)/losses	**8.26**	**0.74**	**9.00**	**0.72**	**-**	**0.72**	-	-	-
Employer contributions	-	(11.22)	(11.22)	-	-	-	-	-	-
Benefit payments	(5.51)	5.51	-	-	-	-	-	-	-
As at 31st March 2024	**44.52**	**(43.95)**	**0.57**	**11.23**	**-**	**11.23**	**55.79**	**-**	**55.79**

TVS CREDIT

Aman enjoyed the freedom of having his own car.
His colleagues enjoyed the lift home after a tiring day.

When a **TVS Credit Used Car Loan** empowers an upcoming professional to own a car, it also gives him the opportunity to make other people's lives easier.

UP TO 90%* LOAN TO VALUE	**MINIMAL** DOCUMENTATION	**INSTANT*** APPROVAL

*Terms and conditions apply

(All amounts in ₹ crore unless otherwise stated)

NOTE 36 Employee Benefit Obligations (Contd.)

Details	Gratuity		Pension		Compensated Absences	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Discount Rate	6.95%	7.11%	6.95%	7.13%	6.95%	7.10%
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 2023-24

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%	44.00	45.03	1.00%	10.07	12.62	0.50%	55.22	56.37
Salary Growth Rate	0.50%	45.02	44.00	1.00%	12.69	10.00	0.50%	56.37	55.22
Mortality	5.00%	44.51	44.51	5.00%	11.15	11.32	5.00%	55.79	55.79

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

(ii) The following payments are expected contributions to the defined benefit plan in future years:

Particulars	Amount
Within the next 12 months (next annual reporting period)	36.85
Between 2 and 5 years	71.62
Beyond 5 years	24.14
Total	**132.60**

(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 ₹ 40.16 crore (As at 31st March 2023: ₹ 30.41 crore) has been recognised in the Statement of Profit and Loss.

(All amounts in ₹ crore unless otherwise stated)

NOTE 37 Fair Value Measurements

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values.

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 2024	31st March 2023		31st March 2024	31st March 2023
Financial Assets					
Cash and Cash Equivalents	1,745.97	1,525.17	Level 3	1,745.97	1,525.17
Other Bank Balances	5.90	5.72	Level 3	5.90	5.72
Trade Receivables	117.20	64.36	Level 3	117.20	64.36
Loans	25,470.24	20,545.09	Level 3	25,470.24	20,545.09
Investment in Subsidiaries	12.01	12.01	Level 3	12.01	12.01
Investment in Government Securities	93.46	-	Level 1	93.46	-
Investment in Compulsory Convertible Debentures	0.25	-	Level 3	0.25	-
Other Financial Assets					
Employees Related Receivables	10.49	7.97	Level 3	10.49	7.97
Security Deposit for Leased Premises	11.17	9.65	Level 3	11.17	9.65
Advances to Related Parties	-	-	Level 3	-	-
Other Financial Assets - Related Parties	0.03	0.02	Level 3	0.03	0.02
Other Financial Assets - Non-Related Parties	0.71	0.01	Level 3	0.71	0.01
Deposit with Service Providers	2.65	5.19	Level 3	2.65	5.19
Total	**27,469.83**	**22,175.19**		**27,469.83**	**22,175.19**

Financial Liabilities carried at amortised cost

Trade Payables	1,049.27	635.69	Level 3	1,049.27	635.69
Debt Securities	1,450.00	2,607.04	Level 3	1,450.00	2,607.04
Borrowings other than Debt Securities	18,991.81	14,518.93	Level 3	18,991.81	14,518.93
Subordinated Liabilities	2,146.62	1,744.80	Level 3	2,146.62	1,744.80
Other Financial Liabilities	513.97	391.68	Level 3	513.97	391.68
Total	**24,151.67**	**19,898.14**		**24,151.67**	**19,898.14**

Financial Assets and Financial Liabilities measured at fair value:

Particulars	Fair Value Hierarchy	31st March 2024	31st March 2023
Financial Assets			
Derivative Financial Instruments	Level 2	90.67	170.86
Investment in Alternate Investment Fund	Level 1	4.00	-
Investment in Compulsory Convertible Debentures	Level 3	0.25	-
Total Financial Assets		**94.92**	**170.86**
Financial Liabilities			
Derivative Financial Instruments		-	-
Total Financial Liabilities		-	-

There were no transfers between any levels during the year.

(All amounts in ₹ crore unless otherwise stated)

(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 measurements). 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 approximates their carrying amount largely due to short-term maturities of these instruments. The fair value of the investments have 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.

NOTE 38 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 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 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 framework 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).

(All amounts in ₹ crore unless otherwise stated)

NOTE 38 Financial Risk Management (Contd.)

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 2024	31st March 2023
Gross Carrying value of Loans		
Stage 1 (Up to 30 Days)	24,357.57	19,691.90
Stage 2 (31-90 Days)#	1,305.94	989.54
Stage 3 (More than 90 Days)*	742.80	573.71
Total Gross carrying value as of year end	**26,406.31**	**21,255.15**

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 irrespective of days past due on the reporting date.

Other financial assets

Credit risk with respect to other financial assets are extremely low except "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 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.

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 portfolio. Actual cash flows are discounted with average rate for arriving loss rate. EIR has been taken as 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.

(All amounts in ₹ crore unless otherwise stated)

NOTE 38 Financial Risk Management (Contd.)

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 low credit risk category and to determine 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 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 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 6th August 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.

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 2024	**24,357.57**	**1,305.94**	**742.80**	**26,406.31**
Expected Credit Loss	289.48	253.54	393.05	936.07
Expected Credit Loss Rate	1.19%	19.41%	52.91%	3.54%
Net of Impairment Provision	24,068.09	1,052.40	349.75	25,470.24

	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

(All amounts in ₹ crore unless otherwise stated)

NOTE 38 Financial Risk Management (Contd.)

Reconciliation of Expected Credit Loss

Particulars	Stage 1	Stage 2	Stage 3	Grand Total
Balance as at 1st April 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)	-
Loans 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**
Transfer from Stage 1	(15.17)	8.74	6.43	-
Transfer from Stage 2	13.19	(55.32)	42.13	-
Transfer from Stage 3	8.78	4.45	(13.23)	-
Loan that have derecognised during the year	(39.36)	(48.00)	(116.07)	(203.43)
New Loans originated during the year	114.54	59.15	49.21	222.90
Net Remeasurement of Loss Allowance	(57.24)	145.74	118.04	206.54
Balance as at 31st March 2024	**289.48**	**253.54**	**393.05**	**936.07**

Concentration of Credit Risk

The business manages concentration of risk primarily by geographical region. The following details show the geographical concentrations of the loans at the year end:

	31st March 2024	31st March 2023
Carrying value		
Concentration by geographical region in India		
South	10,636.43	8,470.99
West	7,256.11	5,917.79
East	4,252.84	3,307.58
North	4,260.93	3,558.79
Total Loans as at reporting period	**26,406.31**	**21,255.15**

(B) Liquidity Risk

Liquidity risk is a risk that an entity will encounter difficulty in meeting financial obligations.

As per companies policy, management ensures availability of sufficient fund either through Instalment receivables/ sourcing through debts at each point of time. The Fund requirement ascertain at the beginning of the period by taking into consideration Instalment receivable, likely disbursement, Loan instalment payment & other operational expenses. The Company is continuously getting good supports from Bankers & 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 2024	31st March 2023
Floating rate		
Expiring within one year (bank overdraft and other facilities)	1,950	2,440
Expiring beyond one year (bank loans)	-	-
	1,950	**2,440**

The bank cash credit and other facilities may be drawn at any time and may be terminated by the bank without notice.

(All amounts in ₹ crore unless otherwise stated)

NOTE 38 Financial Risk Management (Contd.)

ii. Maturities of Financial Assets and Liabilities

The tables below analyse the Company's financial assets and liabilities into relevant maturity groupings based on their contractual maturities for:

a. All non-derivative financial assets and 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 summaries the maturity profile of the Company's financial assets and 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 Carrying Amount
As at 31st March 2024						
Financial Assets:						
Cash and Cash Equivalents	1,745.97	-	-	-	-	1,745.97
Fixed Deposits	-	-	5.90	-	-	5.90
Derivative Financial Instruments	-	-	90.67	-	-	90.67
Trade Receivables	29.51	29.31	58.38	-	-	117.20
Loans	6,440.74	4,432.37	7,119.02	15,218.23	10.23	33,220.59
Investments	-	-	100.25	-	16.25	116.50
Other Financial Assets	3.09	1.88	7.60	12.48	-	25.05
Total	**8,219.31**	**4,463.55**	**7,381.82**	**15,230.71**	**26.48**	**35,321.87**
Financial Liabilities:						
Borrowings	1,764.88	2,156.42	8,884.91	11,991.57	523.22	25,321.00
Security Deposit	23.21	15.47	98.55	-	-	137.23
Trade Payables	614.44	247.99	185.68	1.18	-	1,049.29
Other Financial Liabilities	183.31	2.45	168.74	17.16	11.82	383.48
Total	**2,585.84**	**2,422.33**	**9,337.88**	**12,009.91**	**535.04**	**26,891.00**

Particulars	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 38 Financial Risk Management (Contd.)

(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 swap to fully hedge all foreign currency exchange risk on the principal and interest amount payable on borrowings.

Particulars	31st March 2024	31st March 2023
Financial Liabilities		
Variable Foreign Currency Borrowings (USD 100 million) (Year ended 31st March 2023 : USD 197 million)	751.50	1,473.21
Derivative Liabilities		
Hedged through forward contracts and CCS	751.50	1,473.21
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 subjected to any sensitivity on settlement due to foreign currency fluctuation due to the movements in foreign exchanges i.e. USD. Forward Contract & Cross Current Swap are to buy USD for Hedging Foreign Currency Loan. The company shall not maintain as per Ind AS 109 to be considered as Foreign Currency Loan.

Impact on Profit After Tax		
USD sensitivity	**31st March 2024**	**31st March 2023**
INR/USD Increases by 5%	-	-
INR/USD Decreases by 5%	-	-

(C) 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 year ended 31st March 2024 and 31st March 2023, 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, loan is the major source for running the business. In India, loans are generally available at Floating Rate Interest. And there are no such option available to obtain swap option for floating rate interest linked to respective bank MCLR with Fixed Interest. Hence except foreign currency loans, other loans are not hedged.

(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 2024	31st March 2023
Variable rate borrowings	13,871.00	8,211.28
Total borrowings	22,588.43	18,870.77

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

Particulars	31st March 2024		
	Weighted average interest rate	Balance	% of total loans
Cash credits, bank loans etc.	8.15%	13,871.00	61.41%

Particulars	31st March 2023		
	Weighted average interest rate	Balance	% of total loans
Cash credits, bank loans etc.	7.88%	8,211.28	43.51%

An analysis by maturities is provided in note 38 B (ii) above.

(All amounts in ₹ crore unless otherwise stated)

NOTE 38 Financial Risk Management (Contd.)

(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 2024	31st March 2023
Interest rates – increase by 50 basis points (50 bps) *	(51.90)	(30.72)
Interest rates – decrease by 50 basis points (50 bps) *	51.90	30.72

* Holding all other variables constant

NOTE 39 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 & frame a response to threat that affect the achievement of its objectives. 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 2024	31st March 2023
Net Debt (total borrowings, less cash and cash equivalents)	20,842.46	17,345.60
Total Equity (as shown in the balance sheet)	3,865.48	2,758.11
Net debt to equity ratio	**5.39**	**6.29**

(b) Externally Imposed Capital Restrictions

1. As per RBI requirements Capital Adequacy Ratio should be minimum 15%, not meeting RBI requirements will lead to 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 40 Leases

a) Lease Disclosures pertaining to Right-to-use Asset

Particulars	31st March 2024	31st March 2023
Building		
Gross Block		
Opening/(On transition to Ind AS 116)	28.73	18.12
Revaluation due to change in future lease rentals	-	-
Additions during the year	6.10	17.29
(Deletions during the year)	-	-
Closing Balance during the year	34.83	35.41
Amortisation		
Additions	-	-
Amortisation for the year	8.25	6.68
Closing Balance during the year	**26.58**	**28.73**

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 liabilities 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 2024	31st March 2023
Finance charges		
Interest expense	2.82	2.08
Depreciation		
Amortisation of Right-to-use Assets	8.25	6.68
Other expenses		
Rent expenses		
Expense relating to short-term leases (included in other expenses)	17.70	17.75
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	**28.77**	**26.51**

d) Additional Disclosures in Cash Flow Statement

Particulars	31st March 2024	31st March 2023
Cash flow financing activities		
Principal repayments related to lease liabilities	7.84	6.11
Interest payments related to lease liabilities	2.82	2.12

e) Contractual Maturities of Lease Liabilities outstanding

Particulars	31st March 2024	31st March 2023
Less Than One Year	9.12	7.24
One to Five Years	17.16	19.39
More Than Five Years	5.08	6.48
Total	**31.36**	**33.11**

(All amounts in ₹ crore unless otherwise stated)

41. 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
Ultimate Holding Company	TVS Holdings Limited (Formerly known as Sundaram-Clayton Limited)
Subsidiaries	TVS Housing Finance Private Limited Harita ARC Private Limited Harita Two Wheeler Mall Private Limited
Fellow Subsidiary	TVS Motor Services Limited Sundaram Auto Components Limited TVS Digital Pte 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
Entities under common control	Sundaram-Clayton Limited (Formerly known as Sundaram Clayton DCD Limited)
Non-Executive Directors	Mr. Venu Srinivasan Mr. Sudarshan Venu Mr. K.N. Radhakrishnan Mr. R. Gopalan Mr. B. Sriram Ms. Kalpana Unadkat
Key Managerial Personnel	Mr. Ashish Sapra, Chief Executive Officer Ms. Roopa Sampath Kumar, Chief Financial Officer Mr. Sreejith Raj P, Company Secretary (from 24th July 2023) Mr. Anand Vasudev, Company Secretary (up to 10th May 2023)

Transactions with related parties and balance outstanding as at the end of the year:

S.No.	Name of the Related Party	Nature of Transactions	31st March 2024	31st March 2023
1	TVS Motor Services Limited	Advance received	-	41.33
		Unwinding of advance	-	3.24
		Balance outstanding [Dr/(Cr)]	-	-
2	TVS Motor Company Limited	Contribution towards Issuance of Equity Shares	-	500.00
		Contribution towards Issuance of Compulsory Convertible Preference Shares	200.00	-
		Receipt of Subvention income	1.35	14.58
		Reimbursement of IT expense	6.40	8.61
		Payment towards business support service	1.58	1.64
		Balance outstanding [Dr/(Cr)]	(6.45)	1.57
3	Sundaram Clayton Limited	Payment towards business support service	0.31	-
		Balance outstanding [Dr/(Cr)]	(0.17)	-

(All amounts in ₹ crore unless otherwise stated)

41. Related Party Disclosure (Contd.)

S.No.	Name of the Related Party	Nature of Transactions	31st March 2024	31st March 2023
4	Sundaram Auto Components Limited	Loan recovered	-	0.04
		Interest received	-	0.00
		Balance outstanding [Dr/(Cr)]	-	-
5	Scienaptic Systems Private Limited	Payment towards business support service	0.68	3.03
		Balance outstanding [Dr/(Cr)]	-	0.45
6	Drive X Mobility Millennial Solutions Private Limited	Receipt towards sale of repossessed vehicles	29.34	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)]	-	-
9	TVS Holdings Limited	Loan recovered	-	0.08
		Interest received	-	0.01
		Payment towards brand royalty fees	15.55	-
		Payment towards business support service	2.54	1.91
		Reimbursement of canteen expense	0.34	0.50
		Balance outstanding [Dr/(Cr)]	(6.61)	(0.02)
10	TVS Housing Finance Private Limited	Reimbursement of expenses	0.14	-
		Balance outstanding [Dr/(Cr)]	-	-
11	Harita Two Wheeler Mall Private Limited	Reimbursement of expenses	0.00	-
		Balance outstanding [Dr/(Cr)]	0.01	-
12	Harita ARC Private Limited	Reimbursement of expenses	0.00	-
		Balance outstanding [Dr/(Cr)]	0.01	-
13	TVS Digital Pte Limited	Payment towards software licence fees	2.55	-
		Payment towards digital advertisement	0.06	-
		Balance outstanding [Dr/(Cr)]	(0.75)	-

Remuneration to Key Managerial Personnel

Particulars	2023-24	2022-23
Short-Term Benefits	6.60	9.07
Post Retirement Benefits	0.23	0.18

The Company maintains Gratuity Fund with Life Insurance Corporation of India (LIC). Post retirement benefits do not include yearly premium paid by the Company to maintain the fund. The LIC has paid ₹ 0.66 crore to Mr. G Venkatraman, Director and Chief Executive Officer (up to 31st August 2022) during FY 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)

41. Related Party Disclosure (Contd.)

Directors' Sitting Fees and Commission

Sl. No.	Name of the Director	Nature	2023-24	2022-23
1	Mr. Venu Srinivasan	Sitting Fees*	0.01	-
		Commission	-	-
2	Mr. Sudarshan Venu	Sitting Fees	-	0.01
		Commission	-	-
3	Mr. K.N. Radhakrishnan	Sitting Fees	0.02	0.02
		Commission	-	-
4	Mr. B. Sriram	Sitting Fees	0.02	0.02
		Commission	0.16	0.16
5	Mr. R. Gopalan	Sitting Fees	0.02	0.02
		Commission	0.16	0.16
6	Ms. Kalpana Unadkat	Sitting Fees	0.02	0.02
		Commission	0.16	0.16
7	Mr. V Srinivasa Rangan	Sitting Fees	0.01	0.02
		Commission	0.16	0.16
TOTAL			**0.75**	**0.75**

1. The amounts mentioned are actual payments made during the year.

2. * The sitting fees paid during the year ended 31st March 2023 are below the rounding off norms of the Company.

