TVS MOTOR COMPANY LIMITED

Annual Report of Subsidiary Companies
for the year 2022-2023

CONTENTS

Indian Subsidiaries

Overseas Subsidiaries

SUNDARAM AUTO COMPONENTS LIMITED

Board of Directors

VENU SRINIVASAN, Chairman

Dr. LAKSHMI VENU

S. G. MURALI

RAJESH OOMMEN, Director & Chief Executive Officer

Chief Financial Officer

J. ASHOK CHAKRAVARTHI

Company Secretary

G. SATHYAN

Auditors

V. SANKAR AIYAR & CO.,
Charterad Accountants,
2 C, Court Chambers,
35, New Marine lines, Mumbai - 400 020

Registered Office:

“Chaitanya”,
No.12, Khader Nawaz Khan Road,
Nungambakkam Chennai-600006
E-mail: corpsec@scl.co.in
Web site: www.sundaramautocomponents.com
CIN : U29249TN1992PLC051417

Bankers

STATE BANK OF INDIA
Industrial Finance Branch
Anna Salai, Chennai 600 002

HDFC BANK LIMITED
Chennai ITC Centre Branch
Anna Salai, Chennai 600 002

DBS BANK
Chennai Main Branch
806, Anna Salai, Chennai 600 002

AXIS BANK LIMITED
Corporate Banking Branch
No.3, Club House Road, Ground Floor,
Anna Salai, Chennai 600 002

ICICI BANK LTD
Cenotaph road,
Teynampet, Chennai600 018

Plant Locations

1) Belagondapalli, Hosur 635 114.
2) Oragadam, Kancheepuram District 602 105.
3) Byathahalli Village, Kadakola Post, Mysore 571 311.
4) Bhatian Village, Solan District, Himachal Pradesh 174 101.
5) RIICO Chowk, Alwar District, Bhiwadi, Rajasthan 301 019.

Directors' Report to the Shareholders

The Directors present the 31st annual report together with the audited financial statements for the year ended 31st March 2023.

1. Financial Highlights

(Rs.in crores)

Details	Year ended 31.03.2022	Year ended 31.03.2021
Sales and other income (A)	**787.02**	**607.95**
Expenses		
Cost of material consumed	551.25	431.57
Changes in inventories of finished goods, stock-in-trade and work-in-progress	1.61	(8.27)
Employee benefit expenses	86.99	71.89
Finance costs	13.37	12.69
Depreciation and amortisation expense	20.98	20.88
Other expenses	86.87	68.89
Total expenses (B)	**761.07**	**597.65**
Profit before tax (A) – (B)	**25.95**	**10.30**
Exceptional items (Gain / Loss)	**(1.87)**	**(6.00)**
Less: Income tax expense:		
Current Tax	3.74	0.56
Deferred Tax	4.26	1.43
Profit for the period	**16.08**	**2.31**
Other Comprehensive income/ (loss)	2.86	1.38
Total comprehensive income	**18.94**	**3.69**

Share Capital

The Company's paid-up Equity Share Capital as on 31st March 2023 is Rs. 44.57 Cr. During the year, there is no change in the Share Capital of the Company.

Dividend

The Board at its meeting held on 18th January 2023 declared an interim dividend of Rs. 0.50/- per share absorbing a sum of Rs. 2.23 Cr. The board does not recommend any final dividend for this Financial year.

Industry Performance

The domestic two-wheeler ICE industry recorded a sale of 15.5 Mn units in 2022-23, with a growth of 15.5% from 13.4 Mn units in 2021-22. The two wheeler industry has grown first time since FY18-19.

The three-wheeler small passenger industry (3 plus 1 segment) declined by 5.0% in 2022-23 (from 5.82 lakh units in 2021-22 to 5.53 lakh units in 2022-23) The domestic industry grew by 87% and exports market de-grown by 26% in 2022-23 over last year.

Production

The Auto Industry produced a total of 25.93 Million vehicles including Passenger Vehicles (PVs), Commercial Vehicles (CVs), Three-Wheelers, Two-Wheelers and Quadricycle during the year under review as against 23.04 Million in the previous year, thereby registering a growth of 13% as compared to previous year.

Domestic Sales

In the financial year 2022-23, overall automobile domestic sales have grown by 20.4%. Two wheelers, Commercial Vehicles (CVs), Three wheelers & Passenger Vehicles (PVs) segments have grown by 16.9%, 34.3%, 87.0% and 26.7% in the financial year 2022-23 over the corresponding previous year.

Exports

In the financial year 2022-23, overall automobile exports have de-grown by 15.2%. Two wheelers, Commercial Vehicles (CVs), Three wheelers segments have de-grown by 17.8%, 14.8% and 26.9% in the financial year 2022-23 over the corresponding previous year. Passenger Vehicles (PVs) segment has grown by 14.7% in financial year 2022-23 over the corresponding previous year.

S. No	Segment	Production			Domestic sales			Export sales		
		2021-22	2022-23	GOLY %	2021-22	2022-23	GOLY %	2021-22	2022-23	GOLY %
1	**PVs**	37	46	25%	31	39	27%	6	7	15%
2	**CVs**	8	10	29%	7	10	34%	1	1	-15%
3	**Three-Wheelers**	8	9	13%	3	5	87%	5	4	-27%
4	**Two-wheelers**	178	195	9%	136	159	17%	44	37	-18%
	Total	**230**	**259**	**13%**	**176**	**212**	**20%**	**56**	**48**	**-15%**
UOM : No of units in Lakhs										

Company Performance

Component and tool sales of the company increased from Rs. 595.3 Cr in FY22 to Rs.762.7 Cr in FY23. During the year, the Company has entered into business with new EV OEMs like Simple Energy, River, Atumobile, Numerous motors. The company also initiated supplies to previous orders from Ultraviolette & Tork motors.

SACL vs Industry growth - FY22-23		
Segment	Industry growth	SACL growth
Passenger vehicles	9%	34%
Commercial vehicles	25%	23%
Two wheelers	29%	12%

There is a significant increase in sales to EV OEM Ather energy of Rs. 28.3 Crs during FY22-23 compared to Rs. 11.9 Crs during the corresponding previous financial year.

The Research and Development(R&D) team at the Company has been involved in implementing 260 new parts. They have also developed competency in the areas of In-Mould Decoration (IMD), Alternate material to ABS, Physical Vapor Deposition (PVD) and flatness in bezel parts.

Business outlook

Overall, India GDP growth forecasts range between 5% - 6% for 2023-24, which builds in the possible impacts from slow global growth, elevated inflation, tightening interest rates, improved people mobility and steady production of goods. The service sector is likely to grow by 6%-7% in FY24 supported by growth in tourism and travel. The industry is expected to grow by 5% - 6% pushed by steady production of goods.

On the rural front, 2023-24 is likely to witness a near normal monsoon. Agriculture is expected to grow by 2.5% - 3%.

By the end of FY22-23, Covid cases have increased in India. While the symptoms are not severe as initial waves, if not controlled by proper measures, the economy will become pessimistic in FY23-24

Two-wheeler segment has witnessed growth for the first time since FY18-19, mainly due to reducing COVID infections, return to work place & resumption of physical classes in colleges. Also the FAME subsidy by the government for faster adoption to Electric vehicles aided the growth of electric two-wheelers. However, during 2023-24, the FAME II subsidy extension comes with stricter audits of localization conditions like atleast 50% of sourced components. During 2023-24, due to faster adoption of EVs, the scooter segment is expected to grow by 5%-6%. Motorcycle segment is expected to grow by 3%-4%.

Passenger vehicle segment has always seen a growth since the beginning of the Covid-19 pandemic, due to need of personal mobility, crisis effect and improvement in availability of finance. There is a visible shift between the sub-segments (Passenger Cars & Utility Vehicles) with increase in demand for Utility vehicles. During 2023-24, the above drivers will continue, and passenger vehicle segment is expected to grow marginally by 2%-3% due to high base effect.

During FY22-23, Commercial vehicle industry had a decent growth due to pent up demand. The growth outlook for FY23-24 is around 5%. LCV segment is expected to grow by 6% in FY22-23 due to last mile connectivity of e-commerce goods and migration of workforce. M&HCV segment is expected to grow by 4% due to infrastructure improvement and increase in industrial output.

The Company has planned to start the process of manufacturing from its Sanand facility for supplying to customers in the Western region like Tork motors, KEMET and to Tier-1s of Suzuki Motors and Tata Motors.

With the overall growth of the automotive industry coupled with new products planned by the Company for its customers, the Company's overall sales during 2023-24 is expected to grow by approximately 14%.

RISKS AND CONCERNS

Environmental & Geopolitical Factors:

The Geopolitical strife remains volatile. Economic sanctions on Russia and China to set disruptions in global supply chains.

Audits / awards

The Company's Hosur plant has received "Silver award for India Green Manufacturing Challenge" from IRIM (International Research Institute for Manufacturing), during Sep'22.

The Company has also received multiple awards from customers during financial year 2022-23

Visteon	:	For capacity ramp up and delivery support during COVID period, Chennai plant, Jul'22
Krishna Maruti	:	1st Runner up award for Quality circle & Kaizen competition for suppliers, Bhiwadi plant, Dec'22
Ashok Leyland	:	"Supplier Samrat" award for non-proprietary category, Hosur plant, Dec'22
TVS Motor	:	Consistent Platinum awards for quality & delivery rating, Hosur, Mysuru & Nalagarh plants

During the financial year 2022-23, SACL cleared MACE audit in its Bhiwadi location

MACE (Maruti Center for Excellence) audit	:	Bhiwadi plant achieved green status MACE audit since its inception, making it an eligible supplier for MSIL OEM and its Tier Is.

Sundaram Holding USA Inc. (SHUI) & its subsidiaries:

During the year, the company disinvested its entire holding in Sundaram Holding USA Inc (SHUI) by transfer of shares to Sundaram – Clayton Limited. Consequently, SHUI and its 4 wholly owned subsidiaries ceased as subsidiaries of the Company effective 22nd September 2022.

As on 31st March 2023, the Company has no subsidiaries.

Risk Management

The Board has established a sound Risk Management framework to identify, monitor and minimize risks as well as to identify business opportunities.

Risk evaluation and management is an ongoing process. As a process, risks associated with the business are identified and prioritized based on the Company's overall risk appetite, tolerance, strategy, severity and taking into account the current and prospective economic and financial environment.

The Board is satisfied that there are adequate systems and procedures in place to identify, assess, monitor and manage risks. The Company's Audit Committee is overseeing all the risks that the organization faces such as strategic, financial, market, IT, legal, regulatory, reputational and other risks and recommends suitable action. Risk minimization policy has already been approved by the Board.

Internal Financial Controls and their adequacy

The Directors had laid down internal financial controls to be followed by the Company and such policies and procedures adopted by the Company 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. The Boardevaluates the internal financial controls systems periodically.

Directors' responsibility statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, the Directors have made the following statement in terms of Section 134 of the Companies Act, 2013 (the Act):

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

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

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

(d) that the Directors had prepared the accounts for the financial year ended 31st March 2023 on a going concern basis; and

(e) that 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.

Directors

There were no changes in the board of directors of the Company during the financial year ended 31st March 2023.

As on date, the following are the directors of the Company:

1. Mr Venu Srinivasan, Chairman
2. Dr. Lakshmi Venu, Director
3. Mr S G Murali, Director
4. Mr Rajesh Oommen, Director & CEO

Directors liable to retire by rotation

In terms of Section 152 of the Act 2013, two-third of the total number of Directors , are liable to retire by rotation and out of which, one-third is liable to retire by rotation at every annual general meeting.

Mr Venu Srinivasan, Chairman, who have been the longest in office is liable to retire by rotation and is proposed to be re-appointed at the ensuing Annual General Meeting (AGM).

Mr Venu Srinivasan, being eligible, offer his candidature for re-appointment.

Policy on Directors appointment and remuneration of Directors and Key Managerial Personnel

The Company has formulated a Nomination & Remuneration Policy (NRC Policy) to ensure that Directors and KMPs are sufficiently remunerated for their performance. The Policy seeks to provide criteria for determining qualifications, positive attributes and independence of a Director.

Board Evaluation

In terms of Section 134 of the Act, 2013, the Board reviewed and evaluated the all the Directors. The performance of Directors were assessed against a range of criteria such as contribution to the development of business strategy and performance of the Company, understanding the major risks affecting the Company, clear direction to the management and contribution to the Board cohesion.

The performance evaluation has been done by the entire Board of Directors except the Director concerned being evaluated. The Board noted that the directors have understood the opportunities and risks to the Company's strategy and is supportive of the direction articulated by the management team towards consistent improvement.

Key Managerial Personnel (KMP)

M/s Rajesh Oommen, Director and Chief Executive Officer, J Ashok Chakravarthi, Chief Financial Officer and G Sathyan, Company Secretary are the Key Managerial Personnel of the Company as on the date of this Report.

Hence, the Company is fully complied with the provisions of Section 203 of the Companies Act, 2013.

Corporate Governance

Board Meetings:

During the year under review, the Board met six times on 3rd May 2022, 21st July 2022, 27th October 2022, 10th November 2022, 18th January 2023 and 22nd March 2023 and the gap between two meetings did not exceed one hundred and twenty days.

Extra- Ordinary General Meetings:

During the year under review, 2 (Two) Extra-Ordinary General Meetings were held on 25th July 2022 and 14th November 2022.

Dissolution of committees of the board:

In terms of the provisions of Section 149 (4), 177 and 178 of the Companies Act, 2013 read with MCA notification dated 5th July 2017 and 13th July 2017, the company being a wholly owned subsidiary of TVS Motor Company Limited, is exempt from constitution of Audit Committee and Nomination and Remuneration Committee.

Further, companies with CSR spending of less than Rs. 50 Lakhs per year are exempt from the constitution of Corporate Social Responsibility Committee.

In view of the above, the board at its meeting held on 3rd May 2022 approved the dissolution of all the committees of the board viz. Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee for operational convenience.

Corporate Social Responsibility:

The Company was not required to contribute any sum towards CSR activities for the Financial year 2022-23.

Auditors

Statutory Auditors:

The Company at its thirtieth AGM held on 15th June 2022 re-appointed M/s V Sankar Aiyar & Co., Chartered Accountants, having Firm Registration No. 109208W allotted by The Institute of Chartered Accountants of India, as statutory auditors of the Company to hold office, for the second term of five consecutive years, from the conclusion of the said AGM till the conclusion of 35th AGM, at such remuneration in addition to applicable taxes, out of pocket expenses, traveling and other expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors.

The Statutory Auditors will continue to hold office for the 2nd year in the second term of five consecutive years, from the conclusion of this AGM.

The Company has obtained necessary certificate under Section 141 of the Act 2013 conveying their eligibility for being statutory auditors of the Company for the year 2023-24.

Secretarial Auditor:

As required under Section 204 of the Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company is required to appoint a Secretarial Auditor for auditing secretarial and related records of the Company and a report received from them is required to be enclosed along with the annual report of the Company.

Accordingly, M/s S Krishnamurthy & Co., Practising Company Secretaries, secretarial auditor of the Company, submitted their report for the year 2022-23.

The Board has re-appointed them as Secretarial Auditor for carrying out the secretarial audit for the financial year 2023-24.

Both the Statutory Auditors Report and Secretarial Audit Report are free from any qualification, reservation or adverse remark or disclaimer, and hence do not warrant any explanation or comments by the Board.

Scheme of Capital reduction

The Board at its meeting held on 10th November 2022 approved the proposal for seeking consent of the shareholders for filing an application with the Hon'ble National Company Law Tribunal (NCLT), Chennai bench for reduction of share capital of the Company under Section 66 of the Companies Act, 2013 from the existing level of Rs. 44.57 Cr divided into 4,45,69,000 equity shares of Rs.10/- each to Rs. 11.94 Cr divided into 1,19,37,422 equity shares of Rs. 10/- each, by cancelling and extinguishing, the paid - up equity share capital up to a maximum of Rs. 32.63 Cr divided into 3,26,31,578 equity shares of Rs. 10/- each at Rs. 95/- per share (including a premium of Rs. 85/- per share) after returning to TVS Motor Company Limited, the holding company.

The shareholders at their Extra – Ordinary General Meeting held on 14th November 2022 approved the proposal and the Company has filed necessary applications with the NCLT, Chennai bench.

The company is awaiting further directions from the NCLT on the matter.

Statutory Statements

Deposits

The Company has not accepted any deposit from the public within the meaning of Section 76 of the Act 2013, for the year ended 31st March 2023.

Information on conservation of energy, technology absorption, foreign exchange etc:

The information is given in Annexure I to this report, in terms of the requirements of Section 134(3)(m) of the Act 2013 read with the Companies (Accounts) Rules 2014.

Material changes and commitments, if any, affecting the financial position of the company, having occurred since the end of the Year and till the date of the Report:

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.

Significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company:

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.

Employee's remuneration:

Details of employees receiving the remuneration as 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 given in Annexure II of the Report. In terms of 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.

Details of material related party transactions:

Details of material related parties under Section 188 of the Act 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given in Annexure III to this report in the prescribed form.

Details of loans / guarantees / investments made:

As regards furnishing the details of loans and guarantees under Section 186 of the Act 2013 for the financial year 2022-23, the Company has not extended any guarantee or loans to other companies during the year under review.

During the year, the Company has invested Rs. 310 Cr in the Zero Coupon Bonds issued by TVS Motor Company Limited, the holding company.

Details of all investments made by the Company as at the end of the Financial year 2022-23 is available in note no. 5 to Notes on accounts.