(All amounts in ₹ crore unless otherwise stated)

41. Related Party Disclosure (Contd.)

Related Party Disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/DoR/2023-24/106DoR.FIN.REC.No.45/03.10.119/2023-24:

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	-	-	-	-	-	-	-	-	-	-	2.31	0.63	2.31	0.63
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	2.45	52.19	2.45	52.19
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

(All amounts in ₹ crore unless otherwise stated)

41. Related Party Disclosure (Contd.)

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	-	-	-	-	-	-	-	-	-	0.38	-	0.39
Loan disbursed	-	-	-	-	-	-	-	-	-	-	-	17.00	-	17.00
Loan recovered	-	0.08	-	-	-	-	-	-	-	-	-	17.04	-	17.12
Payment towards brand royalty fees	15.55	-	-	-	-	-	-	-	-	-	-	-	15.55	-
Payment towards business support service	4.12	3.55	-	-	-	-	-	-	-	-	0.99	3.03	5.10	6.58
Payment towards digital advertisement	-	-	-	-	-	-	-	-	-	-	0.06	-	0.06	-
Payment towards software licence fees	-	-	-	-	-	-	-	-	-	-	2.55	-	2.55	-
Receipt towards sale of repossessed vehicles	-	-	-	-	-	-	-	-	-	-	29.34	0.14	29.34	0.14
Receipt towards subvention income	1.35	14.58	-	-	-	-	-	-	-	-	-	-	1.35	14.58
Reimbursement of canteen expense	0.34	0.50	-	-	-	-	-	-	-	-	-	-	0.34	0.50
Reimbursement of expenses	-	-	-	-	-	-	-	-	-	-	0.15	-	0.15	-
Reimbursement of IT expense	6.40	8.61	-	-	-	-	-	-	-	-	-	-	6.40	8.61
Advance recovered	-	-	-	-	-	-	-	-	-	-	-	41.33	-	41.33
Unwinding of advance	-	-	-	-	-	-	-	-	-	-	-	3.24	-	3.24
Contribution towards Equity Share Capital	-	27.03	-	-	-	-	-	-	-	-	-	-	-	27.03
Contribution towards Preference Share Capital	6.34	-	-	-	-	-	-	-	-	-	-	-	6.34	-
Contribution towards Security Premium	193.66	472.97	-	-	-	-	-	-	-	-	-	-	193.66	472.97

* There is no transaction with directors and relatives of directors.

(All amounts in ₹ crore unless otherwise stated)

42. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March 2024

1. Capital Commitments

Description	31st March 2024	31st March 2023
Estimated amount of contracts remaining to be executed on Capital Account not provided for	4.47	13.55

2. Other Commitments

Description	31st March 2024	31st March 2023
Undrawn Loans sanctioned to borrowers	63.47	43.58

3. Contingent Liabilities not provided for

Claims against the Company not acknowledged as debts.

Description	31st March 2024	31st March 2023
Disputed Service Tax and GST Demand inclusive of Penalty (Pre-deposit of ₹ 0.58 crore)	9.46	8.34
Legal cases filed by borrowers against the Company	6.15	4.04

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/ judgements 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 para 2 of general instructions for 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. 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.

7. The Company has the process, whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, Company has reviewed and ensured that adequate provision as required under any law/ accounting standard for material foreseeable losses on such long-term contracts have been made in the books of accounts.

8. The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

9. 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.

10. There have been no events after the reporting date that require disclosure in the Financial Statements.

11. Prior period figures have been regrouped, wherever necessary, to confirm to the current period presentation.

(All amounts in ₹ crore unless otherwise stated)

42. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March 2024 (Contd.)

12. Disclosure of ratios:

S.No.	Particulars	31st March 2024	31st March 2023
a.	Current Ratio	NA	NA
b.	Total Borrowings	22,588.43	18,870.77
	Shareholders' Equity	3,865.48	2,758.11
	Debt-Equity Ratio	5.84	6.84
	[total borrowings/shareholders' equity]		
c.	Debt Service Coverage Ratio	NA	NA
d.	Return on Equity Ratio	17.27%	16.82%
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	9.87%	9.36%
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)	18.59%	18.75%
m.	Tier I CRAR (Calculated as per RBI guidelines)	12.84%	12.17%
n.	Tier II CRAR (Calculated as per RBI guidelines)*	5.75%	6.59%
o.	Liquidity Coverage Ratio (LCR) (Calculated as per RBI guidelines)#	236%	184%

* The Company has issued Subordinated Debenture of ₹ 500 crore during the year ended 31st March 2024
\# The LCR is more than regulatory requirement

Notes:

i. Certain ratios/line items marked with 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

13. 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.

14. 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.

15. There is no "undisclosed income" which has been reported by the Company during the assessment.

16. The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

(All amounts in ₹ crore unless otherwise stated)

42. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March 2024 (Contd.)

17.1 Schedule to the Balance Sheet of a non-deposit taking Non-Banking Financial Company (as required in Scale Based Regulation vide notification no. RBI/DoR/2023-24/106DoR.FIN.REC.No.45/03.10.119/2023-24):

S.No.	Description	Amount Outstanding	Amount Overdue
		As at 31st March 2024	
	Liabilities		
(1)	**Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:**		
A	Debentures	-	-
	- Secured	1,501.99	-
	- Unsecured (other than falling within the meaning of public deposits)	-	-
B	Deferred Credits	-	-
C	Term Loans (including Sub-Ordinated Debt)	21,249.82	-
D	Inter-Corporate Loans and Borrowings	-	-
E	Commercial Paper	-	-
F	Other Loans:	-	-
	i. Cash Credit & WCDL	6.91	-
	ii. Securitised Trust Borrowing	-	-
	Total	**22,767.71**	-

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**	-

(All amounts in ₹ crore unless otherwise stated)

42. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March 2024 (Contd.)

S.No.	Description	Amount Outstanding as at 31st March 2024	Amount Outstanding as at 31st March 2023
	Assets		
(2)	**Break-up of Loans and Advances including bills receivable (other than those included in (4) below) :**		
(a)	Secured	20,897.00	15,893.44
(b)	Unsecured considered good	5,509.31	5,361.71
(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	**26,406.31**	**21,255.15**

S.No.	Description	Amount Outstanding	Amount Overdue
		As at 31st March 2024	
(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	93.46	-
	(v) Others	-	-

(All amounts in ₹ crore unless otherwise stated)

42. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March 2024 (Contd.)

S.No.	Description	Amount Outstanding	Amount Overdue
		As at 31st March 2024	
	2. Unquoted:		
	(i) Shares: (a) Equity	12.01	12.01
	(b) Preference	-	-
	(ii) Debentures and Bonds	0.25	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Alternate Investment Fund)	4.00	-
	Total	**109.71**	**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	2.31	-	2.31
	(c) Other related parties	-	-	-
	2. Other than related parties	20,483.43	5,363.85	25,847.28
	Total	**20,485.74**	**5,363.85**	**25,849.59**

(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	97.71	97.71
	Total	**109.71**	**109.71**

(7)	Other Information	Amount
(i)	Gross Non-performing assets	
	(a) Related Parties	-
	(b) Other than related parties	1,304.98
(ii)	Net Non-performing assets	
	(a) Related Parties	-
	(b) Other than related parties	748.25
(iii)	Assets acquired in satisfaction of debt	-

(All amounts in ₹ crore unless otherwise stated)

42. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March 2024 (Contd.)

17.2 Disclosures required in terms of Scale Based Regulation vide notification no. RBI/DoR/2023-24/106DoR.FIN.REC. No.45/03.10.119/2023-24).

(A) Capital Adequacy Ratio

Description	2023-24	2022-23
Tier I Capital	3,596.18	2,589.42
Tier II Capital	1,611.84	1,402.31
Total Capital	**5,208.02**	**3,991.73**
Total Risk Weighted Assets	**28,013.47**	**21,284.10**
Amount of Subordinated Debt as Tier II Capital (Discounted Value)	1,329.40	1,139.20
Capital Ratios		
Tier I Capital as a Percentage of Total Risk Weighted Assets (%)	12.84%	12.17%
Tier II Capital as a Percentage of Total Risk Weighted Assets (%)	5.75%	6.59%
Total (%)	**18.59%**	**18.75%**
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	500.00	600.00

(B) Investment

S.No.	Description	2023-24	2022-23
1.	**Value of Investments**		
	i) Gross Value of Investments		
	a) In India	109.71	12.01
	b) Outside India	-	-
	ii) Provision for Depreciation		
	a) In India	-	-
	b) Outside India	-	-
	iii) Net Value of Investments		
	a) In India	109.71	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)

42. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March 2024 (Contd.)

(D) Exposure to Real Estate Sector, both Direct and Indirect

Description	31st March 2024	31st March 2023
(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	2.55	3.38
(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.).	2.80	8.31
(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)	-	-
Total exposure to real estate sector	**5.35**	**11.69**

(E) Exposure to Capital Market

S.No.	Description	31st March 2024	31st March 2023
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.	0.25	-
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	4.00	-
	Total Exposure to Capital Market	**4.25**	**-**

(All amounts in ₹ crore unless otherwise stated)

42. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March 2024 (Contd.)

(F) Disclosure on Sectoral Exposures

S.No.	Sector	31st March 2024			31st March 2023		
		Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPA	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPA	Percentage of Gross NPAs to total exposure in that sector
1	Agriculture and Allied Activities	**5,817.28**	**700.62**	**12.04%**	**5,727.06**	**460.43**	**8.04%**
2	Industry						
	i. MSME	1,216.86	1.84	0.15%	293.13	4.44	1.51%
	ii. Other	214.85	11.89	5.53%	444.30	23.21	5.22%
	Total	**1,431.71**	**13.73**	**0.96%**	**737.43**	**27.65**	**3.75%**
3	Services	-	-	-	-	-	-
4	Personal Loans	**4,803.36**	**179.40**	**3.73%**	**3,576.58**	**79.33**	**2.22%**
5	Others						
	i. Vehicles	11,641.22	371.33	3.19%	9,714.04	305.59	3.15%
	ii. Consumer Durable	2,488.52	35.15	1.41%	1,217.36	22.87	1.88%
	iii. Advance to Dealers	223.57	4.75	2.13%	282.69	14.15	5.00%
	iv. Other	0.65	-	-	-	-	-
	Total	**14,353.96**	**411.23**	**2.86%**	**11,214.09**	**342.61**	**3.06%**
	Grand Total	**26,406.31**	**1,304.98**	**4.94%**	**21,255.15**	**910.02**	**4.28%**

(G) Disclosure on Intra-Group Exposures

Description	31st March 2024	31st March 2023
Total amount of intra-group exposures	2.31	0.63
Total amount of top 20 intra-group exposures	2.31	0.63
Percentage of intra-group exposures to total exposure of the NBFC on borrower/customers	0.01%	0.00%

The above disclosure in note 42.17.2C to 42.17.2G also covers disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/DoR/2023-24/106DoR.FIN.REC.No.45/03.10.119/2023-24.

(H) Asset Liability Management Maturity Pattern of certain items of Assets and Liabilities

As at 31st March 2024										
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 years	Over 3 years up to 5 years	Over 5 years
Deposits	-	-	-	-	-	-	5.90	-	-	-
Advances	781.41	520.94	558.15	1,433.43	1,608.64	3,163.49	5,065.92	10,643.51	2,379.45	251.37
Investments	-	-	-	-	-	-	93.46	-	-	16.25
Borrowings	0.09	-	289.61	280.43	846.75	1,779.51	7,257.76	9,034.07	1,767.18	500.03
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	833.00	-	-	-
Grand Total	**781.50**	**520.94**	**847.76**	**1,713.85**	**2,455.39**	**4,943.01**	**13,256.04**	**19,677.58**	**4,146.63**	**767.65**

(All amounts in ₹ crore unless otherwise stated)

42. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March 2024 (Contd.)

As at 31st March 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 years	Over 3 years up to 5 years	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	2,077.11	168.55
Investments	-	-	-	-	-	-	-	-	-	12.01
Borrowings	0.16	-	180.15	720.98	1,444.70	1,201.71	4,738.43	7,424.16	1,345.20	200.00
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	410.43	385.94	818.90	-	-
Grand Total	**581.56**	**387.60**	**595.44**	**1,778.64**	**2,664.64**	**3,897.43**	**9,233.33**	**17,202.11**	**3,422.31**	**380.56**

(I) Category-wise classification of frauds reported during the year vide DNBS.PPD.01/66.15.001/2016-17 dated 29th September, 2016

There were 7 cases of frauds amounting to ₹ 0.93 crore reported during the year. (Previous year 42 cases amounting to ₹ 3.13 crore).

17.3 Disclosure-relating Securitisation

(a) Outstanding amount of Securitised assets of as per books of SPVs

S.No.	Description	2023-24	2022-23
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)

42. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March 2024 (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	2023-24		2022-23	
		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	2023-24	2022-23
No. of Accounts	17,184	-
Aggregate value (net of Provisions) of accounts sold to SC/RC	8.40	-
Aggregate Consideration	7.66	-
Additional Consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate Gain/Loss over net book value	0.74	-

(d) Details of Assignment Transactions undertaken by NBFCs

Description	2023-24	2022-23
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	-	-

17.4 (a) Disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/DoR/2023-24/106DoR.FIN.REC.No.45/03.10.119/2023-24

S.No.	Movement of NPA	2023-24	2022-23
(I)	**Net NPA to Net advances (%)**	**2.89%**	**2.64%**
(II)	**Movement of Gross NPA***		
	a. Opening Balance	910.02	528.99
	b. Additions during the year	1,411.17	872.67
	c. Reductions during the year	409.31	259.36
	d. Write off during the year	606.90	232.28
	e. Closing Balance	1,304.98	910.02
(III)	**Movement of Net NPA**		
	a. Opening Balance	552.53	261.38
	b. Additions during the year	1,056.51	612.54
	c. Reductions during the year	253.88	89.11
	d. Write off during the year	606.90	232.28
	e. Closing Balance	748.26	552.53
(IV)	**Movement of Provision for NPAs***		
	a. Opening Balance	357.49	267.61
	b. Provisions made during the year	354.66	260.13
	c. Reductions/Write off during the year	155.43	170.25
	d. Closing Balance	556.72	357.49

* 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.

(All amounts in ₹ crore unless otherwise stated)

42. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March 2024 (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 purpose. The aforementioned circular has no impact on the financial results for the quarter and year ended 31st March 2024, 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.

(b) Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per 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 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	18.44	1.30	0.22	8.60	8.32
Corporate persons	1.94	-	-	0.59	1.36
Of which, MSMEs	1.94	-	-	0.59	1.36
Others	-	-	-	-	-
Total	**20.38**	**1.30**	**0.22**	**9.18**	**9.68**

(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 2023	Amount Outstanding	37.74
	Provision thereon	15.28
Fresh restructuring during the year	Amount Outstanding	2.64
	Provision thereon	0.84
Reductions during the year	Amount Outstanding	14.75
	Provision thereon	6.58
Write-off of restructured accounts during the year	Amount Outstanding	11.40
	Provision thereon	3.56
Restructured loans as on 31st March 2024	Amount Outstanding	14.23
	Provision thereon	5.98

(All amounts in ₹ crore unless otherwise stated)

42. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March 2024 (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 2024	31st March 2023
Provision for Depreciation on Investments	-	-
Provision/Impairment allowance towards NPA (Net)	190.23	89.88
Provision/Impairment allowance towards Standard Assets	26.78	231.52
Provision/Impairment allowance on trade receivables & Other Financial Assets	2.38	0.02
Provision made towards Income Tax	307.64	197.78
Other Provision and Contingencies	-	-
Total	**527.03**	**519.20**

17.5 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 2024

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	24,276.24	282.43	23,993.81	97.10	185.33
Standard	Stage 2	825.09	96.91	728.18	3.30	93.61
Subtotal for standard		**25,101.33**	**379.34**	**24,721.99**	**100.40**	**278.94**
Non-Performing Assets (NPA)						
Substandard	Stage 1	70.76	6.08	64.68	9.61	(3.53)
Substandard	Stage 2	426.60	139.46	287.14	65.46	74.00
Substandard	Stage 3	564.76	302.36	262.40	105.62	196.74
Subtotal for substandard		**1,062.12**	**447.90**	**614.22**	**180.69**	**267.21**
Doubtful 1- up to 1 Year	Stage 1	10.58	0.96	9.62	2.81	(1.85)
Doubtful 1- up to 1 Year	Stage 2	54.24	17.17	37.07	16.37	0.80
Doubtful 1- up to 1 Year	Stage 3	176.01	89.30	86.71	57.43	31.87
Doubtful 2- 1 to 3 Years	Stage 3	1.77	1.28	0.49	0.84	0.44
Doubtful 3- More than 3 Years	Stage 3	0.26	0.12	0.14	0.16	(0.04)
Subtotal for doubtful		**242.86**	**108.83**	**134.03**	**77.61**	**31.22**
Loss	Stage 3	-	-	-	-	-
Subtotal for NPA		**1,304.98**	**556.73**	**748.25**	**258.30**	**298.43**
Total	**Stage 1**	**24,357.58**	**289.47**	**24,068.11**	**109.52**	**179.95**
	Stage 2	**1,305.93**	**253.54**	**1,052.39**	**85.13**	**168.41**
	Stage 3 *	**742.80**	**393.06**	**349.74**	**164.05**	**229.01**
	Total	**26,406.31**	**936.07**	**25,470.24**	**358.70**	**577.37**

(All amounts in ₹ crore unless otherwise stated)

42. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March 2024 (Contd.)