Annual Return:

In terms of the requirements of Section 134(3)(a) of the Act, 2013 read with the Companies (Accounts) Rules, 2014, the Annual Return for the year 2022-23 in prescribed form is available in the Company's website in the following link https://www.sundaramautocomponents.com/Investor.html

Maintenance of cost records

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

Insolvency and Bankruptcy Code

There are no applications made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

Onetime settlement with any Bank or Financial Institution

No disclosure or reporting is required in respect of the details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions.

Disclosure in terms of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has duly constituted an Internal Complaints Committee as required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, there were no cases filed pursuant to the provisions of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act 2013.

Reporting of fraud

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

Acknowledgement

The Directors gratefully acknowledge the continued support and co-operation received from TVS Motor Company Limited, the holding Company.

The Directors thank the suppliers, customers and bankers for their continued support and assistance. The Directors also wish to place on record the appreciation of the excellent work done by all the employees of the Company.

Place : Chennai	Venu Srinivasan
Date: 27th April 2023	Chairman

Annexure - I
CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO
(Pursuant to Section 134(3)(m) of the Companies Act, 2013)

A. CONSERVATION OF ENERGY

1.1 Measures taken in the year 2022-23

- Wind power as an alternate sourcing of power.
    - o Sourcing of wind power for Hosur & Chennai plants with additional capacity of 2.0 MW for a period of 25 years.

Projects undertaken to reduce energy consumption:

- o Optimization of machine specification while procurement to reduce specific energy consumption
- o Implementation of Variable Frequency Drives for injection moulding machines & Chiller lines for energy conservation at Hosur plant.
- o Energy consumption reduction through cycle time reduction projects, MTTR & MTBF improvement projects, etc.

The above measures along with other small projects resulted in an annual savings of Rs. 1.0 Crore.

1.2 Proposed measures for the year 2023-24:

- o Commencement of new wind power project as an additional power capacity of 2MW / 6.4MUs.
- o Reduce specific energy consumption through 4E approach (Energy lifecycle, Energy culture, Energy audit & Energy retuning)

The above measures are expected to result in improving the effectiveness of energy management and power cost savings of Rs.2.6 Cr.

2. Steps taken for utilizing alternate sources of energy during the year 2022-23

The Company continued the utilization of the wind energy and solar energy to an extent of 11.34MW, also balancing the power sourcing with IEX traded power. The company has also entered into an agreement for additional power purchase of 2MW wind power, totaling to 13.34MW as an alternate source of power.

3. Capital investment- Energy conservation Equipment:

Nil

B. TECHNOLOGY ABSORPTION

- o Implemented air handling system parts for Toyota Urban Cruiser and Innova Hycross with value added processes such as welding and assembly. This new product segment developed for Toyota-Gosei (TGSIN) has resulted in business growth of Rs 6 Crores per annum.
- o Developed new horizontal painting system for Maruti Suzuki YTB / YEX cluster project with Continental corporation. Annual sales for this project is Rs. 20 Crores
- o Two-wheeler EV parts – New business value of Rs 35 Crores
    - Styling parts with multiple painted colors developed for premium bikes of Ultra Violette F77 and Tork T6X. We co-designed the parts along with customer for part manufacturing.
    - Battery housing parts developed for TVSM with flame retardant polymer material.
- o Developed Volvo truck radiator shroud with 24 inserts and weighing 7Kgs. Achieved flatness requirements on 1020mm length part with PA66 35% Glass filled material.

- Note: SACL R&D is now accorded with certification of recognition by Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India.

C. FOREIGN EXCHANGE ACTUAL EARNINGS AND OUTGO

Total foreign exchange earnings and out go	(Rs. In Cr)
(a) Earnings	2.22
(b) Out go	8.28

For and on behalf of the Board

Place : Chennai
Date: 27th April 2023

Venu Srinivasan
Chairman

Annexure - II

FORM No. AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

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

S.No	Name of the subsidiary	Sundaram Holding USA Inc.,
	Date on which subsidiary was acquired	9th September 2015
	Reporting period	
	Reporting currency	USD
	Closing Exchange rate	INR 75.79/USD
	Share capital	650.74
	Reserves & Surplus	(51.06)
	Total assets	888.54
	Total Liabilities	288.86
	Investments	-
	Turnover	52.79
	Profit before taxation	(83.04)
	Provision for taxation	-
	Profit after taxation	(83.04)
	Proposed Dividend	-
	% of shareholding	50.35%

Note:

1. The figures of Sundaram Holding USA Inc includes the consolidation of its subsidiaries viz., Green Hills Land Holding LLC, Components Equipment Leasing LLC, Sundaram Clayton USA LLC (Formerly Known as Workspace Project LLC) and Premier Land Holding LLC.
2. Subsidiaries which are yet to commence operations - Premier Land Holding LLC
3. Subsidiaries which have been liquidated or sold during the year – Nil.

Annexure - III

FORM No. AOC - 2

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

   NIL

2. Details of material contract, arrangement or transaction at arm's length basis:

(a)	Name of the related party	TVS Motor Company Limited
(b)	Nature of relationship	Holding Company
(c)	Duration of the contracts/ arrangements/ transactions	2022-23
(d)	Date (s) of approval by the Board, if any:	1st February 2022

Nature of contracts/ arrangements/ transactions	Goods / Services	Salient terms of the contracts or arrangements or transactions	Amount of contract or arrangement (Rs. in Cr)
Sale	Plastic Components and Dies & Moulds	Mark-up on cost of raw materials and conversion cost	365.46
Availing of Services	Sharing of Common exps etc. & Canteen recovery and Rent on Mysore Plant	At cost	1.03

For and on behalf of the Board

Place : Chennai
Date: 27th April 2023

Venu Srinivasan
Chairman

Annexure - IV

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

1. Brief outline on CSR Policy of the Company

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

2. Composition of CSR Committee as on the date of this report : Not applicable

3.	Web-link where Composition of CSR committee, Policy and Projects approved by the board are disclosed on the website of the company	https://www.sundaramautocomponents.com/Investor.html
4.	Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).	Not Applicable
5	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any	Sl. No. / Financial Year / Amount available for set-off from preceding financial years (in Rs) / Amount required to be setoff for the financial year, if any (in Rs): Not applicable
6	Average net profit of the company as per section 135(5).	Rs. 469.67 lakhs
7	(a) Two percent of average net profit of the company as per section 135(5)	Rs. 9.40 lakhs
	(b) Surplus arising out of the CSR projects orprogrammes or activities of the previous financial years.	NIL
	(c) Amount required to be set off for the financial year, if any	NIL
	(d) Total CSR obligation for the financial year (7a+7b- 7c).	Rs. 9.40 lakhs
8 (a)	CSR amount spent or unspent for the financial year: 10 Lakhs	

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified underSchedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
10 lakhs	NA	NA	NA	NA	NA

8 (b)	Details of CSR amount **spent against ongoing projects** for the financial year: - Not Applicable

8 (c)	Details of CSR amount **spent against other than ongoing projects** for the financial year:	
	Name of the Project.	Health
	Activities Undertaken	• Awareness program for Women & Children • Supply of Nutritious food to tribal people and providing medicines free of cost • Conducting general health camp including anemia awareness program
	Item from the list of activities in Schedule VII to the Act.	• Eradicate poverty, promoting preventive healthcare and sanitation and making available safe drinking water;
	Local area (Yes / No).	Yes
	Location of the project (State / District)	- Tamil Nadu : Dharmapuri district
	Amount spent for the project (in Rs.).	Rs. 2308 Lakhs includes Rs. 10 Lakhs
	Mode of Implementation – Direct (Yes / No)	No
	Name of the Implementing Agency	**Srinivasan Services Trust** Jayalakshmi Estates, No. 29, Haddows Road Chennai - 600 006 Tamil Nadu Phone No: 044-28332115 Mail ID: swaran@tvssst.org
	CSR Registration No.	CSR00001508.

8 (d)	Amount spent on Impact Assessment, if applicable	Not Applicable
8 (e)	Total amount spent for the Financial Year (8b+8c+8d+8e)	

8 (f)	Excess amount for set off, if any

Sl. No.	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 9.40 lakhs
(ii)	Total amount spent for the Financial Year	Rs. 10 lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 0.60 lakhs
(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)]	Rs. 0.60 lakhs

9(a)	Details of Unspent CSR amount for the preceding three financial years: (In Rs.)					
Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.		Amount remaining to be spent in succeeding financial years.
				Name of the Fund	Amount	
Not Applicable						

9 (b)	Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s): - Not Applicable

10	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year; **(asset-wise details).**	
	(a) Date of creation or acquisition of the capital asset(s).	Not Applicable
	(b) Amount of CSR spent for creation or acquisition of capital asset	
	(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	
	(d) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	
11	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).	Not Applicable

For and on behalf of the Board

Place : Chennai
Date : 3rd May 2022

Venu Srinivasan
Chairman

Annexure - V

FORM No. AOC - 2

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

   NIL

2. Details of material contract, arrangement or transaction at arm's length basis:

   (a) Name of the related party — TVS Motor Company Limited

   (b) Nature of relationship — Holding Company

   (c) Duration of the contracts / arrangements / transactions 2021-22

   (d) Date (s) of approval by the Board, if any: — 25th January 2021

Nature of contracts/ arrangements/ transactions	Goods / Services	Salient terms of the contracts or arrangements or transactions	Amount of contract or arrangement (Rs. In Cr)
Sale	Plastic Components and Dies & Moulds	Mark-up on cost of raw materials and conversion cost	302.40
Availing of Services	Sharing of Common exps etc. & Canteen recovery and Rent on Mysore Plant	At cost	0.86

For and on behalf of the Board

Place : Chennai
Date : 3rd May 2022

Venu Srinivasan
Chairman

Form No. MR-3

Secretarial Audit Report for the financial year ended 31st March 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members,
Sundaram Auto Components Limited [CIN: U29249TN1992PLC051417]
"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai - 600 006.

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by SUNDARAM AUTO COMPONENTS LIMITED ('the Company') during the financial year from 1st April 2022 to 31st March 2023 ('the year'/ 'audit period'/ 'period under review').

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts and statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

(i) Our examination / verification of the books, papers, Minute books and other records maintained by the Company and furnished to us in electronic form for our verification, forms and returns filed, and compliance related action taken by the Company during the year as well as after 31st March 2023 but before the issue of this report;

(ii) Compliance certificate confirming compliance with all laws applicable to the Company given by the Chief Executive Officer of the Company and taken on record by the Board of Directors; and

(iii) The representations made / given and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

In our opinion, during the audit period covering the financial year ended on 31st March 2023, the Company has complied with the statutory provisions listed hereunder and also has proper Board processes and compliance mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter. The members are requested to read this report along with Annexure – A.

1. Compliance with specific statutory provisions

We report that:

We have examined the books, papers, Minute books and other records maintained by the

1.1 Company and furnished to us in electronic form for our verification, the forms, returns, reports, disclosures and information filed / submitted during the year, according to the applicable provisions of:

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

(ii) Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), being a material unlisted Indian subsidiary of M/s. TVS Motor Company Limited;

(iii) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder (FEMA), to the extent of Overseas Direct Investment and External Commercial Borrowings;

(iv) Mandatorily applicable Secretarial Standards, namely Secretarial Standards (SS-1) on "Meetings of the Board of Directors", and Secretarial Standards (SS-2) on "General Meetings", issued by The Institute of Company Secretaries of India (Secretarial Standards).

1.2 During the period under review, and also considering the compliance related action taken by the Company after 31st March 2023 but before the issue of this report, the Company, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us, has generally complied with:

(i) The applicable provisions of the Act and the Rules, mentioned in paragraph 1.1 (i) above;

(ii) Regulation 24A of LODR, mentioned in paragraph 1.1 (ii) above;

(iii) The applicable rules and regulations under FEMA mentioned in paragraph 1.1 (iii) above, with respect to Overseas Direct Investments (ODI) and External Commercial Borrowings (ECB); and

(iv) The mandatorily applicable Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) referred to in paragraph 1.1 (iv) above.

1.3 We are informed that, during / in respect of the year:

(i) The Company, and also in view of non-arising of certain events, was not required to comply with the following laws/ rules/ regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms/ returns under:

(a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder, with respect to Foreign Direct Investment;

(b) Securities Contracts (Regulation) Act, 1956, and the rules made thereunder;

(c) Depositories Act, 1996, and the Regulations and bye-laws framed thereunder;

(d) Regulations prescribed under the Securities and Exchange Board of India Act, 1992, except Regulation 24A of LODR ; and

(e) Listing agreements with stock exchanges.

(ii) There was no other law that was specifically applicable to the Company, considering the nature of its business. Hence, the requirement to report on compliance with specific laws under paragraphs 1.1 and 1.2 above did not arise.

(iii) Since the Company was not a material subsidiary of M/s. TVS Motor Company Limited in terms of Regulation 24(1) of LODR during the year, it was not required to appoint an Independent Director of the holding company as a Director on its Board.

(iv) Since the Company is a wholly-owned Indian subsidiary of M/s. TVS Motor Company Limited, it is not required, under the Act, to:

(a) Constitute an Audit Committee of the Board of Directors;

(b) Constitute a Nomination and Remuneration Committee of the Board of Directors; and

(c) Appoint Independent Directors on the Board of Directors.

2. Board processes

We further report that:

2.1 Board constitution and balance

(i) As on 31st March 2023, the Board of Directors of the Company is duly constituted and consists of 1 (one) Executive Director and 3 (three) Non-Executive Non- Independent Directors including 1 (one) Woman Director.

(ii) The following changes which took place in the Board of Directors during the year were carried out in compliance with the applicable provisions of the Act and the Rules made thereunder:

(a) Re-appointments of Dr. Lakshmi Venu (DIN: 02702020) and Mr. S G Murali (DIN: 00348902), Directors who retired by rotation at the 30th Annual General Meeting held on 15thJune 2022.

(iii) The Audit Committee, Nomination and Remuneration Committee and Corporate Social Reponsibility Committee of the Board have been dissolved with effect from 3rd May 2022 since they had ceased to be mandatory under the Act.

2.2 Board meetings

(i) Adequate notice was given to all the directors to plan their schedule for the Board Meetings. Notices of Board meetings were sent atleast 7 (seven) days in advance, except in respect of the meetings convened at a shorter notice, in accordance with Section 173(3) of the Act.

(ii) Agenda and detailed notes on agenda were sent atleast 7 (seven) days before the Board meetings, except in respect of the meetings convened at a shorter notice. Agenda notes in respect of additional subjects and supplementary agenda notes and annexures in respect of some of the agenda items were either circulated separately or at the meeting.

2.3 We are informed that a system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.

2.4 We are informed that, at the Board meetings held during the year:

(i) Majority decisions were carried through; and

(ii) No dissenting views were expressed by any director on any of the subject matters discussed, that were required to be captured and recorded as part of the Minutes.

3. Compliance mechanism

We further report that:

3.1 The Company has reasonably adequate systems and processes, commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules and regulations.

4. Specific events /actions

We further report that:

The specific events and actions during the year, having a major bearing on the Company's affairs, in pursuance of the above referred laws, rules, regulations and standards were:

(i) Disinvestment of shares in the subsidiary viz., Sundram Holding USA Inc (SHUI), constituting 50.05% of its paid-up capital to Sundaram-Clayton Limited, at a consideration of Rs.317 crores pursuant to the approval of the shareholders at the Extra-Ordinary General Meeting held on 25th July, 2022. Consequently, SHUI and its four subsidiaries in USA viz., Green Hills Land Holding LLC, USA, Components Equipment Leasing LLC, USA, Sundaram–Clayton (USA) LLC, USA and Premier Land Holding LLC, USA ceased to be subsidiaries of the Company in terms of Section 2(87) of the Companies Act, 2013, effective at the close of business hours on 22nd September 2022.

(ii) Investment of Rs.310 crores in 310 Unlisted Unsecured Zero-Coupon bonds(ZCBs) issued by M/s. TVS Motor Company Limited, the Holding Company, having face value of Rs.1 crore each, in compliance with Section 186 of the Act;

(iii) Initiated a proposal for reduction of paid-up equity share capital of the Company from Rs. 44,56,90,000/- divided into 4,45,69,000 equity shares of Rs.10/- each to Rs. 11,93,74,220/- divided into 1,19,37,422 equity shares of Rs. 10/- each, by cancelling and extinguishing, the paid- up equity share capital up to a maximum of Rs. 32,63,15,780/- divided into 3,26,31,578 equity shares of Rs. 10/- each after returning to the shareholders premium amount of Rs. 85/- (Rupees Eighty-Five only) for each equity share held by them which is being cancelled. Approval of the shareholders was obtained at the Extra-Ordinary General Meeting held on 14th November 2022 and and application has been filed with National Company Law Tribunal, Chennai Bench (NCLT) on 1st December 2022 under Section 66 of the Act, seeking confirmation of the reduction;

(iv) The Audit Committee and Nomination and Remuneration Committee of the Board were dissolved on 3rd May 2022 since they were not mandatory in terms of Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 read with Section 149(4) of the Act and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, in view of the Company being a wholly- owned subsidiary of TVS Motor Company Limited; and

(v) The Corporate Social Responsibility Committee of the Board was dissolved with effect from 3rd May 2022 in view of the amendment to Section 135(9) of the Act, since the amount to be spent for the year did not exceed Rs.50 lakhs.

For S. Krishnamurthy & Co
Company Secretaries
(Peer Review Certificate No.739/2020)

SHARANYA SRIRAM,
Partner
Membership No.F10252
Certificate of Practice No: 12731
UDIN:

Date : 27th April 2023
Place : Chennai

Annexure - A to Secretarial Audit Report of even date

To,

The Members,
Sundaram Auto Components Limited, [CIN:U29249TN1992PLC051417]
"Chaitanya" No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai 600 006

Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31st March 2023 is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records based on our audit.