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
Standard	Stage 2	705.20	89.46	615.74	5.98	83.48
Subtotal for standard		**20,345.13**	**352.57**	**19,992.56**	**84.54**	**268.03**
Non-Performing Assets (NPA)						
Substandard	Stage 1	51.86	1.62	50.24	6.77	(5.15)
Substandard	Stage 2	284.17	49.29	234.88	41.94	7.35
Substandard	Stage 3	425.02	216.83	208.19	76.00	140.83
Subtotal for substandard		**761.05**	**267.74**	**493.31**	**124.71**	**143.03**
Doubtful 1- up to 1 Year	Stage 1	0.11	0.01	0.10	0.02	(0.01)
Doubtful 1- up to 1 Year	Stage 2	0.17	0.03	0.14	0.04	(0.01)
Doubtful 1- up to 1 Year	Stage 3	110.56	51.74	58.82	39.04	12.70
Doubtful 2- 1 to 3 Years	Stage 3	9.94	9.82	0.12	7.29	2.53
Doubtful 3- 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**	**19,691.90**	**264.74**	**19,427.16**	**85.35**	**179.39**
	Stage 2	**989.54**	**138.78**	**850.76**	**47.96**	**90.82**
	Stage 3*	**573.71**	**306.54**	**267.17**	**150.10**	**156.44**
	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.

In terms of the above notification on 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 provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning), as at 31st March 2024 and as at 31st March 2023 and accordingly, no amount is required to be transferred to Impairment reserve.

17.6 Concentration of Advances, Exposures & NPAs

(a) Concentration of Advances

Description	31st March 2024	31st March 2023
Total Advances to twenty largest borrowers	108.18	126.91
Percentage of Advances to twenty largest borrowers to Total Advances	0.41%	0.60%

(b) Concentration of Exposures

Description	31st March 2024	31st March 2023
Total Exposures to twenty largest borrowers/customers	108.18	126.91
Percentage of Exposures to twenty largest borrowers to Total Exposures	0.41%	0.60%

(c) Concentration of NPAs

Description	31st March 2024	31st March 2023
Total Exposure to Top Four NPA Accounts	7.68	2.29

(All amounts in ₹ crore unless otherwise stated)

42. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March 2024 (Contd.)

17.7 a. Summary information on complaints received by the NBFCs from customers

Description	2023-24	2022-23
No. of complaints pending at the beginning of the year	156	7
No. of complaints received during the year	3,960	4,490
No. of complaints disposed during the year	4,007	4,341
of which No. of complaints rejected by the NBFC	45	27
No. of complaints pending at the end of the year	109	156

b. Maintainable complaints received by the NBFCs from offices of Ombudsman

Description	2023-24	2022-23
No. of complaints received by the NBFC from the office of Ombudsman	369	222
No. of complaints resolved in favour of the NBFC by office of Ombudsman	362	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	7
Number of awards unimplemented within the stipulated time (other than those appealed)	-	-

c. Details of awards unimplemented within the stipulated time

Description	2023-24	2022-23
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
2023-24					
(a) Staff interaction related	19	816	63%	22	-
(b) Sourcing related	20	299	(15%)	14	-
(c) Levy of charges related	8	187	(63%)	1	-
(d) SMS/Calls related	9	132	(61%)	3	-
(e) Loan application related	6	47	(85%)	-	-
(f) Others	94	2,479	0%	69	10
2022-23					
(a) Staff interaction related	-	500	8%	19	-
(b) Sourcing related	1	350	1%	20	1
(c) Levy of charges related	1	509	(17%)	8	2
(d) SMS/Calls related	-	338	35%	9	-
(e) Loan application related	-	306	66%	6	-
(f) Others	5	2,487	32%	94	7

The above disclosure in note 42.17.7 also covers disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/DoR/2023-24/106DoR.FIN.REC.No.45/03.10.119/2023-24.

(All amounts in ₹ crore unless otherwise stated)

42. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March 2024 (Contd.)

17.8 Disclosure pursuant to RBI Master Directions-Reserve Bank of India (Transfer of Loan Exposure) Directions 2021 RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24th September 2021:

Details of stressed loans transferred during the year ended 31st March 2024:

Particulars	To Asset Reconstruction Companies (ARC)		To permitted transferees		To other transferees	
	NPA	SMA	NPA	SMA	NPA	SMA
Number of accounts	17,184.00	-	-	-	-	-
Aggregate principal outstanding of loans transferred (₹ in crore)	54.85	-	-	-	-	-
Weighted average residual tenor of the loans transferred (in years)	0.82	-	-	-	-	-
Net book value of loans transferred (at the time of transfer) (₹ in crore)	6.21	-	-	-	-	-
Aggregate consideration (₹ in crore)	6.58	-	-	-	-	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-	-	-	-	-
Excess provisions reversed to the Profit and Loss Account on account of sale	55.43	-	-	-	-	-

In addition to above, the Company has transferred written off loans amounting to ₹ 654.00 crore for consideration of ₹78.48 crore.

Details of stressed loans transferred during the year ended 31st March 2023:

Particulars	To Asset Reconstruction Companies (ARC)		To permitted transferees		To other transferees	
	NPA	SMA	NPA	SMA	NPA	SMA
Number of accounts	-	-	-	-	-	-
Aggregate principal outstanding of loans transferred (₹ in crore)	-	-	-	-	-	-
Weighted average residual tenor of the loans transferred (in years)	-	-	-	-	-	-
Net book value of loans transferred (at the time of transfer) (₹ in crore)	-	-	-	-	-	-
Aggregate consideration (₹ in crore)	-	-	-	-	-	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-	-	-	-	-
Excess provisions reversed to the Profit and Loss Account on account of sale	-	-	-	-	-	-

Details of stressed loans acquired*:

Description	2023-24	2022-23
No. of Accounts	448	-
Aggregate Outstanding	15.50	-
Aggregate Consideration Received	15.50	-

* The above disclosures pertain to loan acquired from State Bank of India (Scheduled Commercial Bank).

17.9 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

(All amounts in ₹ crore unless otherwise stated)

42. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March 2024 (Contd.)

17.10 Disclosure of penalties imposed by RBI and other regulators

No penalties have been imposed by RBI and other regulators during the year ended 31st March 2024 and 31st March 2023.

17.11 Details of financing of parent company products

During the year, the Company has financed 6,22,101 nos. of two-wheelers and 1,675 nos. of three-wheelers of TVS Motor Company Limited as against 5,71,390 nos. of two-wheelers and 57 nos. of three-wheelers during the year ended 31st March 2023.

17.12 Ratings assigned by Credit Rating Agencies

Description	2023-24	2022-23
Commercial Paper/Short-Term Loans	CRISIL A1+/ ICRA A1+	CRISIL A1+/ ICRA A1+
Cash Credit/ Working Capital Demand Loans	CRISIL AA	CRISIL AA
Long-Term Loans	CRISIL AA / ICRA AA	CRISIL AA / ICRA AA
Non-Convertible Debentures - Long-Term	CRISIL AA	CRISIL AA
Subordinated Debt (Tier II Capital)	CRISIL AA / BWR AA / ICRA AA	CRISIL AA / BWR AA
Perpetual Debt (Tier I Capital)	CRISIL AA- / ICRA AA-	CRISIL AA- / ICRA AA-

17.13 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 2024.

17.14 Advance against Intangible Securities

The Company has not given any loans against intangible securities.

17.15 Related Party Transactions

Refer Note 41 to Ind AS financial statements.

17.16 Derivatives

1. Forward Rate Agreement/Interest Rate Swap

S.No.	Description	31st March 2024	31st March 2023
(i)	Notional principal of swap agreements	751.50	1,473.21
(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	842.17	1,644.07

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 2024 (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)	-

(All amounts in ₹ crore unless otherwise stated)

42. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March 2024 (Contd.)

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 2024	31st March 2023
i)	Outstanding Derivatives		
	For Hedging (Currency/Interest Rate Derivatives)	842.17	1,644.07
ii)	Marked to Market Positions	-	
	a) Asset (+)	90.67	170.86
	b) Liability (-)	-	-
iii)	Credit Exposure	751.50	1,473.21
iv)	Unhedged Exposures	-	-

17.17 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 2023.

17.18 Drawdown from Reserves

No drawdown from reserves existed for the year ended 31st March, 2024 and 31st March, 2023.

17.19 Off balance sheet SPV sponsored

There are no SPVs which are required to be consolidated by the Company during the year ended 31st March, 2024 and 31st March, 2023.

17.20 There are no prior period items accounted during the year.

17.21 There are no circumstances in which revenue recognition postponed pending the resolution of significant uncertainties.

17.22 Disclosures as required for liquidity risk pursuant Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/DoR/2023-24/106DoR.FIN.REC.No.45/03.10.119/2023-24

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Particulars	As at 31st March 2024	As at 31st March 2023
Number of significant counter parties*	19	22
Amount (₹ In crore)	20,041.90	17,110.12
Percentage of funding concentration to total deposits	NA	NA
Percentage of funding concentration to total liabilities**	82.57%	85.59%

* 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 ₹ crore and % of total deposits) - NA

(iii) Top 10 borrowings (amount in ₹ crore and % of total borrowings)

Particulars	As at 31st March 2024	As at 31st March 2023
Total amount of top 10 borrowings	6,314.94	5,458.75
Percentage of amount of top 10 borrowings to total borrowings	27.96%	28.93%

(All amounts in ₹ crore unless otherwise stated)

42. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March 2024 (Contd.)

(iv) Funding concentration based on significant instrument/product*

Particulars	As at 31st March 2024	Percentage of Total Liabilities	As at 31st March 2023	Percentage of Total Liabilities
Term Loans from Banks	13,521.94	55.71%	10,243.50	51.24%
External Commercial Borrowings	833.00	3.43%	1,615.27	8.08%
Sub-ordinated Debts	2,046.71	8.43%	1,644.92	8.23%
Term Loan from Financial Institution	839.78	3.46%	200.00	1.00%
Commercial Paper	-	0.00%	1,382.04	6.91%
Non-Convertible Debentures	1,450.00	5.97%	1,225.00	6.13%
Working Capital Demand Loan	3,797.00	15.64%	2,460.00	12.31%

* 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.

(v) Stock Ratios

S.No.	Particulars	As at 31st March 2024	As at 31st March 2023
1.	Commercial papers as a % of total public funds	0.00%	7.32%
2.	Commercial papers as a % of total liabilities	0.00%	6.91%
3.	Commercial papers as a % of total assets	0.00%	6.07%
4.	Non-convertible debentures (original maturity of less than one year) as a % of total public funds	NA	NA
5.	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	NA	NA
6.	Non-convertible debentures (original maturity of less than one year) as a % of total assets	NA	NA
7.	Other short-term Liabilities as a % of total public funds	57.12%	46.29%
8.	Other short-term Liabilities as a % of total liabilities	53.15%	43.70%
9.	Other short-term Liabilities as a % of total assets	45.85%	38.40%

* 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 guideline issued by RBI to NBFCs. ALCO consists of members having requisite skill set and expertise of the business & 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 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, 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.

(All amounts in ₹ crore unless otherwise stated)

42. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March 2024 (Contd.)

The Company has taken various initiatives to raise funds at the cost commensurate with its rating by way of diversified mix of borrowings with respect to the source, type of instrument, tenor and nature of security.

(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 credits 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 85% (70 % up to 30th November 2023).

S.No.	Particulars	Q1 FY24		Q2 FY24		Q3 FY24		Q4 FY24	
		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)	807.14	807.14	825.10	825.10	898.54	898.54	1,016.66	1,016.66
	Cash Outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding **(iii)**	559.34	643.24	684.24	786.88	351.63	404.38	494.51	568.68
4	Secured wholesale funding **(iv)**	559.06	642.92	670.75	771.36	1,235.42	1,420.73	625.32	719.11
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	252.43	290.29	269.29	309.68	293.54	337.57	298.71	343.52
7	Other contingent funding obligations	70.16	80.68	63.27	72.76	50.16	57.68	80.00	92.00
8	**TOTAL CASH OUTFLOWS**	**1,440.98**	**1,657.13**	**1,687.55**	**1,940.68**	**1,930.74**	**2,220.35**	**1,498.53**	**1,723.31**
	Cash Inflows								
9	Secured lending	1,481.49	1,111.12	1,412.27	1,059.20	1,229.74	922.31	1,924.98	1,443.73
10	Inflows from fully performing exposures	456.62	342.47	484.76	363.57	372.95	279.71	659.26	494.44
11	Other cash inflows	772.30	579.23	1,072.25	804.19	1,151.66	863.74	33.00	24.75
12	**TOTAL CASH INFLOWS**	**2,710.41**	**2,032.81**	**2,969.28**	**2,226.96**	**2,754.35**	**2,065.76**	**2,617.24**	**1,962.93**

(All amounts in ₹ crore unless otherwise stated)

42. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March 2024 (Contd.)

			Q1 FY24 Total Adjusted Value		Q2 FY24 Total Adjusted Value		Q3 FY24 Total Adjusted Value		Q4 FY24 Total Adjusted Value
	TOTAL HQLA		**807.14**		**825.10**		**898.54**		**1,016.66**
	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))		**414.28**		**485.17**		**555.09**		**430.83**
	LIQUIDITY COVERAGE RATIO (%)		**195%**		**170%**		**162%**		**236%**

S.No.	High Quality Liquid Assets (HQLA)	Q1 FY24		Q2 FY24		Q3 FY24		Q4 FY24	
		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	807.14	807.14	825.10	825.10	898.54	898.54	1,016.66	1,016.66
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	**807.14**	**807.14**	**825.10**	**825.10**	**898.54**	**898.54**	**1,016.66**	**1,016.66**

(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.

(v) Components of HQLA : Cash on hand and Demand deposits with Scheduled Commercial Banks and Government Securities. The maiden Investment in G-Sec of ₹ 93.41 crore made on 28th March 2024 and it has been included in HQLA computation effective investment date.

(All amounts in ₹ crore unless otherwise stated)

42. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March 2024 (Contd.)

17.23 Summary of total borrowings, receivables and provision

Category-wise breakup	31st March 2024	31st March 2023
Secured:		
Term Loan from Banks	15,194.72	12,058.77
Working Capital Demand Loan	3,372.09	2,195.16
Non-Convertible Debentures	1,450.00	1,225.00
Securitised Trust Borrowing	-	-
Unsecured:		
Term Loan from Banks	-	-
Working Capital Demand Loan	425.00	265.00
Commercial Paper	-	1,382.04
Subordinated Debts	2,046.71	1,644.92
Perpetual Debt	99.91	99.88
Total	**22,588.43**	**18,870.77**

Total Loans

Description	31st March 2024	31st March 2023
Category-wise breakup		
Secured Loans	20,897.00	15,893.44
Unsecured Loans	5,509.31	5,361.71
Total Loans	**26,406.31**	**21,255.15**
Less: Impairment Allowance	936.07	710.06
Net Loans	**25,470.24**	**20,545.09**

Total Assets Provisions

Description	31st March 2024	31st March 2023
Provision/Impairment allowance towards NPA	556.72	357.49
Provision/Impairment allowance towards Standard Assets	379.35	352.57
Provision/Impairment allowance for Trade Receivables and other Financial Assets	9.75	29.88
Total	**945.82**	**739.94**

(All amounts in ₹ crore unless otherwise stated)

42. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March 2024 (Contd.)

18. Disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI DoR/2023-24/ 106DoR.FIN.REC.No.45/03.10.119/2023-24:

Particulars	31st March 2024	31st March 2023
Fund raised through PDI during the year	-	-
Outstanding at the end of financial year	99.91	99.88
Percentage of PDI to Tier I capital	2.8%	3.9%
Financial year in which interest for PDI not paid	NA	NA

19. Disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/DoR/2023-24/ 106DoR.FIN.REC.No.45/03.10.119/2023-24:

Loans to Directors, Senior Officers and relatives of Directors:

Particulars	2023-24	2022-23
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. 1st October 2022 and the transactions have been disclosed accordingly.

20. Disclosure under SEBI circular – "Ease of doing business and development of corporate bond markets – revision in the framework for fund raising by issuance of debt securities by Large Corporates (LCs)" dated 19th October 2023 :

As per SEBI Master Circular for Issue and Listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated 10th August 2021 (updated till 7th July 2023) ("Master Circular") {Chapter XII – Fund raising by issuance of Debt securities by Large Corporate}, the Company can issue debt securities over a contiguous period of 3 Years (block period). Accordingly, the shortfall of ₹ 1,868.75 crore for FY 2024 can be met on or before FY 2026 as per the Master Circular. The Company is in compliance with the Master Circular.

Subsequently, considering prevailing market conditions and representations from market participants, SEBI notified the revised circular dated 19th October 2023, which will become effective from 1st April 2024. As per clause 8 of revised circular, Chapter XII of Master circular got replaced with the new circular. To bring the LCs under new guidelines, SEBI has recommended LCs to provide one time explanation in the annual report for the shortfall and transition to new guidelines from 1st April 2024 onwards, in line with clause 7 of revised circular. The Company will align to the provisions of new circular.

21 Disclosure on Restructuring Pursuant to Reserve Bank of India Notification Rbi/Dor/2023-24/106 Master Direction - Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 Dor.Fin.Rec.No.45/03.10.119/2023-24 updated as on 31st March 2024.