2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records and the audit was conducted in accordance with applicable standards issued by The Institute of Company Secretaries of India. Those Standards require that the Auditor comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after 31st March 2023 but before the issue of this report.

4. We have considered compliance related actions taken by the Company based on independent legal / professional opinion / certification obtained as being in compliance with law, wherever there was scope for multiple interpretations.

5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company, as they are subject to audit by the Auditors of the Company appointed under Section 139 of the Act.

7. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.

8. Our 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. 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.

For S. Krishnamurthy & Co
Company Secretaries
(Peer Review Certificate No.739/2020)

SHARANYA SRIRAM,
Partner
Membership No.F10252
Certificate of Practice No: 12731
UDIN:

Date : 27th April 2023
Place : Chennai

Independent Auditors' Report to the members of Sundaram Auto Components Limited, Chennai for the year ended 31st March 2023

To the Members of SUNDARAM AUTO COMPONENTS LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Sundaram Auto Components Limited ("the Company"), which comprise the balance sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in Equity and Statement of including Cash Flows for the year then ended, and notes to the financial statements, a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013("Act") in the manner so required and give a true and fair view in conformity with 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 March 31, 2023, and profit, Other Comprehensive Income, Changes in Equity and Cash Flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors 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 Responsibilities for the Audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal 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 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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 the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 and proper returns adequate for the purposes of our audit of the branches have been received from the branches not visited by us;
   (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts and with the returns received from the branches not visited by us;
   (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
   (e) On the basis of the written representations received from the directors as on 31st March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

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

a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. 37(i) to the inancial statements;

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

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

d. (i) Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts (refer note no 38(xiv)), 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(is), 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.

(ii) Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts (refer note no 38(xv)), 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

(iii) Based on the audit procedures adopted by us, nothing has come to our notice that has caused us to believe that the representations made by the management under sub clause (i) and (ii) above, contain any material misstatement.

e. The dividends declared and paid by the Company during the year and until the date of this audit report are in accordance with Section 123 of the Companies Act, 2013.

f. Provisio to Rule 3 (1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from April 1 ,2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the Financial year ended March 31, 2023.

3. With respect to the matter to be included in the Auditors’ Report under Section 197(16) of the Act.

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Sec 197(16) which are required to be commented upon by us.

For V.SANKAR AIYAR & CO.
Chartered Accountants
ICAI Regn. No.109208W

UDIN	23023116BGXEKN7026

S. VENKATARAMAN
PARTNER
Membership No.023116

Place: Chennai
Date: 27th April 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT – 31st March 2023 (Referred to in our report of even date)

(i) a) A) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

B) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has maintained proper records showing full particulars of Intangible assets.

b) The company has a regular program of physically verifying all the Property, Plant and Equipment at its plants/ offices in a phased manner over a period of 2 years, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies as compared to book records were noticed on such verification.

c) According to the information and explanations given to us and the records of the Company examined by us, the title deeds of all the 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 (including Right of use assets) or intangible assets during the year ended March 31, 2023.

e) According to the information and explanation given to us and the records of the Company examined by us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) a) As informed to us, the management has conducted physical verification of inventory [including inventory lying with third parties] at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies noticed on such physical verification, were less than 10% in aggregate for each class of inventory and have been properly dealt with in the books of account.

b) According to the information and explanations given to us and the records of the Company examined by us, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns filed by the Company with such banks are in agreement with the books of accounts of the Company.

(iii) a) According to the information and explanation given to us and the records of the Company examined by us, during the year the Company:

i. Has made investments in companies.

ii. Has not made investments in firms, Limited Liability Partnerships or any other parties.

iii. Has not provided loans, advances in the nature of loans, guarantee and security to companies, firms, Limited Liability Partnerships or any other parties. There are no opening balance in loans and advances in the nature of loans. Therefore, the requirement to report under clauses (iii) (b) to (f) of para 3 of the Order are not applicable to the Company.

b) According to the information and explanations given to us and the records of the Company examined by us, the investments made are not prejudicial to the Company's Interest.

(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of Investments made. The Company has not granted any loan or provided securities or guarantees during the year.

(v) According to the information and explanation given to us and the records of the Company examined by us, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act in respect of certain products manufactured by the Company. Therefore, the provisions of clause(vi) of the order not applicable to the company.

(vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues payable including Employees' Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Customs duty and Cess and other material statutory dues as applicable to the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Customs duty and Cess were in arrears as at 31st March 2023 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income-Tax, Customs Duty, Sales Tax, Service Tax, Goods and Services Tax, Value Added Tax, Excise Duty and Cess which have not been deposited on account of dispute as at 31st March 2023 other than the following on account of dispute, as given below.

Name of the statue/ (Nature of dues)	Period of Due	Demand Amount – Rs. In Crores	Amount paid under protest/ Deposit against appeal – Rs. In Crores	Forum where dispute is pending
Income Tax Act, 1961	FY 2008-09 to FY 2018-19	3.46	-	Assessing Officer and Commissioner of Income Tax (Appeals) (CIT(A)), Chennai.
Goods and Service Tax, 2017	FY 2017-18 to FY 2018-19	2.82	-	Writ petition filed in High court of Andhra Pradesh
Central Sales Tax Act, 1956	FY 2014-15	0.74	0.18	Division bench of Madaras High Court
Customs Act, 1962	FY 2003-04	0.40	0.03	Joint Commissioner of Customs (EODC-EPCG), Chennai

(viii) According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Therefore, there are no unrecorded income to be recorded in the books of accounts during the year.

(ix) On the basis of verification of records, the procedures performed by us, on an overall examination of the financial statements of the Company and according to the information and explanations given to us,

a) the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

c) the Term loans were applied for the purpose for which the loans were obtained.

d) the Company has not utilized funds raised on short-term basis for long-term purposes.

e) the Company does not have subsidiaries, associates or joint ventures. Hence, the requirement to report on Clause 3 (ix) (e) and (f) of the order is not applicable to the company.

(x) a) According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

b) According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi)	a)	During the course of our examination of the books and records of the Company, carried out based upon the generally accepted audit procedures performed for the purpose of reporting the true and fair view of the financial statements, to the best of our knowledge and belief and as per the information and explanations given to us by the Management, and the representations obtained from the management, no material fraud by the Company and on the Company have been noticed or reported during the year.
	b)	During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. According to the information and explanations given to us and based on the information given to us and records verified by us, Secretarial Auditor has not filed report in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. The Company does not have a Cost Auditor.
	c)	According to the information and explanations given to us and as represented to us by the management, there are no whistle blower complaints received by the Company during the year.
(xii)	The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.	
(xiii)	In our opinion and according to the information and explanations given to us, based on verification of the records and approvals of the Audit Committee, the Company is in compliance with Section 177 and Section 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.	
(xiv)	a)	In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
	b)	The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
(xv)	In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.	
(xvi)	According to the information and explanations given to us and based on the information given to us and records verified by us,	
	a)	the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.
	b)	The Company has not conducted any Non-Banking Financial or Housing Finance activities.
	c)	The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
	d)	There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
(xvii)	According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.	
(xviii)	There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.	
(xix)	According to the information and explanations given to us and on the basis of the financial ratios disclosed in note no. 38(i) to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.	
(xx)	a)	According to the information and explanations given to us, In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second provision to sub section 5 of section 135 of the Act. This matter has been disclosed in note no. 37(iii) to the financial statements.
	b)	There are no unspent amounts in respect of ongoing projects that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note no. 37(iii) to the financial statements.
(xxi)	The Company is not required to prepare consolidated financial statement. Therefore, clause (xxi) of para 3 of the order is not applicable to the Company.	

For V.SANKAR AIYAR & CO.
Chartered Accountants
ICAI Regn. No.109208W

UDIN	23023116BGXEKN7026

S. VENKATARAMAN
PARTNER
Membership No.023116

Place: Chennai
Date: 27th April 2023

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT – 31st March 2023 (Referred to in our report of even date)

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

1. We have audited the internal financial controls over financial reporting of Sundaram Auto Components Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Managements Responsibility for Internal Financial Controls

2. 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 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.

Auditor's Responsibility

3. 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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.

4. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. 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

6. 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

7. 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

8. In our opinion, the Company has, in all material respects, an adequate internal financial Control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

For V.SANKAR AIYAR & CO.
Chartered Accountants
ICAI Regn. No.109208W

UDIN	23023116BGXEKN7026

S. VENKATARAMAN
PARTNER
Membership No.023116

Place: Chennai
Date: 27th April 2023

Balance Sheet as at 31st March 2023

Rupees in crores

	Notes	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Property, Plant and Equipment	2	222.92	214.24
Capital work in progress	3	6.92	12.66
Goodwill	4	2.20	2.20
Financial assets			
i. Investments	5	312.76	319.59
ii. Other financial assets	6	1.67	0.16
Other non-current assets	7	4.56	5.99
Total non-current assets		**551.03**	**554.84**
Current assets			
Inventories	8	44.26	51.35
Financial assets			
i. Trade receivables	9	92.33	93.28
ii. Cash and cash equivalents	10	1.14	0.70
iii. Other financial assets	11	0.16	0.75
Other current assets	12	35.39	36.81
Total current assets		**173.28**	**182.89**
Total Assets		**724.31**	**737.73**
Equity and liabilities			
Equity			
Equity share capital	13	44.57	44.57
Other equity	14	394.12	377.60
Total equity		**438.69**	**422.17**
Liabilties			
Non-current liabilities			
Financial liabilities			
i. Borrowings	15a	50.63	17.96
ia. Lease liabilities	15b	2.36	1.90
Provision - Employee benefit obligations	16	6.99	5.80
Deferred tax liabilities (Net)	17	16.86	11.51
Total non-current liabilities		**76.84**	**37.17**
Current liabilities			
Financial liabilities			
i. Borrowings	18	55.45	122.59
ia. Lease liabilities	15b	0.17	0.10
ii. Trade payables	19		
a. Total outstanding dues of Micro and Small enterprises		11.28	8.82
b. Total outstanding dues of other than (ii)a above		86.75	89.56
iii. Other financial liabilities	20	0.72	0.48
Other current liabilities	21	53.16	55.62
Provision - Employee benefit obligations	16	1.25	1.22
Total current liabilities		**208.78**	**278.39**
Total liabilities		**285.62**	**315.56**
Total equity and liabilities		**724.31**	**737.73**
Significant Accounting Policies (See accompanying notes to the financial statements)	1	-	-

As per our report annexed

Venu Srinivasan Chairman	Rajesh Oommen Director & Chief Executive Officer		For V .Sankar Aiyar & Co Chartered Accountants Firm Regn. No. 109208W
Place: Chennai Date: 27-04-2023	J Ashok Chakravarthi Chief Financial Officer	G Sathyan Company Secretary	S. Venkataraman Partner Membership No. 023116

Statement of Profit and Loss for the year ended 31st March 2023

Rupees in crores

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	22	783.21	606.34
Other income	23	3.81	1.83
Total income		**787.02**	**608.17**
Expenses			
Cost of materials consumed	24	550.98	431.57
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	24	1.80	(8.27)
Employee benefits expense	25	86.99	75.90
Finance costs	26	12.92	12.91
Depreciation and amortisation expense	2 & 4	21.06	20.88
Other expenses	27	87.32	64.88
Total expenses		**761.07**	**597.87**
Profit before exceptional items		**25.95**	**10.30**
Exceptional items - Gain / (Loss)		(1.87)	(6.00)
Profit before tax		**24.08**	**4.30**
Tax expense			
Current tax	28	3.74	0.56
Deferred tax	28	4.84	1.43
Profit for the year		**15.50**	**2.31**
Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations arising on account of actuarial losses		(2.56)	(1.72)
Change in fair value of equity instruments		0.17	2.60
Income tax relating to these items		1.27	0.61
B. Items that will be reclassified to profit or loss			
Fair value changes on cash flow hedges		6.15	(0.16)
Income tax relating to these items		(1.78)	0.06
Other comprehensive income for the year, net of tax		**3.25**	**1.38**
Total comprehensive income for the year		**18.75**	**3.69**
Earnings per equity share (Face Value of Rs. 10 each fully paid up)			
Basic and Diluted earnings per share (in Rupees)	34	3.48	0.52
Significant Accounting Policies (See accompanying notes to the financial statements)	**1**		

As per our report annexed

Venu Srinivasan
Chairman

Rajesh Oommen
Director & Chief Executive Officer

For V .Sankar Aiyar & Co
Chartered Accountants
Firm Regn. No. 109208W

Place: Chennai
Date: 27-04-2023

J Ashok Chakravarthi
Chief Financial Officer

G Sathyan
Company Secretary

S. Venkataraman
Partner
Membership No. 023116

Cash Flow Statement

Rupees in crores

Details	**Year Ended March 31,2023**		**Year Ended March 31,2022**	
Profit before tax		24.08		4.30
Adjustments for				
Depreciation and amortisation expense	21.06		20.88	
Prov. for doubtful debt	-		(0.01)	
Loss on cancellation of land lease	-		1.04	
Unrealised exchange (gain) / loss	6.24		0.01	
Loss on sale of fixed assets	0.01		0.13	
Employee provisions	1.13		1.08	
Interest income	(3.49)		(0.29)	
Share of profit from LLP	-		(0.28)	
Impact of fair valuation of financial liability	0.24		0.30	
Finance costs	12.92		12.91	
		38.11		35.77
Operating profit before working capital changes		**62.19**		**40.07**
Change in operating assets and liabilities				
(Increase) / Decrease in trade receivables	0.95		(9.91)	
(Increase) / Decrease in Inventories	7.09		(18.41)	
(Increase) / Decrease in other financial assets	(0.17)		0.15	
(Increase) / Decrease in other non-current assets	0.59		(0.29)	
(Increase) / Decrease in other current assets	0.36		(1.33)	
Increase / (Decrease) in trade payables	(0.35)		25.92	
Increase / (Decrease) in other current liabilities	(2.46)	6.01	2.08	(1.79)
Cash generated from operations		**68.20**		**38.28**
Less: Direct taxes paid		4.25		1.20
Net cash inflow from operating activities		**63.95**		**37.08**
Cash flows from investing activities				
Payments for property, plant and equipment	(30.65)		(8.34)	
Payments for property, plant and equipment - CWIP	5.74		(2.56)	
Capital Advances	(0.25)		0.91	
Sale of Investments- Subsidiary (Loss of Control)	317.01		-	
Share application money paid	(1.34)		-	
Investments in Zero coupon bonds	(310.00)		-	
Proceeds from cancellation of land lease	-		8.20	
Proceeds from sale of property, plant and equipment	1.73		0.08	
Proceeds from sale of Investment	-		3.51	
Share of profit from LLP	-		0.28	
Interest received	3.49		0.29	
Net cash outflow from investing activities		**(14.27)**		**2.37**
Cash flows from financing activities				

Rupees in crores

Interest paid	(12.36)		(12.85)	
Dividends & Dividend Tax paid	(2.23)		-	
Lease liability paid	(0.23)		(0.18)	
Interest on Lease liability	(0.22)		(0.15)	
Receipt / (repayment) of Short term loan	(16.73)		20.52	
Receipt / (repayment) of Long term loan	(5.01)		(52.64)	
Net cash inflow (outflow) from financing activities		**(36.78)**		**(45.30)**
Net increase (decrease) in cash and cash equivalents		12.90		(5.85)
Cash and cash equivalents at the beginning of the financial year				
Cash and cash equivalents	0.70		1.90	
Overdraft utilised	(15.45)	(14.75)	(10.80)	(8.90)
Cash and cash equivalents at end of the year				
Cash and cash equivalents	1.14		0.70	
Overdraft utilised	(2.99)	(1.85)	(15.45)	(14.75)

Note: The above statement of cash flow is prepared using indirect method

Particulars	As at 01-04-2022	Cash flow	Amortization	Foreign exchange movement	As at 31-03-2023
Non current borrowings (including current maturities)	65.49	(5.01)	0.08	(0.35)	60.21
Current borrowings	59.61	(16.73)	-	-	42.88

Non Cash Investing Activities :	2022-23	2021-22
Acquisition of right-of-use assets	0.87	0.40

As per our report annexed

Venu Srinivasan
Chairman

Rajesh Oommen
Director & Chief Executive Officer

For V .Sankar Aiyar & Co
Chartered Accountants
Firm Regn. No. 109208W

Place: Chennai
Date: 27-04-2023

J Ashok Chakravarthi
Chief Financial Officer

G Sathyan
Company Secretary

S. Venkataraman
Partner
Membership No. 023116

Statement of Changes in Equity

Rupees in crores

A.