S.No.	Type of Restructuring		Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
	Asset Classification Details		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of borrowers	-	-	-	-	-	89	55	6	-	150	4,457	12,609	9,769	-	26,835	4,546	12,664	9,775	-	26,985
		Amount outstanding	-	-	-	-	-	5.08	3.05	0.19	-	8.32	29.87	53.62	28.61	-	112.10	34.95	56.67	28.80	-	120.42
		Provision thereon	-	-	-	-	-	1.65	0.99	0.09	-	2.74	10.51	24.60	16.89	-	52.00	12.16	25.59	16.98	-	54.73
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	1	-	-	1	-	1	-	-	1
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	2.64	-	-	2.64	-	2.64	-	-	2.64
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	0.84	-	-	0.84	-	0.84	-	-	0.84
3	Upgradations to restructured standard category during FY	No. of borrowers	-	-	-	-	-	8	(8)	-	-	-	31	(27)	(4)	-	-	39	(35)	(4)	-	-
		Amount outstanding	-	-	-	-	-	0.89	(0.89)	-	-	-	0.43	(0.41)	(0.02)	-	(0.00)	1.32	(1.30)	(0.02)	-	(0.00)
		Provision thereon	-	-	-	-	-	0.36	(0.36)	-	-	-	0.28	0.13	(0.41)	-	0.00	0.64	(0.23)	(0.41)	-	0.00
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradation of restructured accounts during FY	No. of borrowers	-	-	-	-	-	(3)	(30)	33	-	-	(364)	(1,291)	1,655	-	-	(367)	(1,321)	1,688	-	-
		Amount outstanding	-	-	-	-	-	(0.20)	(0.95)	1.15	-	-	(1.70)	(13.11)	14.81	-	-	(1.90)	(14.05)	15.96	-	-
		Provision thereon	-	-	-	-	-	(0.12)	(0.39)	0.51	-	-	(1.04)	(6.69)	7.73	-	-	(1.16)	(7.09)	8.24	-	-
6	Write-offs of restructured accounts during FY	No. of borrowers	-	-	-	-	-	3	1	2	-	6	427	2,075	639	-	3,141	430	2,076	641	-	3,147
		Amount outstanding	-	-	-	-	-	0.07	0.05	0.10	-	0.21	1.02	10.17	12.51	-	23.69	1.08	10.22	12.60	-	23.91
		Provision thereon	-	-	-	-	-	0.10	0.02	0.06	-	0.17	0.76	5.25	5.34	-	11.35	0.85	5.27	5.40	-	11.52
7	Collection	No. of borrowers	-	-	-	-	-	41	13	4	-	58	2,943	8,792	9,398	-	21,133	2,984	8,805	9,402	-	21,191
		Amount outstanding	-	-	-	-	-	3.37	0.96	0.09	-	4.43	20.24	27.69	14.30	-	62.23	23.61	28.66	14.39	-	66.66
		Provision thereon	-	-	-	-	-	1.69	0.16	0.38	-	2.23	8.52	11.76	11.93	-	32.21	10.21	11.92	12.32	-	34.44
8	Restructured Accounts as on March 31 of FY (closing figures*)	No. of borrowers	-	-	-	-	-	50	3	33	-	86	754	425	1,383	-	2,562	804	428	1,416	-	2,648
		Amount outstanding	-	-	-	-	-	2.33	0.20	1.15	-	3.68	7.35	4.88	16.59	-	28.82	9.68	5.08	17.74	-	32.49
		Provision thereon	-	-	-	-	-	0.11	0.06	0.15	-	0.33	0.47	1.86	6.95	-	9.28	0.58	1.93	7.10	-	9.61

Thanks to the InstaCard, Atul's family had a dream holiday.

And Nicky's homestay welcomed its first guests.

When a **TVS Credit InstaCard** gives wings to a family's vacation, it also benefits the business owners who make a living from tourism.

PRE-APPROVED LOAN	ZERO COST* EMI	ZERO* PROCESSING FEES

*Terms and conditions apply

22. Disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/DoR/2023-24/106DoR.FIN.REC.No.45/03.10.119/2023-24:

The Statutory Auditors have not expressed any modified opinion on the financial statement for the year ended 31st March 2024.

As per our report of even date

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

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

S. Usha
Partner
Membership No. 211785

Place : Chennai
Date : 8th May 2024

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

C.N. Gangadaran
Partner
Membership No. 011205

Sudarshan Venu
Chairman
DIN-03601690

Ashish Sapra
Chief Executive Officer

Roopa Sampath Kumar
Chief Financial Officer

Sreejith Raj P
Company Secretary

Place : Chennai
Date : 8th May 2024

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 2024, and the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year ended 31st March 2024, and a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us 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 2024, and their consolidated profit, and their consolidated cash flows for the year ended 31st March 2024.

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 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 significant impact on the financial statements. The estimates regarding impairment allowances are complex and require a significant degree of judgement, which increased with implementation of 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 1, 2 and 3 based on identification of: (a) exposures with significant increase in credit risk since their origination and (b) Individually impaired / default exposures.	➢ We obtained an understanding of management's assessment of impairment of loans and advances including the Ind AS109 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 macro-economic scenarios including the impact of 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 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, reasonableness of PD, accuracy of LGD and ECL computation. ➢ We have also verified the compliance of circulars issued by 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, program development and computer operations. We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties. We have focussed 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 are 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 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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 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, makes 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 ₹ 15.73 crore as of 31st March 2024, total revenues of ₹ 0.96 crore and net cash outflows amounting to ₹ 0.12 crore 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 subsection (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 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 31st March 2024 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 31st March 2024 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 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. 42.

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 derivative 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 and edit log, based on our examination which included test checks, the Company has used multiple accounting softwares for maintaining its books of account which has the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

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

S. Usha
Partner
Membership No. 211785

Date: 08th May, 2024
Place: Chennai

UDIN: 24211785BKCPSC8282

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

C.N. Gangadaran
Partner
Membership No. 011205

Date: 08th May, 2024
Place: Chennai

UDIN: 24211785BKCPSC8282

(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 2024, we have audited the internal financial controls over financial reporting of TVS Credit Services (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 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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 depends 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 2024, 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 crore and its borrowings from banks and financial institutions at any time during the year is less than ₹ 25 crore, 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: 08th May, 2024
Place: Chennai

UDIN: 24211785BKCPSC8282

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

C.N. Gangadaran
Partner
Membership No. 011205

Date: 08th May, 2024
Place: Chennai

UDIN: 24211785BKCPSC8282

CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH 2024

(All amounts in ₹ crore unless otherwise stated)

	Particulars	Note No.	As at 31st March 2024	As at 31st March 2023
	ASSETS			
1	**Financial Assets**			
(a)	Cash and Cash Equivalents	4	1,761.42	1,539.93
(b)	Bank Balances other than (a) above	5	5.90	5.72
(c)	Derivative Financial Instruments	6	90.67	170.86
(d)	Receivables			
	i) Trade Receivables	7	117.20	64.36
(e)	Loans	8	25,470.24	20,545.09
(f)	Investments	9	97.71	-
(g)	Other Financial Assets	10	25.02	22.82
	Total		**27,568.16**	**22,348.78**
2	**Non-Financial Assets**			
(a)	Current Tax Assets (Net)	11	19.81	-
(b)	Deferred Tax Assets (Net)	12	337.96	213.45
(c)	Investment Property	13	85.16	85.16
(d)	Property, Plant and Equipment	14	35.92	29.25
(e)	Right-to-use Assets	14	26.58	28.73
(f)	Other Intangible Assets	14	2.94	1.95
(g)	Other Non-Financial Assets	15	64.48	45.33
	Total		**572.85**	**403.87**
	Total Assets		**28,141.01**	**22,752.65**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial Liabilities**			
(a)	Payables			
	I. Trade Payables			
	i) Total outstanding dues of micro enterprises and small enterprises	16	14.19	19.13
	ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	16	1,035.09	616.56
(b)	Debt Securities	17	1,450.00	2,607.04
(c)	Borrowings other than Debt Securities	18	18,991.81	14,518.93
(d)	Subordinated Liabilities	19	2,146.62	1,744.80
(e)	Other Financial Liabilities	20	513.97	391.68
	Total		**24,151.68**	**19,898.14**
2	**Non-Financial Liabilities**			
(a)	Current Tax Liabilities (Net)	11	-	9.59
(b)	Provisions	21	67.59	52.67
(c)	Other Non-Financial Liabilities	22	52.80	31.39
	Total		**120.39**	**93.65**
3	**Equity**			
(a)	Equity Share Capital	23	228.22	228.22
(b)	Instruments entirely equity in nature	23	18.38	-
(c)	Other Equity	24	3,622.34	2,532.64
	Total		**3,868.94**	**2,760.86**
	Total Liabilities and Equity		**28,141.01**	**22,752.65**
Material Accounting Policies forming part of financial statements		**3**		
Additional Notes forming part of financial statements		**42**		

As per our report of even date

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

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 : 8th May 2024

Sudarshan Venu
Chairman
DIN-03601690

Ashish Sapra
Chief Executive Officer

Roopa Sampath Kumar
Chief Financial Officer

Sreejith Raj P
Company Secretary

Place : Chennai
Date : 8th May 2024

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2024

(All amounts in ₹ crore unless otherwise stated)

	Particulars	Note No.	Year ended 31st March 2024	Year ended 31st March 2023
	Revenue from Operations			
i)	Interest Income	25	5,111.07	3,755.51
ii)	Fee and Commission Income	26	594.38	392.22
iii)	Other Operating Income	27	85.09	-
I)	**Total Revenue from Operations**		**5,790.54**	**4,147.73**
II)	Other Income	28	5.47	4.70
III)	**Total Income (I + II)**		**5,796.01**	**4,152.43**
	Expenses			
i)	Finance Costs	29	1,653.64	1,168.28
ii)	Fees and Commission Expenses		429.72	272.39
iii)	Impairment of Financial Instruments	30	1,127.05	629.14
iv)	Employee Benefit Expenses	31	1,200.78	1,039.51
v)	Depreciation, Amortisation and Impairment		27.39	21.43
vi)	Other Expenses	32	594.55	509.60
IV)	**Total Expenses**		**5,033.13**	**3,640.35**
V)	Profit/(Loss) before exceptional items and tax		**762.88**	**512.08**
VI)	Exceptional Items		-	-
VII)	**Profit/(Loss) before tax**		**762.88**	**512.08**
VIII)	Tax Expenses	33		
	Current Tax		307.87	197.96
	Deferred Tax		(117.55)	(75.17)
IX)	**Profit/(Loss) for the year**		**572.56**	**389.29**
X)	Other Comprehensive Income	34		
A.	Items that will not be reclassified to Profit or Loss - Itemwise			
	Remeasurement of the defined benefit plans		(9.72)	(0.96)
	Income Tax relating to these items		2.45	0.24
B.	Items that will be reclassified to Profit or Loss - Itemwise			
	Fair value change on cash flow hedge		(17.95)	8.71
	Income Tax relating to these items		4.52	(2.19)
	Other Comprehensive Income (A+B)		**(20.70)**	**5.80**
XI)	Total comprehensive Income for the year (Comprising Profit/(Loss) and other comprehensive income for the year)		**551.86**	**395.09**
XII)	Earnings Per Share	35		
	Basic (₹)		25.02	18.75
	Diluted (₹)		23.93	18.75
Material Accounting Policies forming part of financial statements		**3**		
Additional Notes forming part of financial statements		**42**		

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 : 8th May 2024

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

Sreejith Raj P
Company Secretary

Place : Chennai
Date : 8th May 2024

(All amounts in ₹ crore unless otherwise stated)

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
Cash Flow from Operating Activity		
Profit Before Income Tax	762.88	512.07
Adjusted For:-		
Depreciation and Amortisation Expense	27.39	21.43
Impairment of Financial Assets	219.39	321.42
(Profit)/Loss on disposal of Property, Plant and Equipment	(0.47)	(0.71)
Finance Charges	1,653.64	1,168.28
Unwinding of discount on Security Deposits	(0.95)	(3.92)
Remeasurement of Defined Benefit Plans	(9.72)	(0.96)
Cash generated from Operations before Working Capital Changes	**1,889.28**	**1,505.54**
Change in Operating Assets and Liabilities		
(Increase)/Decrease in Trade Receivables	(55.22)	(26.49)
(Increase)/Decrease in Loans	(5,142.17)	(6,852.18)
(Increase)/Decrease in Other Financial Assets	(1.24)	39.53
(Increase)/Decrease in Other Non-Financial Assets	(19.15)	(5.52)
Increase/(Decrease) in Trade Payables	413.59	301.04
Increase/(Decrease) in Other Financial Liabilities	99.53	64.73
Increase/(Decrease) in Other Non-Financial Liabilities	36.32	16.15
Financing Charges paid	(1,628.48)	(1,081.67)
Cash used in Operations	**(3,644.66)**	**(5,526.80)**
Income Taxes paid	(337.27)	(181.27)
Net cash outflow from Operating Activities	**(3,981.93)**	**(5,708.07)**
Cash Flow from Investing Activities		
Investment in Property, Plant and Equipment	(26.89)	(25.11)
Proceeds from sale of Property, Plant and Equipment	0.56	1.47
Decrease in Deposits with Bank	(0.18)	0.28
Investment in Government Securities	(93.46)	-
Investment in Compulsory Convertible Debentures	(0.25)	-
Investment in Alternate Investment Fund	(4.00)	-
Net cash outflow from Investing Activities	**(124.22)**	**(23.36)**
Cash Flows from Financing Activities		
Proceeds from issue of Equity Shares	-	500.00
Proceeds from issue of Compulsorily Convertible Preference Shares	558.00	-
Proceeds from Issue/(Repayment) of Debt Securities (net)	(1,157.04)	393.36
Proceeds/(Repayment) of Borrowings other than Debt Securities (net)	4,535.59	4,972.77
Proceeds/(Repayment) of Subordinated Liabilities (net)	401.82	451.46
Payments of Lease Liabilities	(10.66)	(8.23)
Net Cash Inflow from Financing Activities	**4,327.71**	**6,309.36**
Net Increase in Cash & Cash Equivalents	**221.56**	**577.93**
Cash and cash equivalents at the beginning of the financial year	**1,539.77**	**961.84**
Cash and Cash Equivalents at end of the year	**1,761.33**	**1,539.77**

As per our report of even date

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

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 : 8th May 2024

Sudarshan Venu
Chairman
DIN-03601690

Ashish Sapra
Chief Executive Officer

Roopa Sampath Kumar
Chief Financial Officer

Sreejith Raj P
Company Secretary

Place : Chennai
Date : 8th May 2024

(All amounts in ₹ crore unless otherwise stated)

I) Equity Share Capital

	Notes	Amounts
Balance as at 1st April 2022		**201.20**
Changes in equity share capital during the year	21	27.02
Balance as at 31st March 2023		**228.22**
Changes in equity share capital during the year	21	-
Balance as at 31st March 2024		**228.22**

II) Instruments entirely equity in nature

	Notes	Amounts
Balance as at 1st April 2022		**-**
Changes in equity share capital during the year	21	-
Balance as at 31st March 2023		**-**
Changes in equity share capital during the year	21	18.38
Balance as at 31st March 2024		**18.38**

III) Other Equity

		Reserves and Surplus				
	Notes	Securities Premium Account	Statutory Reserve	Retained Earnings	Other Reserves - Hedge Reserve	Total
Balance as at 1st April 2022		**863.38**	**164.30**	**624.11**	**12.80**	**1,664.59**
Change in accounting policy						
Profit for the year	24	-	-	389.29	-	389.29
Other comprehensive income	24	-	-	(0.72)	6.52	5.80
Transaction in the capacity as owners						
Transfer to Statutory reserve	24	-	77.73	(77.73)	-	-
Issue of equity shares	24	472.97	-	-	-	472.97
Balance as at 31st March 2023		**1,336.35**	**242.03**	**934.95**	**19.32**	**2,532.65**
Profit for the year	24	-	-	572.56	-	572.56
Other comprehensive income	24	-	-	(7.28)	(13.43)	(20.71)
Transaction in the capacity as owners						
Transfer to Statutory reserve	24	-	114.37	(114.37)	-	-
Issue of equity shares	24	537.84	-	-	-	537.84
Balance as at 31st March 2024		**1,874.19**	**356.40**	**1,385.86**	**5.89**	**3,622.34**

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 : 8th May 2024

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

Sudarshan Venu
Chairman
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Sreejith Raj P
Company Secretary

Place : Chennai
Date : 8th May 2024

(All amounts in ₹ crore unless otherwise stated)

1 Corporate Information

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 Certificate of Registration (No. N-07-00783) dated 13th April 2010 from Reserve Bank of India (RBI) and commenced Non-Banking financial activity thereon. 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 01st October 2022, the Company has been categorised as NBFC-Middle Layer under the RBI Scale Based Regulation dated 22nd October 2021.

2 Basis of Preparation

2.1 Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the updated Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time and other applicable RBI circulars/notifications,notification for Implementation of Indian Accounting Standards issued by RBI vide circular RBI/2019-20/170 DOR(NBFC). CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020 ('RBI notification for Implementation of Ind AS') and other applicable RBI circulars/notifications.

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.

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

The financial statements are prepared on going concern basis based on the ability of the Company to continue its business for the foreseaable future and no material uncertainity exists that may cause significant doubt on the going concern assumption. In making this assessment, the Company has considered wide range of information relating to present & likely future conditions inclding projections of cash flows & profitability.

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. Inter-company 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. 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
		2023-24	2022-23	
1	Harita ARC Services Private Limited	100%	100%	31st March 2024
2	TVS Housing Finance Private Limited	100%	100%	31st March 2024
3	Harita Two Wheeler Mall Private Limited	100%	100%	31st March 2024

All the subsidiaries are incorporated in India.

(All amounts in ₹ crore unless otherwise stated)

2.2 Presentation of Financial Statements

Financial assets and financial liabilities are generally reported on a gross basis in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and/or its counterparties

2.3 Significant Estimates and Judgements

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 period. This note provides an overview of the areas that involved a higher degree of judgement 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 judgements is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates are:

(a) Business model assessment - Refer Note 3.5.1A

(b) Fair value of financial instruments - Refer Note 37

(c) Impairment of financial asset - Refer Note 38

(d) Provisions & Other Contingent Liabilities - Refer Note 21

(e) Estimation of defined benefit obligation - Refer Note 36

3 Material Accounting Policies

3.1 Property, Plant and Equipment (PPE)

Items of property, plant & equipment are stated at 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 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.

3.2 Depreciation

Depreciation is provided on 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 phone (office equipment), on which depreciation is considered as 2 years based on the technical evaluation and leased vehicles (Vehicles) have been depreciated over lease period.

(All amounts in ₹ crore unless otherwise stated)

Useful life as used by the Company and as indicated in Schedule II are listed below:

Nature of Asset	Useful life as per Schedule II	Useful life adopted by the Company
Computers	3 years	3 years
Computer Software	3 years	3 years
Furniture & Fixtures	10 years	10 years
Furniture & Fixtures (Leasehold Improvements)	10 years	As per lease tenure
Office Equipments (Mobile Phones)	5 years	2 years
Office Equipments (Other than mobile phones)	5 years	5 years
Vehicles (Motor Cycle)	10 years	10 years
Vehicles (Motor Car)	8 years	8 years

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 of during the year is calculated on pro-rata basis with reference to the date of addition/disposal.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.3 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.

3.4 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 licence period whichever is lower on Straight Line basis.

3.5 Financial Instruments

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

Financial instruments are measured at amortised cost, unless otherwise specified.

All financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments along with the certainty of ultimate collection in case of financial assets. For tradable securities, the Company recognises the financial instruments on settlement date.

3.5.1 Financial Assets

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity.

(All amounts in ₹ crore unless otherwise stated)

3.5.1A 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.

3.5.1B Measurement

At initial recognition, the Company measures financial assets, except those at FVTPL, at their fair value adjusted for transaction costs or origination income directly attributable to the acquisition. Transaction costs for financial assets measured at FVTPL are expensed in profit or loss.

i. Debt instruments carried at amortised cost (AC):

(a) The business model of the Company for assets subsequently measured at amortised cost category is to hold and collect contractual cash flows. However, considering the economic viability of carrying the delinquent portfolios on the books of the Company, it may enter into immaterial and infrequent transactions to sell these portfolios to banks and/or asset reconstruction companies without affecting the business model of the Company.

(b) After initial measurement, such financial assets are subsequently measured at amortised cost on Effective Interest Rate (EIR). Refer note 3.5.5A for further details.

ii. Debt instruments at fair value through other comprehensive income (FVTOCI):

(a) 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. Since, the loans are held to sale and collect contractual cash flows, they are measured at FVTOCI.

(b) Financial assets included within the FVTOCI category are measured at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit or loss.

iii. Debt instruments at fair value through profit or loss (FVTPL):

Financial assets which do not meet the criteria for categorisation as at amortised cost or as FVTOCI, are measured at FVTPL. Subsequent changes in fair value are recognised in the statement of profit and loss.

(All amounts in ₹ crore unless otherwise stated)

iv. Equity instruments at cost:

Investments in subsidiary and associate are measured at cost as per Ind AS 27 – Separate Financial Statements.

v. Equity instruments at fair value through other comprehensive income (FVTOCI):

Investments in equity instruments other than in subsidiaries and associates are measured at fair value.

The Company has strategic investments in equity for which it has elected to present subsequent changes in fair value in other comprehensive income. The classification is made on initial recognition and is irrevocable.

All fair value changes of the aforesaid equity instruments are recognised in OCI and are not reclassified to the Statement of Profit and Loss subsequently, even on sale of those investments.

vi. Investment in government securities:

Investment in Government Securities are measured in the financial statements at amortised cost. The Company intends to hold these instruments till maturity and any sale of these instruments, if any necessitated by requirements or events are likely to be infrequent and immaterial.

vii. Investment in Compulsory Convertible Debenture:

Investment in Compulsorily Convertible Debentures are classified and measured in the financial statements at fair value through other comprehensive income.

viii. Investment in Alternate Investment Fund:

Investment in Alternative Investment Fund is classified and measured at fair value through other comprehensive income. Any gain/losses on disposal or subsequent re-measurement is recognised in the other comprehensive income.

3.5.2 Financial Liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments

3.5.2A Initial recognition and measurement

All financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

3.5.2B Subsequent Measurement

Financial liabilities are carried at amortised cost using the effective interest method.

3.5.3 Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the year ended 31st March 2024 and 31st March 2023.

(All amounts in ₹ crore unless otherwise stated)

3.5.4 Derecognition of Financial Assets & Liabilities

i) Derecognition of financial assets due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

ii) Derecognition of financial assets other than due to substantial modification of terms and conditions

(a) A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

(b) The Company enters into securitisation transactions where financial assets are transferred to a special purpose vehicle for a purchase consideration. The credit enhancement is provided in the form of cash collateral and investment in equity tranche PTCs, pursuant to the transfer of financial assets under securitisation. Basis this, the Company concluded that securitisation transactions entered by the Company does not qualify for derecognition since substantial risk and rewards of the ownership has not been transferred. The transactions are treated as financing arrangements and the sale consideration received is treated as borrowings.

iii) Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

3.5.5 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 are 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.

(3) Interest on govt securities is recognised as interest income in Profit & Loss statement.

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.

(All amounts in ₹ crore unless otherwise stated)

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

(3) The Company recognises revenue from contract 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 Operating Income:

The Company recognises proceeds from sale of written off & stressed financial asset.

E) 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.

3.5.6 Impairment of financial assets

The Company recognises loss allowance for Expected Credit Loss "ECL" on the following financial assets 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-month 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) 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.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage	Days Past due	ECL	Risk
Stage 1	Up to 30 days	12-month ECL	Low credit risk
Stage 2	31-90 days	Life-time ECL	Significant increase in credit risk
Stage 3	More than 90 days	Life-time ECL	Impaired assets

Stage 1:

When loans are first recognised, the Company recognises an allowance based on 12-month ECL. Stage 1 loans include those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from Stage 2 or Stage 3. (If completely regularised to zero DPD for Stage 3)

Stage 2:

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for life time ECL. Stage 2 loans also include where the loans have been re-structured as per extent RBI Regulations.

Significant increase in credit risk: The Company monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial

(All amounts in ₹ crore unless otherwise stated)

recognition. If there has been a significant increase in credit risk, the Company will measure the loss allowance based on lifetime ECLs rather than 12-month ECLs. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available with.

Stage 3: Credit-impaired financial assets: A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower;
- a breach of contract such as a default or past due event;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

Loans considered credit impaired are the loans which are past due for more than 90 days and has not been completely regularised to zero DPD & 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. Loan accounts where principal and/ or interest are past due for more than 90 days along with all other loans of such customer, continue to be classified as Stage 3, till overdue across all loan accounts are cleared. The Company records an allowance for life time ECL.

Measurement of ECLs

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including past events, current conditions and current profile of customers. Additionally, forecasts of future macro situations and economic conditions are considered as part of the ECL model. Forward-looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro-economic factors.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD.

Probability Of Default ('PD'):

PD is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

Exposure At Default ('EAD'):

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest.

Loss Given Default ('LGD'):

LGD is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The Company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward-looking estimates are analysed.

Mechanics of ECLs

The Company applies a three-stage approach to measure ECL on financial assets that are not measured at fair value through profit or loss:

(All amounts in ₹ crore unless otherwise stated)

Stage 1: 12-month ECL

At initial recognition and for financial instruments where there has not been a significant increase in credit risk since initial recognition, the Company recognises an allowance based on the 12-month ECL.

The 12-month ECL represents the portion of lifetime ECL that result from default events that are possible within the 12 months after the reporting date. The Company calculates this allowance based on the expectation of a default occurring within 12 months following the reporting date.

These expected 12-month default probabilities are applied to a forecasted Exposure at Default (EAD) and multiplied by the expected Loss Given Default (LGD).

Stage 2: Lifetime ECL-not credit impaired

When a financial asset shows a significant increase in credit risk since origination but is not considered credit-impaired, the Company records an allowance for lifetime ECL.

The mechanics are similar to Stage 1 but the Probability of Default (PD) and LGD are estimated over the remaining lifetime of the instrument.

Stage 3: Lifetime ECL-credit impaired

For financial assets that are credit-impaired, the Company recognises the lifetime ECL.

The methodology is similar to Stage 2, but with the PD set at 100% to reflect that the asset is already credit impaired.

Forward-looking information:

In its ECL models, the Company relies on a broad range of forward-looking macro parameters and estimated the impact on the default at a given point of time.

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 for internal operation. Any surplus funds are returned to the borrower and accordingly collateral repossessed are not recorded on the balance sheet and not treated as assets held for sale.

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.

3.5.7 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.

(All amounts in ₹ crore unless otherwise stated)

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 37. Movements in the hedging reserve in shareholders' equity are shown in Note 24.

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.

3.5.8 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.

3.6 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.

3.7 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 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 in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. 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 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.

(All amounts in ₹ crore unless otherwise stated)

3.8 Employee Benefits

(a) Short-term Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are 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) Long-term Employee Benefits

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 employee 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 ₹ 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.

(d) Other Employee Benefits

The Company contributes to Employees State Insurance Scheme and recognises such contribution as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

(All amounts in ₹ crore unless otherwise stated)

3.9 Functional Currency

3.9.1 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 (₹) and all values are rounded off to nearest lakhs except where otherwise indicated.

3.9.2 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.

3.10 Borrowing cost

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

3.11 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 as permitted by Ind AS 7.

3.12 Earnings Per Share

In accordance with Ind AS 33, 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.

3.13 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 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.

3.14 Lease

The Company evaluates each contract or arrangement, 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 corresponding lease liability, except for leases with 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 of lease term or useful life of right-of-use assets.

(All amounts in ₹ crore unless otherwise stated)

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.

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

3.15 Segment reporting

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

3.16 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.

3.17 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.

3.18 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 4 Cash and Cash Equivalents

S.No.	Description	As at 31st March 2024	As at 31st March 2023
a)	Cash on hand*	4.91	2.49
b)	Balance with banks		
	- Current accounts	1,741.10	1,522.84
	- Deposits	15.41	14.60
	Total	**1,761.42**	**1,539.93**

* Includes 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 2024	As at 31st March 2023
a)	Cash and Cash equivalents as shown above	1,761.42	1,539.93
b)	Less: Overdrafts utilised	0.09	0.16
	(Grouped under Borrowings (other than debt securities) - Note 18)		
	Total	**1,761.33**	**1,539.77**

NOTE 5 Bank Balance other than Cash and Cash equivalents*

S.No.	Description	As at 31st March 2024	As at 31st March 2023
a)	Bank Balance other than Cash and Cash equivalents	5.90	5.72
	Total	**5.90**	**5.72**

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

NOTE 6 Derivative Financial Instruments

S.No.	Description	As at 31st March 2024		
		Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
a)	Other Derivatives - Cross Currency Swap Derivatives designated as cash flow hedges	751.50	90.67	-
	Total	**751.50**	**90.67**	**-**

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

The Company has a Board-approved policy for entering into derivative transactions. Derivative transactions comprises 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 7 Trade Receivables

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31st March 2024					
		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	117.20	-	-	-	-	117.20
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	**117.20**	**-**	**-**	**-**	**-**	**117.20**

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**

NOTE 8 Loans

S.No.	Description	As at 31st March 2024	As at 31st March 2023
		Amortised Cost	
a)	Term Loans		
	i) Automobile Financing	18,408.49	15,449.23
	ii) Consumer Lending	7,719.97	4,793.90
	iii) Small Business Lending	277.86	1,012.02
	Total Loans - Gross	**26,406.31**	**21,255.15**
b)	Less: Impairment Loss Allowance	936.07	710.06
c)	**Total Loans - Net (a) - (b)**	**25,470.24**	**20,545.09**
	Nature		
a)	Secured by Tangible Assets	20,897.00	15,893.44
b)	Unsecured Loans	5,509.31	5,361.71
c)	**Total Gross (a) + (b)**	**26,406.31**	**21,255.15**
d)	Less: Impairment Loss Allowance	936.07	710.06
e)	**Total - Net (c) - (d)**	**25,470.24**	**20,545.09**

(All amounts in ₹ crore unless otherwise stated)

NOTE 8 Loans (Contd.)

S.No.	Description	As at 31st March 2024	As at 31st March 2023
i)	Loans in India		
	Public Sector	-	-
	Others	26,406.31	21,255.15
	Total Gross	**26,406.31**	**21,255.15**
	Less: Impairment Loss Allowance	936.07	710.06
	Total - Net	**25,470.24**	**20,545.09**
ii)	Loans Outside India	-	-
iii)	**Total Loans (i) +(ii)**	**25,470.24**	**20,545.09**

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 5,863 nos repossessed vehicles as at Balance Sheet date. (As at 31st March 2023: 6,958 nos).

c. The term loans include loans given to related parties (refer note 41) and these loans which have been granted to related parties are specified with terms or period of repayment. These loans have been classified under 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 for NPAs with respect to RBI's supervisory inspection for the year ended 31st March 2022.

e. Percentage (%) of Gold Loan to Total Assets as on 31st March 2024 is 0.00% (as per rounding up norms of the Company).

NOTE 9 Investments

S.No.	Description	As at 31st March 2024	As at 31st March 2023
A	**At Cost:**		
a)	**Investment in Government Securities**	93.46	-
B	**At fair value through other comprehensive income:**		
a)	**Investment in Alternative Instrument fund:**		
	40,000 units of Eight Innovate Fund II (31st March 2023: Nil)	4.00	-
b)	**Investment in Compulsory Convertible Debentures**		
	25 (31st March 2023 : Nil) 0.001% Compulsorily convertible debentures of ₹1,00,000 each in Hyper Grocers Private Limited	0.25	-
	Total – Gross (A)	**97.71**	**-**
	(i) Investments outside India	-	-
	(ii) Investments in India	97.71	-
	Total	**97.71**	**-**
	Less: Impairment Loss Allowance	-	-
	Total - Net (C) = (A) - (B)	**97.71**	**-**

(All amounts in ₹ crore unless otherwise stated)

NOTE 10 Other Financial Assets

S.No.	Description	As at 31st March 2024	As at 31st March 2023
a)	Employees Related Receivables	10.49	7.97
b)	Security Deposit for Leased Premises	11.17	9.65
c)	Advances to Related Parties	-	-
d)	Other Financial Assets - Non-Related Parties	0.71	9.74
e)	Deposit with Service Providers	2.65	5.19
	Total Gross	25.02	32.55
	Less: Impairment Loss Allowance	-	9.73
	Total	**25.02**	**22.82**

NOTE 11 Current Tax Assets

S.No.	Description	As at 31st March 2024	As at 31st March 2023
a)	Opening Balance	(9.59)	7.10
b)	Add: Taxes Paid	337.27	181.27
c)	Less: Taxes Payable	(307.87)	(197.96)
	Total	**19.81**	**(9.59)**

NOTE 12 Deferred Tax Assets/(Liabilities)

The balance comprises temporary differences attributable to:

S.No.	Description	As at 31st March 2022	Charge/(Credit) to profit and loss	Charge/(Credit) to OCI	As at 31st March 2023	Charge/(Credit) to profit and loss	Charge/(Credit) to OCI	As at 31st March 2024
	Deferred Tax Assets/(Liabilities) on account of:							
a)	Impairment allowance for financial instruments	101.12	74.04	-	175.16	48.82	-	223.98
b)	Difference between depreciation as per Books of Account and the Income Tax Act, 1961	5.24	(0.40)	-	4.84	0.04	-	4.88
c)	Provision for Compensated Absences and Gratuity	7.20	3.17	1.44	11.81	1.13	2.27	15.21
d)	Provision for Pension	3.47	0.19	(1.20)	2.46	0.18	0.19	2.83
e)	Expenses Disallowed under Section 40 (a) (ia)	10.57	11.93	-	22.50	24.16	-	46.66
f)	Impact of effective interest rate adjustment on Financial Assets	17.68	(12.78)	-	4.90	43.52	-	48.42
g)	Impact of unwinding the advances to related parties	0.81	(0.81)	-	-	-	-	-
h)	Mark-to-market on derivatives	(4.30)	-	(2.20)	(6.50)	-	4.52	(1.98)
i)	Impact of effective interest rate adjustment on Financial Liabilities	(2.52)	(0.30)	-	(2.82)	(0.42)	-	(3.24)
j)	Impact of Lease Accounting as per Ind AS 116	0.96	0.14	-	1.10	0.10	-	1.20
	Total Deferred Tax Assets/(Liabilities)	**140.23**	**75.18**	**(1.96)**	**213.45**	**117.53**	**6.98**	**337.96**

(All amounts in ₹ crore unless otherwise stated)

NOTE 13 Investment Property

Description	Land	Building	Total
As at 31st March 2024			
Gross carrying amount as at 1st April 2023	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 2024 (A)-(B)	**85.16**	**-**	**85.16**
Net carrying value as at 31st March 2023	**85.16**	**-**	**85.16**

Description	Land	Building	Total
As at 31st March 2023			
Gross carrying amount as at 1st April 2022	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 2023 (A)-(B)	**85.16**	**0.00**	**85.16**