EQUITY SHARE CAPITAL	Total
Balance as at 01-04-2022	**44.57**
Changes in equity share capital due to prior period items	-
Restated balance as at 01.04.2021	44.57
Changes in equity share capital	-
Balance as at 31-03-2022	**44.57**
Changes in equity share capital due to prior period items	-
Restated balance as at 01.04.2022	44.57
Changes in equity share capital	-
As at 31-03-2023	**44.57**

B. OTHER EQUITY

Particulars		Reserves and Surplus			Other Reserves		Total
		General Reserve	Securities Premium Reserve	Retained Earnings	Equity Instruments Fair Value through Other Comprehensive Income	Hedging Reserve	
Balance as at April 1, 2021		**8.05**	**294.32**	**78.18**	**(2.46)**	**(3.85)**	**374.24**
Adjustment towards Equity Instrument FV through OCI		-	-	(0.33)	-	-	(0.33)
Issue of equity shares		-	-	-	-	-	-
Profit for the period 2021-22		-	-	2.31	-	-	2.31
Other comprehensive income for the year 2021-22		-	-	(1.11)	2.60	(0.11)	1.38
Sub-total	**A**	**8.05**	**294.32**	**79.05**	**0.14**	**(3.96)**	**377.60**
<u>Less : Distribution to shareholders</u>							
2021-22 first and final dividend paid		-	-	-	-	-	-
Dividend distribution tax paid		-	-	-	-	-	-
Sub-total	**B**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at March 31, 2022	**C = (A - B)**	**8.05**	**294.32**	**79.05**	**0.14**	**(3.96)**	**377.60**
Issue of equity shares		-	-	-	-	-	-
Profit for the period 2022-23		-	-	15.50	-	-	15.50
Hedge reserve regrouped		-	-	0.41	-	(0.41)	-
Other comprehensive income for the year 2022-23		-	-	(1.29)	0.17	4.37	3.25
Sub-total	**D**	**8.05**	**294.32**	**93.67**	**0.31**	**-**	**396.35**
<u>Less : Distribution to shareholders</u>							
2022-23 first and final dividend paid		-	-	2.23	-	-	2.23
Sub-total	**E**	**-**	**-**	**2.23**	**-**	**-**	**2.23**
Balance as at March 31, 2023	**F = (D - E)**	**8.05**	**294.32**	**91.44**	**0.31**	**-**	**394.12**

Nature and purpose of reserves:

Security premium reserve: This is used to record premium on issue of shares. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013

General reserve: This is available for distribution to share holders.

Notes to Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

a) Brief description of the Company

Sundaram Auto Components Limited ("the reporting entity" or referred to as "the Company") is a public limited company incorporated and domiciled in India. The registered office is located at Chaitanya, No.12, Khadar Nawaz khan Road, Nungambakkam Chennai 600 006, Tamil Nadu, India.

The Company manufactures injection moulded plastics components used in the automobile industry. The Company has manufacturing plants located at Chennai and Hosur in Tamil Nadu, Mysore in Karnataka, Bhiwadi in Rajasthan, Nalagarh in Himachal Pradesh, and Sanand in Gujarat.

b) Basis of preparation

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 (the Act) and other relevant provisions of the Act.

The financial statements have been prepared on the historical cost convention under accrual basis of accounting except for certain financial assets and liabilities (as per the accounting policy below), which have been measured at fair value.

These financial statements for the year ended 31st March 2023 have been approved and authorized for issue by the Board of Directors at its meeting held 27th April 2023.

c) Use of estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future period. The estimates and underlying assumptions are reviewed on an ongoing basis.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

d) Significant Estimates and judgments

i. Estimation of fair value of unlisted securities- Refer Note 32

ii. Defined benefit obligation - Refer Note 16

iii. Estimation of useful life of Property, Plant and Equipment - Refer Note 1(f) and 1(g)

iv. Estimation and evaluation of provisions and contingencies relating to tax litigations - Refer Note 37.

e) Revenue recognition

The Company has adopted Ind AS 115 from 1st April 2018 and opted for modified retrospective application with the cumulative effect of initially applying this standard recognised at the date of initial application. The standard has been applied to all open contracts as on 1st April, 2018, and subsequent contracts with customers from that date.

<u>Performance obligation</u>:

The revenue is recognized on fulfilment of performance obligation. Revenue excludes taxes or duties collected on behalf of the Government.

i. <u>Sale of products</u>:

Revenue from the sale of products is recognised when the products are delivered to the customer or when delivered to the designated carrier and when risks and rewards of ownership pass to the customers, as per the terms of the contract.

Revenue is measured and recognized at the fair value of the consideration received or receivable and net of returns, trade allowances and rebates.

ii. <u>Dividend income</u>:

Dividend from investments is recognised when the right to receive the same is established.

iii. <u>Interest income</u>:

Interest income is recognized on a time proportion basis, determined by the amount outstanding and the rate applicable.

iv. <u>Significant judgements</u>:

There are no significant judgements made by the Company in determining the timing of satisfaction of performance obligation. It is determined as per the terms of the contract.

f) Property, Plant and Equipment

Freehold Land is stated at historical cost. All other items of property plant and equipment (Furniture's, fixtures, vehicles, and buildings etc.) are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. Such assets are classified into the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Cost includes purchase price, taxes and duties, labour cost and directly attributable overhead expenditure incurred up to the date the asset is ready for its intended use net of cost reimbursed if any. However, cost excludes Goods and Services Tax to the extent of credit of tax is availed of.

Property, Plant and Equipment not ready for the intended use, on the date of Balance sheet, are disclosed as "Capital work-in progress".

Subsequent costs are included in the asset's carrying amount or recognized 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. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss within other income /expense.

g) Depreciation and amortization

i. Depreciation on Property, Plant and Equipment is charged over the estimated useful life of the asset or part of the asset (after considering the required number of shifts in use) as evaluated by a Chartered Engineer, on straight line method, in accordance with Part A of Schedule II to the Companies Act 2013. The useful life of the Property, Plant and Equipment are reviewed annually with respect to estimates and changes if any are, being accounted for on a prospective basis.

ii. Keeping in mind the rigorous and periodic maintenance program followed by the Company, the estimated useful life of the tangible fixed assets as assessed by the Chartered Engineer and followed by the Company is given below:

Description	Years
Factory building and other buildings	30
Material handling equipment	5 to 10
Plant and Equipment	10 to 15
Electrical equipment	3 to 15
Furniture and fixtures	3 to 15
Laboratory equipment	3 to 15
Computers and information systems	3
Office equipment	5 to 15
Mobile phones	2
Vehicles	5

iii. Tools and dies used for manufacture of components are depreciated based on quantity of components manufactured and the life of tools and dies, subject to a maximum of 3-5 years.

iv. Residual values and useful lives are reviewed, and depreciation is accordingly charged, at the end of each reporting period. (Presently, the company retains 5% of the cost of the asset as its residual value other than mobile phone).

v. On tangible fixed assets added / disposed off during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.

vi Depreciation in respect of tangible assets costing less than Rs.5,000/- is provided at 100%.

h) Intangible assets

i) Software and License fee

Intangible assets acquired are recorded at their acquisition cost and are amortised over its useful life, viz., 2 years in the case of software and license fee.

ii) Goodwill

Goodwill on acquisition of business is included in intangible assets. Goodwill is not amortized, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses.

i) Foreign Currency Translation

- Functional and presentation currency

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 Rupee (INR) and all values are rounded off to nearest crores except otherwise indicated.

- Transactions and Balances

i) Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

ii) Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year-end exchange rates.

iii) Non-monetary items denominated in foreign currency such as investments, fixed assets, etc., are valued at the exchange rate prevailing on the date of transaction.

iv) Exchange differences arising on settlement of transactions are recognised as income or expense in the year in which they arise.

j) Hedge accounti

Derivatives are initially recognized at fair value on the date when 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 certain derivatives as either:

- hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

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 fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 32. Movements in the hedging reserve in shareholders' equity are shown in Statement of Changes in Equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

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 in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

When forward contracts are used to hedge forecast transactions, the Company generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income in cash flow hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognized in the cash flow hedging reserve within equity. Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit and loss (for example, when the forecast sale that is hedged takes place).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit and loss

k) Inventories

Inventories are valued at the lower of cost and net realisable value.

i) Cost of Raw materials, components, stores, spares, are ascertained on a moving average basis.

ii) The cost of finished goods and work-in-process comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated based on normal operating capacity. Costs are assigned to individual items of inventory based on weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Materials held for use in the production of finished goods are not written down if the finished products in which they will be used are expected to be sold at or above cost. Slow and non-moving materials, obsolescence, defective inventories are provided in the books if more than one year of age.

l) Employee benefits

i) Short term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services upto the end of the reporting period and are recognised at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii) Other long-term employee benefit:

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 and recognized as the present value of the expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Re-measurement as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

iii) Post-employment obligation:

The Company operates the following post-employment schemes:

a) Defined benefit plans such as gratuity for its eligible employees, pension plan for its senior managers and

b) Defined contribution plan such as provident fund.

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 the 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 recognized immediately in the statement of profit and loss as past service cost.

Provident fund:

The company regularly contributes the amounts due to the Regional Provident Fund Commissioner.

iv) Bonus plans:

The Company recognizes liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

m) Taxes on Income

Tax expense comprises of current and deferred taxes.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. 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.

Deferred tax is 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 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 statement of profit and loss. Deferred tax is determined using tax rates 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 tax liability is settled.

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 they relate to income taxes levied by 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 statement of profit and 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.

Where the Companyis entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (the Research and Development or other investment allowances), the Company accounts for such allowances as tax credits, which means that the allowance reduce income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward to the extent that there is a reasonable certainty of recovering/ utilizing such unclaimed tax credits.

n) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions.