(i) Fair value

	As at 31st March 2024	As at 31st March 2023
Investment Properties	411.15	411.15

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 14 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		
As at 31st March 2024							
Gross carrying amount as at 31st March 2023	43.10	13.26	15.45	1.49	73.30	56.86	18.37
Additions	14.05	7.52	3.19	-	24.75	6.10	2.14
Adjustment due to revaluation and acquisitions through business combinations	-	-	-	-	-	-	-
Sub-total	**57.15**	**20.78**	**18.64**	**1.49**	**98.05**	**62.96**	**20.51**
Disposals	8.66	0.96	2.15	-	11.77	-	-
Closing gross carrying amount (A)	**48.49**	**19.82**	**16.49**	**1.49**	**86.28**	**62.96**	**20.51**
Depreciation and Amortisation							
Opening accumulated depreciation	23.32	9.77	10.87	0.10	44.06	28.13	16.42
Depreciation/Amortisation charge during the year	13.27	1.97	2.56	0.19	17.99	8.25	1.15
Sub-Total	**36.59**	**11.74**	**13.43**	**0.29**	**62.05**	**36.38**	**17.57**
Disposals	8.64	0.90	2.14	-	11.69	-	-
Closing accumulated depreciation and amortisation (B)	**27.95**	**10.84**	**11.29**	**0.29**	**50.36**	**36.38**	**17.57**
Net carrying value as at 31st March 2024 (A)-(B)	**20.54**	**8.98**	**5.20**	**1.20**	**35.92**	**26.58**	**2.94**
Net carrying value as at 31st March 2023	**19.78**	**3.49**	**4.58**	**1.39**	**29.24**	**28.73**	**1.95**

Description	Property, Plant and Equipment					Right-to-use Asset	Intangible Assets (Computer Software)
	Computer	Furniture & fixtures	Office equipment	Vehicles	Total		
As at 31st March 2023							
Gross carrying amount as at 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**

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 15 Other Non-Financial Assets

S.No.	Description	As at 31st March 2024	As at 31st March 2023
a)	Advances to dealers	0.31	0.55
b)	Prepaid Expenses	22.43	27.37
c)	Vendor Advances	33.98	9.24
d)	Balances with GST / Service Tax Department	7.76	5.86
e)	Surplus in gratuity fund	-	2.31
	Total	**64.48**	**45.33**

NOTE 16 Trade Payables

S.No.	Description	As at 31st March 2024	As at 31st March 2023
(a)	Total outstanding dues of micro enterprises and small enterprises	14.19	19.13
(b)	Total outstanding dues of creditors other than micro enterprises and small enterprises	1,035.09	616.56
	Total	**1,049.28**	**635.69**

NOTE 16.1 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 2024				
		<1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed dues - MSME*	14.19	-	-	-	14.19
(ii)	Undisputed dues - Others	1,035.09	-	-	-	1,035.09
(iii)	Disputed dues - MSME*	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-
	Total	**1,049.28**	**-**	**-**	**-**	**1,049.28**

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**

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

Under Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars are furnished below:

(All amounts in ₹ crore unless otherwise stated)

Particulars	As at 31st March 2024	As at 31st March 2023
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	14.19	19.13
- 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 have 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 17 Debt Securities

Description	As at 31st March 2024	As at 31st March 2023
At Amortised Cost		
Commercial Paper (Unsecured)	-	1,382.04
Non-Convertible Debentures (Secured)	1,450.00	1,225.00
Total (A)	**1,450.00**	**2,607.04**
Debt Securities in India	1,450.00	2,607.04
Debt Securities outside India	-	-
Total (B)	**1,450.00**	**2,607.04**

NOTE 18 Borrowings (Other Than Debt Securities)

Description	As at 31st March 2024	As at 31st March 2023
At Amortised Cost		
(a) Term Loans (Secured)		
i) From Banks	13,521.94	10,243.50
ii) From other Parties	839.78	200.00
iii) External Commercial Borrowings	833.00	1,615.27
(b) Loans Repayable on Demand		
i) Cash Credit from Banks (Secured)	0.09	0.16
ii) Working Capital Demand Loan (Secured)	3,372.00	2,195.00
iii) Working Capital Demand Loan (Unsecured)	425.00	265.00
Total (A)	**18,991.81**	**14,518.93**
Borrowings in India	18,158.81	12,903.66
Borrowings outside India	833.00	1,615.27
Total (B)	**18,991.81**	**14,518.93**

(All amounts in ₹ crore unless otherwise stated)

NOTE 19 Subordinated Liabilities

Description	As at 31st March 2024	As at 31st March 2023
At Amortised Cost - Unsecured		
(a) Perpetual Debt Instruments to the extent that do not qualify as equity	99.91	99.88
(b) Other Subordinated Liabilities		
(i) From Banks	-	100.00
(ii) From Others	2,046.71	1,544.92
Total (A)	**2,146.62**	**1,744.80**
Subordinated Liabilities in India	2,146.62	1,744.80
Subordinated Liabilities outside India	-	-
Total (B)	**2,146.62**	**1,744.80**

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 are no unhedged foreign currency exposures.

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

g. Change in Liabilities Arising from Financing Activities.

Particulars	As at 1st April 2023	Cash Flows	Exchange Differences	Other	As at 31st March 2024
Debt Securities	2,607.04	(1,175.00)	-	17.96	1,450.00
Borrowings other than Debt Securities	14,518.93	4,537.97	(62.06)	(3.03)	18,991.81
Subordinated Liabilities	1,744.80	400.38	-	1.45	2,146.62
Total	**18,870.77**	**3,763.35**	**(62.06)**	**16.38**	**22,588.43**

Particulars	As at 1st April 2022	Cash Flows	Exchange Differences	Other	As at 31st March 2023
Debt Securities	2,213.68	400.00	-	(6.64)	2,607.04
Borrowings other than Debt Securities	9,457.10	4,985.11	78.41	(1.69)	14,518.93
Subordinated Liabilities	1,293.34	450.00	-	1.46	1,744.80
Total	**12,964.11**	**5,835.11**	**78.41**	**(6.86)**	**18,870.77**

(i) Other column represents the amortisation of processing fees

(ii) Liabilities represents Debt Securities, Borrowings (other than Debt Securities) and Subordinated Liabilities

(All amounts in ₹ crore unless otherwise stated)

Annexure

Terms of the Debt Securities, Borrowings and Subordinated Liabilities as at 31st March 2024

Institution	Amount Outstanding as at 31st March 2024	Type of Security	Interest Rate	Total Instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Debt Securities								
Non-convertible Debentures	800.00	Secured	8.30%	2	2	Bullet	14/08/2025	12/09/2025
Non-convertible Debentures	425.00	Secured	8.15%	2	2	Bullet	19/09/2024	18/10/2024
Non-convertible Debentures	225.00	Secured	8.40%	1	1	Bullet	26/06/2026	26/06/2026
	1,450.00							
Loan repayable on demand	3,372.09	Secured	7.40%	Repayable on demand				
	425.00	Unsecured	8.71%					
	3,797.09							
Term Loan								
Bank	62.49	Secured	6.30%	8	2	Quarterly	31/12/2022	30/09/2024
Bank	125.00	Secured	6.30%	8	4	Quarterly	31/05/2023	28/02/2025
Bank	299.95	Secured	7.00%	10	6	Quarterly	30/04/2023	30/07/2025
Bank	489.08	Secured	7.59%	10	7	Quarterly	30/09/2023	31/12/2025
Bank	746.10	Secured	8.34%	15	14	Quarterly	31/03/2024	01/10/2027
Bank	99.22	Secured	7.70%	39	39	Monthly	31/07/2024	30/09/2027
Bank	499.95	Secured	8.25%	11	11	Quarterly	01/10/2024	01/04/2027
Bank	281.22	Secured	8.30%	16	15	Quarterly	29/03/2024	29/12/2027
Bank	124.99	Secured	7.94%	4	2	Quarterly	30/11/2023	31/08/2024
Bank	299.90	Secured	8.35%	14	14	Quarterly	31/08/2024	30/11/2027
Bank	200.00	Secured	7.00%	1	1	Bullet	27/10/2024	27/10/2024
Bank	400.00	Secured	8.10%	1	1	Bullet	29/05/2026	29/05/2026
Bank	124.97	Secured	8.26%	6	5	Half Yearly	30/08/2024	30/08/2025
Bank	41.67	Secured	7.75%	36	3	Monthly	25/07/2021	24/06/2024
Bank	83.34	Secured	7.50%	36	6	Monthly	28/10/2021	27/09/2024
Bank	62.53	Secured	8.27%	36	9	Monthly	31/01/2022	30/12/2024
Bank	175.58	Secured	5.60%	37	13	Monthly	30/04/2022	29/04/2025
Bank	324.30	Secured	6.35%	37	16	Monthly	29/07/2022	28/07/2025
Bank	291.18	Secured	7.25%	12	7	Quarterly	23/03/2023	21/01/2026
Bank	59.33	Secured	7.60%	37	22	Monthly	02/02/2023	21/01/2026
Bank	40.00	Secured	7.75%	12	8	Quarterly	20/05/2023	21/03/2026
Bank	58.38	Secured	7.75%	37	24	Monthly	20/03/2023	21/03/2026
Bank	249.45	Secured	7.25%	12	8	Quarterly	30/06/2023	28/04/2026
Bank	456.44	Secured	7.10%	16	13	Quarterly	30/09/2023	29/06/2027

(All amounts in ₹ crore unless otherwise stated)

Institution	Amount Outstanding as at 31st March 2024	Type of Security	Interest Rate	Total Instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Bank	151.61	Secured	7.10%	16	13	Quarterly	30/09/2023	30/06/2027
Bank	335.70	Secured	7.10%	16	14	Quarterly	27/12/2023	26/09/2027
Bank	100.63	Secured	7.54%	16	14	Quarterly	27/12/2023	26/09/2027
Bank	374.60	Secured	7.15%	15	12	Quarterly	29/02/2024	30/11/2027
Bank	93.65	Secured	7.15%	12	12	Quarterly	26/03/2024	27/03/2027
Bank	749.18	Secured	7.10%	39	39	Monthly	30/04/2024	30/06/2027
Bank	249.97	Secured	8.25%	1	1	Bullet	29/09/2025	29/09/2025
Bank	249.92	Secured	8.25%	1	1	Bullet	30/06/2026	30/06/2026
Bank	299.95	Secured	8.50%	10	6	Quarterly	02/06/2023	02/09/2025
Bank	299.95	Secured	8.50%	10	6	Quarterly	29/06/2023	01/10/2025
Bank	100.00	Secured	7.28%	10	5	Quarterly	31/01/2023	30/04/2025
Bank	249.98	Secured	8.08%	10	10	Quarterly	29/04/2024	29/07/2026
Bank	249.98	Secured	8.20%	10	10	Quarterly	20/07/2024	20/10/2026
Bank	100.00	Secured	7.10%	13	13	Quarterly	30/06/2024	30/06/2027
Bank	300.00	Secured	8.15%	8	8	Quarterly	11/03/2025	08/12/2026
Bank	329.95	Secured	8.03%	10	7	Quarterly	31/07/2023	31/10/2025
Bank	349.94	Secured	8.65%	10	7	Quarterly	30/09/2023	31/12/2025
Bank	919.84	Secured	8.35%	10	8	Quarterly	31/03/2024	30/06/2026
Bank	458.23	Secured	8.35%	12	11	Quarterly	29/02/2024	30/11/2026
Bank	49.96	Secured	8.30%	12	12	Quarterly	30/06/2024	31/03/2027
Bank	124.93	Secured	8.40%	8	4	Quarterly	23/06/2023	23/03/2025
Bank	156.25	Secured	8.40%	8	5	Quarterly	20/07/2023	20/04/2025
Bank	333.20	Secured	8.40%	12	8	Quarterly	10/05/2023	10/02/2026
Bank	999.73	Secured	8.25%	11	11	Quarterly	27/06/2024	27/03/2027
Bank	299.73	Secured	8.25%	1	1	Bullet	27/03/2025	27/03/2025
Others	299.94	Secured	8.00%	43	43	Monthly	20/06/2024	20/12/2027
Others	499.84	Secured	8.25%	12	12	Quarterly	10/06/2024	10/03/2027
Others	40.00	Secured	7.85%	5	1	Quarterly	05/05/2023	30/04/2024
Bank-ECB	833.00	Secured	6.92%	1	1	Bullet	02/12/2024	02/12/2024
	15,194.72							

(All amounts in ₹ crore unless otherwise stated)

Institution	Amount Outstanding as at 31st March 2024	Type of Security	Interest Rate	Total Instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Subordinated Liabilities								
Perpetual Debt	99.91	Unsecured	11.50%	1	1	Bullet	25/11/2027	25/11/2027
Other Subordinated Liabilities:								
Others	99.90	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	350.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	148.57	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	148.87	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	305.00	Unsecured	9.50%	1	1	Bullet	31/01/2028	31/01/2028
Others	200.00	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
Others	500.37	Unsecured	9.30%	1	1	Bullet	27/06/2029	27/06/2029
Total	**2,046.71**							
Subordinated Liabilities Total	**2,146.62**							

Terms of the Debt Securities, Borrowings and Subordinated Liabilities as at 31st March 2023

Institution	Amount Outstanding as at 31st March 2023	Type of Security	Interest Rate	Total Instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Commercial Paper	396.25	Unsecured	7.75%	1	1	Bullet	16/05/2023	16/05/2023
Commercial Paper	739.51	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	800.00	Secured	8.30%	2	2	Bullet	14/08/2025	12/09/2025
Non-convertible Debentures	425.00	Secured	8.15%	2	2	Bullet	19/09/2024	18/10/2024
	2,607.04							
Loan repayable on demand	2,195.16	Secured	7.40%	Repayable on demand				
	265.00	Unsecured	8.10%					
	2,460.16							

(All amounts in ₹ crore unless otherwise stated)

Institution	Amount Outstanding as at 31st March 2023	Type of Security	Interest Rate	Total Instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Term Loan								
Bank	74.99	Secured	8.40%	8	3	Quarterly	18/02/2022	18/11/2023
Bank	149.98	Secured	7.85%	8	4	Quarterly	29/06/2022	29/03/2024
Bank	187.47	Secured	6.30%	8	6	Quarterly	21/12/2022	30/09/2024
Bank	250.00	Secured	6.30%	8	8	Quarterly	31/05/2023	28/02/2025
Bank	499.92	Secured	7.00%	10	10	Quarterly	30/04/2023	30/07/2025
Bank	698.56	Secured	7.59%	10	10	Quarterly	01/07/2023	01/10/2025
Bank	416.63	Secured	7.70%	12	10	Quarterly	26/11/2022	26/08/2025
Bank	149.91	Secured	7.90%	12	6	Quarterly	30/09/2024	31/12/2025
Bank	249.84	Secured	7.80%	10	10	Quarterly	31/07/2023	31/10/2025
Bank	166.53	Secured	8.00%	12	8	Quarterly	25/09/2022	25/03/2025
Bank	200.00	Secured	7.00%	1	1	Bullet	27/10/2024	27/10/2024
Bank	24.99	Secured	7.25%	10	1	Quarterly	04/08/2022	04/05/2023
Bank	199.97	Secured	8.00%	1	1	Bullet	01/05/2024	01/05/2024
Bank	150.00	Secured	8.76%	1	1	Bullet	25/10/2024	25/10/2024
Bank	50.00	Secured	8.76%	6	2	Half Yearly	12/08/2022	01/02/2024
Bank	300.00	Secured	7.25%	4	4	Quarterly	20/11/2023	20/05/2025
Bank	41.67	Secured	8.40%	36	5	Monthly	21/09/2020	21/08/2023
Bank	50.00	Secured	8.57%	36	9	Monthly	31/01/2021	31/12/2023
Bank	208.31	Secured	7.75%	36	15	Monthly	25/07/2021	24/06/2024
Bank	250.00	Secured	7.50%	36	18	Monthly	28/10/2021	27/09/2024
Bank	145.80	Secured	8.37%	36	21	Monthly	31/01/2022	30/12/2024
Bank	337.76	Secured	5.60%	37	25	Monthly	30/04/2022	29/04/2025
Bank	567.53	Secured	6.35%	37	28	Monthly	29/07/2022	28/07/2025
Bank	457.58	Secured	7.25%	12	11	Quarterly	23/03/2023	21/01/2026
Bank	91.74	Secured	7.60%	37	34	Monthly	02/02/2023	21/01/2026
Bank	60.00	Secured	7.75%	12	12	Quarterly	20/05/2023	21/03/2026
Bank	87.57	Secured	7.75%	37	36	Monthly	20/03/2023	21/03/2026
Bank	374.18	Secured	7.25%	12	12	Quarterly	30/06/2023	28/04/2026
Bank	120.00	Secured	8.50%	10	6	Quarterly	29/04/2022	29/07/2024
Bank	120.00	Secured	8.50%	10	6	Quarterly	13/05/2022	13/08/2024
Bank	249.95	Secured	7.50%	1	1	Bullet	30/09/2025	30/09/2025
Bank	499.91	Secured	7.65%	10	10	Quarterly	02/06/2023	02/09/2025
Bank	100.00	Secured	7.75%	10	10	Quarterly	29/06/2023	29/09/2025
Bank	399.91	Secured	7.75%	10	10	Quarterly	01/07/2023	01/10/2025
Bank	180.00	Secured	7.00%	10	9	Quarterly	31/01/2023	30/04/2025
Bank	33.32	Secured	8.50%	36	12	Monthly	30/04/2021	30/03/2024
Bank	199.91	Secured	8.03%	10	10	Quarterly	30/06/2023	30/09/2025
Bank	300.00	Secured	8.03%	10	10	Quarterly	31/07/2023	31/10/2025
Bank	499.90	Secured	8.10%	10	10	Quarterly	30/09/2023	30/12/2025

(All amounts in ₹ crore unless otherwise stated)

Institution	Amount Outstanding as at 31st March 2023	Type of Security	Interest Rate	Total Instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Bank	249.86	Secured	7.60%	8	8	Quarterly	23/06/2023	23/03/2025
Bank	250.00	Secured	7.60%	8	8	Quarterly	20/07/2023	20/04/2025
Bank	499.83	Secured	7.50%	12	12	Quarterly	10/05/2023	10/02/2026
Bank	99.98	Secured	8.75%	10	4	Quarterly	19/12/2021	19/03/2024
Others	200.00	Secured	7.60%	5	5	Quarterly	05/05/2023	30/06/2024
Bank-ECB	410.43	Secured	6.94%	1	1	Bullet	13/07/2023	13/07/2023
Bank-ECB	385.94	Secured	6.94%	1	1	Bullet	19/10/2023	19/10/2023
Bank-ECB	818.90	Secured	6.92%	1	1	Bullet	02/12/2024	02/12/2024
	12,058.77							
Subordinated Liabilities								
Perpetual 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	350.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	148.17	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	148.15	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	305.00	Unsecured	9.50%	1	1	Bullet	31/01/2028	31/01/2028
Others	200.00	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**							

Details of Security

i. Non-convertible Debentures of ₹ 1,450.00 crore inclusive of Current and Non-Current Dues (As at 31st March 2023 ₹ 1,225.00 crore) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Company.

ii. Term Loan received from Banks and Other Parties of ₹ 15,194.72 crore inclusive of Current and Non-Current Dues (As at 31st March 2023 ₹ 12,058.77 crore) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Company.

iii. Working Capital Demand Loan and Cash Credit of ₹ 3,372.09 crore (As at 31st March 2023 ₹ 2,195.16 crore) is fully secured by 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 crore (equivalent to USD 100 million) under External Commercial Borrowings (ECB) accessed through automatic route after receiving the Loan Registration Number from RBI as per ECB Master Directions. These are unlisted instruments, for 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 20 Other Financial Liabilities

S.No.	Description	As at 31st March 2024	As at 31st March 2023
a)	Interest Accrued But Not Due	179.30	154.78
b)	Employee Related Liabilities	166.08	139.40
c)	Security Deposit	137.23	64.39
d)	Lease Liability (refer Note 40)	31.36	33.11
	Total	**513.97**	**391.68**

NOTE 21 Provisions

S.No.	Description	As at 31st March 2024	As at 31st March 2023
a)	Pension	11.23	9.78
b)	Gratuity	0.57	-
c)	Compensated Absences	55.79	42.89
	Total	**67.59**	**52.67**

NOTE 22 Other Non-Financial Liabilities

S.No.	Description	As at 31st March 2024	As at 31st March 2023
a)	Statutory Dues	52.80	31.39
	Total	**52.80**	**31.39**

NOTE 23 Equity Share Capital

a) Terms/Rights Attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except for interim dividend. Repayment of capital will be in proportion to the number of equity shares held.

S.No.	Description	As at 31st March 2024	As at 31st March 2023
b)	**Authorised Share Capital:**		
	300,000,000 (As at 31st March 2023 : 250,000,000) equity shares of ₹10 each	300.00	250.00
	20,000,000 (As at 31st March 2023 : Nil) 0.001% Compulsorily convertible preference shares of ₹10 each	20.00	-
	Total	**320.00**	**250.00**
c)	**Issued, Subscribed and Paid-up:**		
	Equity Share:		
	228,223,926 (As at 31st March 2023 : 228,223,926) equity shares of ₹10 each	228.22	201.20
	Total	**228.22**	**201.20**
	Instruments entirely equity share in nature:		
	18,384,684 (As at 31st March 2023 : Nil) 0.001% Compulsorily convertible preference shares of ₹10 each	18.38	-
	Total	**18.38**	**-**

(All amounts in ₹ crore unless otherwise stated)

NOTE 23 Equity Share Capital (Contd.)

d) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:

Equity Share:

Particulars	As at 31st March 2024		As at 31st March 2023	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	228,223,926	228.22	201,196,900	201.20
Changes due to prior period errors	-	-	-	-
Restated shares at the beginning of the year	228,223,926	228.22	201,196,900	201.20
Add: Issued during the year	-	-	27,027,026	27.03
At the end of the year	**228,223,926**	**228.22**	**228,223,926**	**228.22**

0.001% Compulsorily convertible preference shares:

Particulars	As at 31st March 2024		As at 31st March 2023	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	-	-	-	-
Changes due to prior period errors	-	-	-	-
Restated shares at the beginning of the year	-	-	-	-
Add: Issued during the year	18,384,684	18.38	-	-
At the end of the year	**18,384,684**	**18.38**	**-**	**-**

e) Number of Shares held by Holding Companies

Particulars	As at 31st March 2024	As at 31st March 2023
Equity Shares:		
TVS Motor Company Limited	195,424,754	195,424,754
0.001% Compulsorily convertible preference shares:		
TVS Motor Company Limited	3,169,773	-

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 2024		As at 31st March 2023	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Shares:				
TVS Motor Company Limited	195,424,754	85.63%	195,424,754	85.63%
0.001% Compulsorily convertible preference shares:				
TVS Motor Company Limited	3,169,773	17.24%	-	-
PI Opportunities Fund I Scheme II	15,214,911	82.76%	-	-

g) Shares held by promoters at the end of year

Promoter Name	No. of Shares	% of Total Shares	% change during the year
Equity Shares:			
TVS Motor Company Limited	195,424,754	85.63%	-
0.001% Compulsorily convertible preference shares:			
TVS Motor Company Limited	3,169,773	17.24%	17.24%

(All amounts in ₹ crore unless otherwise stated)

NOTE 24 Other Equity

Description	As at 31st March 2024	As at 31st March 2023
a) Securities Premium Reserves	1,874.19	1,336.35
b) Statutory Reserve	356.40	242.03
c) Retained Earnings	1,385.86	934.94
d) Other Reserves	5.89	19.32
Total Reserves and Surplus	**3,622.34**	**2,532.64**

a) Securities Premium Reserves	As at 31st March 2024	As at 31st March 2023
Opening balance	1,336.35	863.38
Additions during the year	537.84	472.97
Deductions/Adjustments during the year	-	-
Closing balance	**1,874.19**	**1,336.35**

b) Statutory Reserve	As at 31st March 2024	As at 31st March 2023
Opening balance	242.03	164.30
Transfer from retained earnings	114.37	77.73
Deductions/Adjustments during the year	-	-
Closing balance	**356.40**	**242.03**

c) Retained Earnings	As at 31st March 2024	As at 31st March 2023
Opening balance	934.94	624.11
Net profit for the year	572.56	389.28
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation net-off tax	(7.28)	(0.72)
Transfer to Statutory Reserve	(114.37)	(77.73)
Closing balance	**1,385.86**	**934.94**

d) Other Reserves - Hedge Reserve	As at 31st March 2024	As at 31st March 2023
Opening balance	19.32	12.80
Add: Change in fair value of hedging instruments, net of tax for the year	(13.43)	6.52
Closing balance	**5.89**	**19.32**

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.

(All amounts in ₹ crore unless otherwise stated)

NOTE 25 Interest Income

Description	Year ended 31st March 2024	Year ended 31st March 2023
On Financial assets measured at amortised cost:		
Interest on Loans	5,046.04	3,736.84
Interest on Deposits with Bank	64.98	18.67
Interest on Government Securities	0.05	-
Total	**5,111.07**	**3,755.51**

NOTE 26 Fees and Commission Income

Description	Year ended 31st March 2024	Year ended 31st March 2023
Fee-based Income	408.18	307.80
Service Income	186.20	84.42
Total	**594.38**	**392.22**

NOTE 27 Other Operating Income

Description	Year ended 31st March 2024	Year ended 31st March 2023
Realisation on sale of written off and stressed loans	85.09	-
Total	**85.09**	**-**

NOTE 28 Other Income

Description	Year ended 31st March 2024	Year ended 31st March 2023
Unwinding of discount on security deposits and receivable for investments	0.95	3.92
Other Non-Operating Income	3.88	0.78
Interest on Income Tax Refund	0.64	-
Total	**5.47**	**4.70**

NOTE 29 Finance Costs

Description	Year ended 31st March 2024	Year ended 31st March 2023
Interest cost on financial liabilities measured at amortised cost:		
- Interest on Borrowings (other than Debt Securities)	1,253.76	826.56
- Interest on Debt Securities	216.98	191.67
- Interest on Subordinated Liabilities	172.23	141.51
Other Interest Cost:		
- Interest on Lease Liabilities	2.82	2.08
- Interest on income tax	0.86	-
- Others	6.99	6.46
Total	**1,653.64**	**1,168.28**

(All amounts in ₹ crore unless otherwise stated)

NOTE 30 Impairment of Financial Instruments

Description	Year ended 31st March 2024	Year ended 31st March 2023
On Financial Instruments measured at Amortised Cost		
Bad Debts written off (net)	633.57	136.26
Net Loss on sale of Repossessed assets	274.09	171.46
Impairment Provision on Loans	217.01	321.40
Impairment Provision on Trade Receivables and Other Financial Assets	2.38	0.02
Total	**1,127.05**	**629.14**

NOTE 31 Employee Benefit Expenses

Description	Year ended 31st March 2024	Year ended 31st March 2023
Salaries and Wages	1,051.73	922.69
Contribution to Provident and Other Funds	59.01	49.21
Staff Welfare	90.04	67.61
Total	**1,200.78**	**1,039.51**

NOTE 32 Other Expenses

Description	Year ended 31st March 2024	Year ended 31st March 2023
Travelling and Conveyance	130.46	124.21
Communication Costs	128.83	152.60
Rent, Taxes and Energy Costs (Refer Note 40c)	34.17	33.03
Repairs & Maintenance	17.26	14.51
Insurance Expenses	0.39	0.69
Legal and Prof Charges	140.59	101.76
Information Technology Expenses	66.70	47.60
Brand Royalty	15.60	-
Auditors Fees and Expenses *	0.67	0.65
Directors Sitting Fees & Commission Expenses	0.95	0.71
Corporate Social Responsibility **	10.00	5.00
Donation ***	13.70	2.83
Printing and Stationery	6.05	9.95
Others	29.18	16.06
Total	**594.55**	**509.60**

* **Auditors Fees and Expenses**

Description	Year ended 31st March 2024	Year ended 31st March 2023
Statutory Audit	0.51	0.50
Tax Audit	0.08	0.08
Certification	0.04	0.04
Reimbursement of Expenses	0.04	0.03
Auditors Fees and Expenses	**0.67**	**0.65**

(All amounts in ₹ crore unless otherwise stated)

** **Expenditure incurred on Corporate Social Responsibility activities:**

Particulars	Year ended 31st March 2024	Year ended 31st March 2023
(i) Amount required to be spent by the Company during the year	5.12	5.00
(ii) Amount of expenditure incurred	10.00	5.00
(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	10.00	5.00
Total	**10.00**	**5.00**

*** The Company has made a donation amounting to ₹ 10 crore to Prudent Electoral Trust during the year.

NOTE 33 Income Tax Expenses

Description	Year ended 31st March 2024	Year ended 31st March 2023
(a) Income tax expense		
Current tax on profits for the year	307.87	197.96
Tax profits relating to prior period	-	-
Total current tax expense	**307.87**	**197.96**
Deferred tax		
Decrease/(increase) in deferred tax assets	(117.55)	(75.17)
(Decrease)/increase in deferred tax liabilities	-	-
Total deferred tax expense/(benefit)	**(117.55)**	**(75.17)**
Income tax expense for the year	**190.32**	**122.79**
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	762.88	512.07
Tax at the Indian tax rate of 25.168% (Year ended 31st March 2023 – 25.168%)	192.00	128.88
Tax effect of amounts which are permanent differences in nature in calculation of taxable income	(1.67)	(6.08)
Income tax expense	**190.33**	**122.80**

NOTE 34 Other Comprehensive Income

Description	Year ended 31st March 2024	Year ended 31st March 2023
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans	(9.72)	(0.96)
Income tax relating to these items	2.45	0.24
Items that will be reclassified to profit or loss		
Fair value change on cash flow hedge	(17.95)	8.71
Income tax relating to these items	4.52	(2.19)
Other Comprehensive Income	**(20.70)**	**5.80**

(All amounts in ₹ crore unless otherwise stated)

NOTE 35 Earnings Per Share

Description	Year ended 31st March 2024	Year ended 31st March 2023
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Company	25.02	18.75
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the Company	23.93	18.75
(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	572.56	389.28
Diluted earnings per share		
Profit attributable to equity holders of the Company used in calculating diluted earnings per share	572.56	389.28
(d) Weighted average number of equity shares used as the denominator in calculating basic earnings per share	228,849,197	207,631,553
(e) Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	239,228,062	207,631,553

NOTE 36 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 at 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
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-	-	-	-	(1.15)	-	(1.15)
Experience (gains)/losses	-	-	-	-	-	-	17.39	-	17.39
Total amount recognised in profit or loss	**6.51**	**(2.16)**	**4.34**	**0.75**	**-**	**0.75**	**18.34**	**-**	**18.34**
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)	-	-	-
Experience (gains)/losses	4.43	-	4.43	(3.06)	-	(3.06)	-	-	-
Total amount recognised in other comprehensive (income)/losses	**3.14**	**2.59**	**5.73**	**(4.78)**	**-**	**(4.78)**	-	-	-
Employer contributions	-	(9.57)	(9.57)	-	-	-	-	-	-
Benefit payments	(3.54)	3.54	-	-	-	-	-	-	-
As at 31st March 2023	**33.85**	**(36.16)**	**(2.31)**	**9.77**	**-**	**9.77**	**42.88**	**-**	**42.88**

(All amounts in ₹ crore unless otherwise stated)

NOTE 36 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 at 1st April 2023	**33.85**	**(36.16)**	**(2.31)**	**9.77**	**-**	**9.77**	**42.88**	**-**	**42.88**
Current service cost	5.38		5.38			-			-
Interest expense/(income)	2.54	(2.82)	(0.28)	0.74		0.74	3.28		3.28
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-	-	-	-	0.18	-	0.18
Experience (gains)/losses	-	-	-	-	-	-	9.45	-	9.45
Total amount recognised in profit or loss	**7.92**	**(2.82)**	**5.10**	**0.74**	**-**	**0.74**	**12.91**	**-**	**12.91**
Remeasurements									
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.74	0.74	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	0.16	-	0.16	0.22	-	0.22	-	-	-
Experience (gains)/losses	8.10	-	8.10	0.50	-	0.50	-	-	-
Total amount recognised in other comprehensive (income)/losses	**8.26**	**0.74**	**9.00**	**0.72**	**-**	**0.72**	-	-	-
Employer contributions	-	(11.22)	(11.22)	-	-	-	-	-	-
Benefit payments	(5.51)	5.51	-	-	-	-	-	-	-
As at 31st March 2024	**44.52**	**(43.95)**	**0.57**	**11.23**	**-**	**11.23**	**55.79**	**-**	**55.79**

Details	Gratuity		Pension		Compensated Absences	
	31st March 2024	31st March 2023	31st March 2024	31st March 2023	31st March 2024	31st March 2023
Discount Rate	6.95%	7.11%	6.95%	7.13%	6.95%	7.10%
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 2023-24

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%	44.00	45.03	1.00%	10.07	12.62	0.50%	55.22	56.37
Salary Growth Rate	0.50%	45.02	44.00	1.00%	12.69	10.00	0.50%	56.37	55.22
Mortality	5.00%	44.51	44.51	5.00%	11.15	11.32	5.00%	55.79	55.79

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

(All amounts in ₹ crore unless otherwise stated)

NOTE 36 Employee Benefit Obligations (Contd.)

(ii) The following payments are expected contributions to the defined benefit plan in future years:

Particulars	Amount
Within the next 12 months (next annual reporting period)	36.85
Between 2 and 5 years	71.62
Beyond 5 years	24.14
Total	**132.60**

(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 ₹ 40.16 crore (As at 31st March 2023: ₹ 30.41 crore) has been recognised in the Statement of Profit and Loss.

NOTE 37 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	
	As at 31st March 2024	As at 31st March 2023		As at 31st March 2024	As at 31st March 2023
Financial Assets:					
Cash and Cash equivalents	1,761.42	1,539.93	Level 3	1,761.42	1,539.93
Other Bank Balances	5.90	5.72	Level 3	5.90	5.72
Trade Receivables	117.20	64.36	Level 3	117.20	64.36
Loans	25,470.24	20,545.09	Level 3	25,470.24	20,545.09
Investment in Government Securities	93.46	-	Level 1	93.46	-
Other Financial Assets					
Employees Related Receivables	10.49	7.97	Level 3	10.49	7.97
Security Deposit for Leased Premises	11.17	9.65	Level 3	11.17	9.65
Other Financial Assets Non-Related Parties	0.71	0.01	Level 3	0.71	0.01
Deposit with Service Providers	2.65	5.19	Level 3	2.65	5.19
Total	**27,473.24**	**22,177.92**		**27,473.24**	**22,177.92**

(All amounts in ₹ crore unless otherwise stated)

NOTE 37 Fair Value Measurements (Contd.)

Particulars	Carrying Amount		Fair Value Hierarchy	Fair Value	
	As at 31st March 2024	As at 31st March 2023		As at 31st March 2024	As at 31st March 2023
Financial Liabilities:					
Trade Payables	1,049.28	635.69	Level 3	1,049.28	635.69
Debt Securities	1,450.00	2,607.04	Level 3	1,450.00	2,607.04
Borrowings other than Debt Securities	18,991.81	14,518.93	Level 3	18,991.81	14,518.93
Subordinated Liabilities	2,146.62	1,744.80	Level 3	2,146.62	1,744.80
Other Financial Liabilities	513.97	391.68	Level 3	513.97	391.68
Total	**24,151.68**	**19,898.14**		**24,151.68**	**19,898.14**

Financial Assets and Liabilities measured at fair value

Particulars	Fair Value Hierarchy	As at 31st March 2024	As at 31st March 2023
Financial Assets			
Derivative Financial Instruments	Level 2	90.67	170.86
Investment in Alternate Investment Fund	Level 1	4.00	-
Investment in Compulsory Convertible Debentures	Level 3	0.25	-
Total Financial Assets		**94.92**	**170.86**
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 measurements). 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 approximates their carrying amount largely due to short-term maturities of these instruments. The fair value of the investments have 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 38 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 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 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 framework 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 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 2024	31st March 2023
Gross Carrying value of Loans		
Stage 1 (Up to 30 Days)	24,357.57	19,691.90
Stage 2 (31-90 Days)#	1,305.94	989.54
Stage 3 (More than 90 Days)*	742.80	573.71
Total Gross carrying value as on year end	**26,406.31**	**21,255.15**

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 irrespective of days past due on the reporting date.

Other financial assets

Credit risk with respect to other financial assets are extremely low except "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 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.

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.

(All amounts in ₹ crore unless otherwise stated)

NOTE 38 Financial Risk Management (Contd.)

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 portfolio. Actual cash flows are discounted with average rate for arriving loss rate. EIR has been taken as 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 on Stage 1 and Stage 2 on 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 tenor.

— 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 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 moratorium up to six months on the payment of instalments falling due between 1st March 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 6th August 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.

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.

(All amounts in ₹ crore unless otherwise stated)

NOTE 38 Financial Risk Management (Contd.)

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 2024	**24,357.57**	**1,305.94**	**742.80**	**26,406.31**
Expected Credit Loss	289.48	253.54	393.05	936.07
Expected Credit Loss Rate	1.19%	19.41%	52.91%	3.54%
Net of Impairment Provision	24,068.09	1,052.40	349.75	25,470.24

	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

Reconciliation of Expected Credit Loss

Particulars	Stage 1	Stage 2	Stage 3	Grand Total
Balance as at 1st April 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)	-
Loans 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**
Transfer from Stage 1	(15.17)	8.74	6.43	-
Transfer from Stage 2	13.19	(55.32)	42.13	-
Transfer from Stage 3	8.78	4.45	(13.23)	-
Loan that have derecognised during the period	(39.36)	(48.00)	(116.07)	(203.43)
New Loans originated during the year	114.54	59.15	49.21	222.90
Net Remeasurement of Loss Allowance	(57.24)	145.74	118.04	206.54
Balance as at 31st March 2024	**289.48**	**253.54**	**393.05**	**936.07**

Concentration of Credit Risk

The business manages concentration of risk primarily by geographical region. The following details show the geographical concentrations of the loans at the year end:

Particulars	31st March 2024	31st March 2023
Carrying value		
Concentration by geographical region in India		
South	10,636.43	8,470.99
West	7,256.11	5,917.79
East	4,252.84	3,307.58
North	4,260.93	3,558.79
Total Loans as at reporting period	**26,406.31**	**21,255.15**

(All amounts in ₹ crore unless otherwise stated)

NOTE 38 Financial Risk Management (Contd.)

(B) Liquidity Risk

Liquidity risk is a risk that an entity will encounter difficulty in meeting financial obligations.

As per companies policy, management ensures availability of sufficient fund either through Instalment receivables/ sourcing through debts at each point of time. The Fund requirement ascertain at the beginning of the period by taking into consideration Instalment receivable, likely disbursement, Loan instalment payment & other operational expenses. The Company is continuously getting good support from Bankers & 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 2024	31st March 2023
Floating rate		
Expiring within one year (bank overdraft and other facilities)	1,950	2,440
Expiring beyond one year (bank loans)	-	-
	1,950	**2,440**

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 summaries the maturity profile of the Company's non derivative financial assets and 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 31st March 2024						
Financial Assets:						
Cash and Cash Equivalents	1,761.42	-	-	-	-	1,761.42
Fixed Deposits	-	-	5.90	-	-	5.90
Derivative Financial Instruments	-	-	90.67	-	-	90.67
Trade Receivables	29.51	29.31	58.38	-	-	117.20
Loans	6,440.74	4,432.37	7,119.02	15,218.23	10.23	33,220.59
Investments	-	-	100.25	-	4.25	104.50
Other Financial Assets	3.09	1.88	7.60	12.45	-	25.02
Total	**8,234.76**	**4,463.56**	**7,381.82**	**15,230.68**	**14.48**	**35,325.30**
Financial Liabilities:						
Borrowings	1,764.88	2,156.42	8,884.91	11,991.57	523.22	25,321.00
Security Deposit	23.21	15.47	98.55	-	-	137.23
Trade Payables	614.44	247.99	185.68	1.17	-	1,049.28
Other Financial Liabilities	183.31	2.45	168.74	17.16	11.82	383.48
Total	**2,585.84**	**2,422.33**	**9,337.88**	**12,009.90**	**535.04**	**26,890.99**

(All amounts in ₹ crore unless otherwise stated)

NOTE 38 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 31st March 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**

(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 swap to fully hedge all foreign currency exchange risk on the principal and interest amount payable on borrowings.

Particulars	31st March 2024	31st March 2023
Financial Liabilities		
Variable Foreign Currency Borrowings (USD 197 million) (Year ended 31st March 2023: USD 287 million)	751.50	1,473.21
Derivative Liabilities		
Hedged through forward contracts and CCS	751.50	1,473.21
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 any sensitivity on settlement due to foreign currency fluctuation due to the movements in foreign exchanges i.e. USD. Forward Contract & Cross Current Swap are to buy USD for Hedging Foreign Currency Loan. The Company shall not maintain as per Ind AS 109 to be considered as Foreign Currency Loan.

Impact on Profit After Tax		
USD Sensitivity	**31st March 2024**	**31st March 2023**
INR/USD Increases by 5%	-	-
INR/USD Decreases by 5%	-	-

(C) 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 year ended 31st March 2024 and 31st March 2023, 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, loan is the major source for running the business. In India, loans are generally available at Floating Rate Interest. And there are no such option available to obtain swap option for floating rate interest linked to respective bank MCLR with Fixed Interest. Hence except foreign currency loans, other loans are not hedged.

(All amounts in ₹ crore unless otherwise stated)

NOTE 38 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 2024	31st March 2023
Variable rate borrowings	13,871.00	8,211.28
Total borrowings	22,588.43	18,870.77

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

Particulars	31st March 2024		
	Weighted Average Interest Rate	Balance	% of Total Loans
Cash credits, bank loans etc.	8.15%	13,871.00	61.41%

Particulars	31st March 2023		
	Weighted Average Interest Rate	Balance	% of Total Loans
Cash credits, bank loans etc.	7.88%	8,211.28	43.51%

An analysis by maturities is provided in note 38 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 2024**	**31st March 2023**
Interest rates – increase by 50 basis points (50 bps) *	(51.90)	(30.72)
Interest rates – decrease by 50 basis points (50 bps) *	51.90	30.72

* Holding all other variables constant

NOTE 39 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 & frame a response to threat that affect the achievement of its objectives. 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 2024	31st March 2023
Net Debt (total borrowings, less cash and cash equivalents)	20,827.01	17,330.84
Total Equity (as shown in the balance sheet)	3,868.94	2,760.86
Net Debt to Equity Ratio	**5.38**	**6.28**

(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 licences 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 40 Leases

a Lease Disclosures pertaining to Right to use Asset

Particulars	31st March 2024	31st March 2023
Building		
Gross Block		
Opening/(On transition to Ind AS 116)	28.73	18.12
Revaluation due to change in future lease rentals	-	-
Additions during the year	6.10	17.29
(Deletions during the year)	-	-
Closing Balance during the year	34.83	35.41
Amortisation		
Additions	-	-
Amortisation for the year	8.25	6.68
Closing Balance during the year	**26.58**	**28.73**

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 liabilities are 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 2024	31st March 2023
Finance charges		
Interest expense	2.82	2.08
Depreciation		
Amortisation of Right to use Assets	8.25	6.68
Other expenses		
Rent expenses		
Expense relating to short-term leases (included in other expenses)	17.70	17.75
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	**28.77**	**26.51**

d Additional Disclosures in Cash Flow Statement

Particulars	31st March 2024	31st March 2023
Cash flow financing activities		
Principal repayments related to lease liabilities	7.84	6.11
Interest payments related to lease liabilities	2.82	2.12

e Contractual Maturities of Lease Liabilities outstanding

Particulars	31st March 2024	31st March 2023
Less Than One Year	9.12	7.24
One to Five Years	17.16	19.39
More Than Five Years	5.08	6.48
Total	**31.36**	**33.11**

(All amounts in ₹ crore unless otherwise stated)

41. 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
Ultimate Holding Company	TVS Holdings Limited (Formerly known as Sundaram-Clayton Limited)
Subsidiaries	TVS Housing Finance Private Limited Harita ARC Private Limited Harita Two Wheeler Mall Private Limite
Fellow Subsidiary	TVS Motor Services Limited Sundaram Auto Components Limited TVS Digital Pte 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
Enterprise under common control	Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited)
Non-Executive Directors	Mr. Venu Srinivasan Mr. Sudarshan Venu Mr. K.N. Radhakrishnan Mr. R. Gopalan Mr. B. Sriram Ms. Kalpana Unadkat
Key Managerial Personnel	Mr. Ashish Sapra, Chief Executive Officer Ms. Roopa Sampath Kumar, Chief Financial Officer Mr. Sreejith Raj P, Company Secretary (from 24th July 2023) Mr. Anand Vasudev, Company Secretary (up to 10th May 2023)

Transactions with related parties and balance outstanding as at the end of the year:

S.No.	Name of the Related Party	Nature of Transactions	31st March 2024	31st March 2023
1	TVS Motor Services Limited	Advance received	-	41.33
		Unwinding of advance	-	3.24
		Balance outstanding [Dr/(Cr)]	-	-
2	TVS Motor Company Limited	Contribution towards Issuance of Equity Shares	-	500.00
		Contribution towards Issuance of Compulsorily Convertible Preference Shares	200.00	-
		Receipt of subvention income	1.35	14.58
		Reimbursement of IT expense	6.40	8.61
		Payment towards business support service	1.58	1.64
		Balance outstanding [Dr/(Cr)]	(6.45)	1.57
3	Sundaram Clayton Limited	Payment towards business support service	0.31	-
		Balance outstanding [Dr/(Cr)]	(0.17)	-
4	Sundaram Auto Components Limited	Loan recovered	-	0.04
		Interest received	-	0.00
		Balance outstanding [Dr/(Cr)]	-	-

(All amounts in ₹ crore unless otherwise stated)

41. Related Party Disclosure (Contd.)

S.No.	Name of the Related Party	Nature of Transactions	31st March 2024	31st March 2023
5	Scienaptic Systems Private Limited	Payment towards business support service	0.68	3.03
		Balance outstanding [Dr/(Cr)]	-	0.45
6	Drive X Mobility Millennial Solutions Private Limited	Receipt towards sale of repossessed vehicles	29.34	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)]	-	-
9	TVS Holdings Limited	Loan recovered	-	0.08
		Interest received	-	0.01
		Payment towards brand royalty fees	15.55	-
		Payment towards business support service	2.54	1.91
		Reimbursement of canteen expense	0.34	0.50
		Balance outstanding [Dr/(Cr)]	(6.61)	(0.02)
10	TVS Housing Finance Private Limited	Reimbursement of expenses	0.14	-
		Balance outstanding [Dr/(Cr)]	-	-
11	Harita Two Wheeler Mall Private Limited	Reimbursement of expenses	0.00	-
		Balance outstanding [Dr/(Cr)]	0.01	-
12	Harita ARC Private Limited	Reimbursement of expenses	0.00	-
		Balance outstanding [Dr/(Cr)]	0.01	-
13	TVS Digital Pte Limited	Payment towards software licence fees	2.55	-
		Payment towards digital advertisement	0.06	-
		Balance outstanding [Dr/(Cr)]	(0.75)	-

Directors' Sitting Fees and Commission

Sl. No.	Name of the Director	Nature	2023-24	2022-23
1	Mr. Venu Srinivasan	Sitting Fees*	0.01	-
		Commission	-	-
2	Mr. Sudarshan Venu	Sitting Fees	-	0.01
		Commission	-	-
3	Mr. K.N. Radhakrishnan	Sitting Fees	0.02	0.02
		Commission	-	-
4	Mr. B. Sriram	Sitting Fees	0.02	0.02
		Commission	0.16	0.16
5	Mr. R. Gopalan	Sitting Fees	0.02	0.02
		Commission	0.16	0.16
6	Ms. Kalpana Unadkat	Sitting Fees	0.02	0.02
		Commission	0.16	0.16
7	Mr. V. Srinivasa Rangan	Sitting Fees	0.01	0.02
		Commission	0.16	0.16
TOTAL			**0.75**	**0.75**

1. The amounts mentioned are actual payments made during the year.
2. * The sitting fees paid during financial year 2022-23 are below the rounding off norms of the Company.

(All amounts in ₹ crore unless otherwise stated)

41. Related Party Disclosure (Contd.)

Related Party Disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/DoR/2023-24/106DoR.FIN.REC.No.45/03.10.119/2023-24:

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	-	-	-	-	-	-	-	-	-	-	2.31	0.63	2.31	0.63
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	2.45	52.19	2.45	52.19
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

(All amounts in ₹ crore unless otherwise stated)

41. Related Party Disclosure (Contd.)

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	-	-	-	-	-	-	-	-	-	0.38	-	0.39
Loan disbursed	-	-	-	-	-	-	-	-	-	-	-	17.00	-	17.00
Loan recovered	-	0.08	-	-	-	-	-	-	-	-	-	17.04	-	17.12
Payment towards brand royalty fees	15.55	-	-	-	-	-	-	-	-	-	-	-	15.55	-
Payment towards business support service	4.12	3.55	-	-	-	-	-	-	-	-	0.99	3.03	5.10	6.58
Payment towards digital advertisement	-	-	-	-	-	-	-	-	-	-	0.06	-	0.06	-
Payment towards software licence fees	-	-	-	-	-	-	-	-	-	-	2.55	-	2.55	-
Receipt towards sale of repossessed vehicles	-	-	-	-	-	-	-	-	-	-	29.34	0.14	29.34	0.14
Receipt towards subvention income	1.35	14.58	-	-	-	-	-	-	-	-	-	-	1.35	14.58
Reimbursement of canteen expense	0.34	0.50	-	-	-	-	-	-	-	-	-	-	0.34	0.50
Reimbursement of expenses	-	-	-	-	-	-	-	-	-	-	0.15	-	0.15	-
Reimbursement of IT expense	6.40	8.61	-	-	-	-	-	-	-	-	-	-	6.40	8.61
Advance recovered	-	-	-	-	-	-	-	-	-	-	-	41.33	-	41.33
Unwinding of advance	-	-	-	-	-	-	-	-	-	-	-	3.24	-	3.24
Contribution towards Equity Share Capital	-	27.03	-	-	-	-	-	-	-	-	-	-	-	27.03
Contribution towards Preference Share Capital	6.34	-	-	-	-	-	-	-	-	-	-	-	6.34	-
Contribution towards Security Premium	193.66	472.97	-	-	-	-	-	-	-	-	-	-	193.66	472.97

* There is no transaction with directors and relatives of directors.

(All amounts in ₹ crore unless otherwise stated)

42. Additional notes forming part of Consolidated Financial Statements for the year ended March 31, 2024

1. Capital Commitments

Description	31st March 2024	31st March 2023
Estimated amount of contracts remaining to be executed on Capital Account not provided for	4.47	13.55

2. Other Commitments

Description	31st March 2024	31st March 2023
Undrawn Loans sanctioned to borrowers	63.47	43.58

3. Contingent Liabilities not provided for

Claims against the Company not acknowledged as debts.

Description	31st March 2024	31st March 2023
Disputed Service Tax and GST Demand inclusive of Penalty (Pre-deposit of ₹ 0.58 crore)	9.46	8.34
Legal cases filed by borrowers against the Company	6.15	4.04

The Company's pending litigations comprise 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/judgements 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 para 2 of general instructions for 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.

5. The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

6. 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.

7. There have been no events after the reporting date that require disclosure in the Financial Statements.

8. Prior period figures have been regrouped, wherever necessary, to conform to the current period presentation.

9. 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.

10. 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.

11. The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

(All amounts in ₹ crore unless otherwise stated)

42. Additional notes forming part of Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

12. 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 2024

Name of the Entity	Net Assets		Share in Profit/(Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consoli-dated Net Assets	₹ in crore	As a % of Consoli-dated Profit/(Loss)	₹ in crore	As a % of Consoli-dated Other Compre-hensive Income	₹ in crore	As a % of Consoli-dated Total Compre-hensive Income	₹ in crore
Parent								
TVS Credit Services Limited	99.29%	3,865.48	99.88%	571.83	100.00%	(20.69)	99.87%	551.14
Subsidiaries								
TVS Housing Finance Private Limited	0.40%	15.49	0.13%	0.72	0.00%	-	0.13%	0.72
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	0.31%	12.01	0.00%	-	0.00%	-	0.00%	-
Total	**100.00%**	**3,892.95**	**100.01%**	**572.54**	**100.00%**	**(20.69)**	**100.00%**	**551.86**

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 : 8th May 2024

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

Sreejith Raj P
Company Secretary

Place : Chennai
Date : 8th May 2024

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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