Government grants receivable as compensation for expenses or financial support are recognized in profit or loss of the period in which it becomes available.

o) Provisions and contingent liabilities

i) Provisions:

A provision is recorded when the Company has a present 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 reliably estimated. The estimated liability for product warranties is recorded when products are sold based on technical evaluation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expenses.

ii) 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 recognized 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.

p) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

q) Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable by the Company under residual value guarantees.
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

r) Impairment of 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.

s) Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with Banks, other short-term, highly liquid investments 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 bank overdrafts. Bank overdrafts are displayed within borrowings in current liabilities in the balance sheet.

t) Trade receivables

Trade receivables are measured at their transaction price on initial recognition, unless it contains a significant financing component or pricing adjustments embedded in the contract in which cases it is recognised at fair value. Trade receivables are held with the objective of collecting the contractual cash flows and therefore are subsequently measured at amortised cost-less allowance for expected credit loss.

u) Contract liabilities

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

v) Investments and Other financial assets

1) Classification

The Company has classified as follows:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through statement of profit and loss), and
- Those measured at amortized cost.

The classification was based on the entity's business model for managing the financial assets and the contractual terms of the cash flow.

ii) Measurement – financial assets: -

At Initial recognition, the Company measures a financial asset at its fair value plus transaction cost (in the case of a financial asset not at FVTPL) that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit and loss.

iii) Debt Instruments:

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

Amortised Cost:

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

Fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss.

Fair Value through profit or loss:

Assets that do not meet the criteria for amortised cost or FVOCI are measured FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit and loss and presented in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments:

The Company subsequently measures all investments in equity (except of the subsidiaries/associate) at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to statement of profit and loss. Dividends from such investments are recognised in statement of profit and loss as other income when the Company's right to receive payments is established.

Where the Company elects to measure fair value through profit and loss, changes in the fair value of such financial assets are recognised in the statement of profit and loss.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately. Where the Company elects to measure fair value through profit and loss, changes in the fair value of such financial assets are recognised in the statement of profit and loss.

Investment in subsidiary / associate:

Investment in subsidiary/associate are measured at cost less provision for impairment.

iii) Impairment of financial assets

The company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment mythology applied depends on whether there has been significant increase in credit risk. Note 30 details how the company determines whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected credit losses to be recognised from initial recognition of the receivables.

iv) De-recognition of financial assets

A financial asset is de-recognised only when:

a) the Company has transferred the rights to receive cash flows from the financial asset or

b) the Company retains the contractual rights to receive the cash flows of the financial asset, but a contractual obligation exists to pay the such flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized, if the Company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset..

w) Borrowings

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

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

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

x) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction, production, or erection of a qualifying asset are capitalized if such qualifying asset takes a substantial period of time to get ready for its intended use. A substantial period is determined on a case to case basis depending on the nature of the asset and time involved in putting them on ready for use. Other borrowing costs are expensed in the period in which they are incurred..

y) Current and Non-current classification

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

Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

In respect of other assets, it is treated as current when it is:

- expected to be realized or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realized within twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

z) Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business comprises the

- Fair values of the assets acquired;
- Liabilities incurred to the former owners of the acquired business;

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, measured initially at their fair values at the acquisition date.

aa) Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for new equity shares issued during the year (note 34)

(ii) Diluted earnings per share

Diluted earnings per share is computed by dividing the profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

(iii) Other Comprehensive Income is not considered for computing earnings per share.

ab) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

Notes to Financial Statements - *(continued)*

2.a. Property, Plant & Equipment

Rupees in crores

Description	Property, Plant & Equipment								
	Free hold Land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Computers	Vehicles	Right of Use Asset	Total
Gross Carrying Amount									
As at 01-04-2022	5.15	73.23	228.89	9.46	2.55	2.95	0.83	12.29	335.34
Additions	-	9.53	19.51	0.21	0.03	0.28	1.09	0.87	31.52
Sub-total	**5.15**	**82.76**	**248.40**	**9.67**	**2.58**	**3.23**	**1.92**	**13.16**	**366.86**
Sales / Deletion	-	-	4.73	0.31	0.27	0.16	1.40	-	6.87
Total Gross Carrying Amount	**5.15**	**82.76**	**243.67**	**9.36**	**2.31**	**3.07**	**0.52**	**13.16**	**359.99**
Accumulated Depreciation									
Upto 31-03-2022	-	14.73	96.50	3.66	1.50	2.52	0.64	1.56	121.11
For the year FY 2022-23	-	2.84	16.36	0.92	0.22	0.18	0.21	0.34	21.07
Sub-total	-	17.57	112.86	4.58	1.72	2.70	0.85	1.90	142.18
Withdrawn on assets sold/deleted	-	-	4.12	0.22	0.22	0.16	0.39	-	5.11
Total Accumulated depreciation	**-**	**17.57**	**108.74**	**4.36**	**1.50**	**2.54**	**0.46**	**1.90**	**137.07**
Net Carrying Amount									
As at 31-03-2023	**5.15**	**65.19**	**134.88**	**5.00**	**0.81**	**0.53**	**0.06**	**11.26**	**222.92**
Gross Carrying Amount									
As at 01-04-2021	5.15	73.23	221.46	9.37	2.55	2.77	0.83	13.62	328.98
Additions	-	-	7.92	0.23	0.01	0.18	-	0.40	8.74
Sub-total	5.15	73.23	229.38	9.60	2.56	2.95	0.83	14.02	337.72
Sales / deletion	-	-	0.49	0.14	0.01	-	-	1.72	2.36
Total Gross Carrying Amount	**5.15**	**73.23**	**228.89**	**9.46**	**2.55**	**2.95**	**0.83**	**12.30**	**335.36**
Accumulated Depreciation									
Upto 31-03-2021	-	11.99	80.64	2.74	1.19	2.29	0.49	1.34	100.68
For the year FY 2021-22	-	2.74	16.22	0.93	0.32	0.23	0.15	0.29	20.88
Sub-total	-	14.73	96.86	3.67	1.51	2.52	0.64	1.63	121.56
Withdrawn on assets sold/deleted	-	-	0.36	0.01	0.01	-	-	0.06	0.44
Total Accumulated depreciation	**-**	**14.73**	**96.50**	**3.66**	**1.50**	**2.52**	**0.64**	**1.57**	**121.12**
Net Carrying Amount									
As at 31-03-2022	**5.15**	**58.50**	**132.39**	**5.80**	**1.05**	**0.43**	**0.19**	**10.73**	**214.24**

Notes to Financial Statements - *(continued)*

Rupees in crores

3. Capital Work-In-Progress

Description	As at March 31, 2023	As at March 31, 2022
Capital work in progress (At cost)		
(a) Building	1.05	8.17
(b) Plant & equipment	5.87	3.13
(c) Pre-operative expense	-	1.36
Total	**6.92**	**12.66**

Borrowing cost capitalised during the year is Nil (last year Rs.0.54 Crores)

Ageing for capital work-in-progress as at March 31, 2023 is as follows

Particulars	Amount in CWIP for a year ended on 31 March 2023				
	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	6.92	-	-	-	6.92

Ageing for capital work-in-progress as at March 31, 2022 is as follows

Particulars	Amount in CWIP for a year ended on 31 March 2022				
	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	4.54	3.09	5.03	-	12.66

There is no Capital work in progress and Intangible asset under development whose completion is overdue or has exceeded its cost compared to its original plan

4. Goodwill & Other Intangible Assets

Description	Intangible Assets		
	Goodwill	Software	Total
Gross Carrying Amount			
As at 01-04-2022	2.20	1.47	3.67
Additions	-	-	-
Sub-total	2.20	1.47	3.67
Sales / deletion	-	-	-
Total Gross Carrying Amount	2.20	1.47	3.67
Accumulated amortisation			
Upto 31-03-2022	-	1.47	1.47
For the year	-	-	-
Sub-total	-	1.47	1.47
Withdrawn on assets sold/deleted	-	-	-
Total Accumulated depreciation	-	1.47	1.47
Net Carrying Amount			
As at 31-03-2023	2.20	-	2.20
Gross Carrying Amount			
As at 01-04-2021	2.20	1.47	3.67
Additions	-	-	-
Sub-total	2.20	1.47	3.67
Sales / deletion	-	-	-
Total Gross Carrying Amount	2.20	1.47	3.67
Accumulated amortisation			
Upto 31-03-2021	-	1.47	1.47
For the year	-	-	-
Sub-total	-	1.47	1.47
Withdrawn on assets sold/deleted	-	-	-
Total Accumulated depreciation	-	1.47	1.47
Net Carrying Amount			
As at 31-03-2022	2.20	-	2.20

5. Investments

Sl. No.	Particulars	Holding / Subsidiary	No. of shares / units As at 31-03-2023	No. of shares / units As at 31-03-2022	Face Value	Currency	As at 31-03-2023	As at 31-03-2022
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(A)	Investment in Equity Instruments Fair valued through OCI:							
	Unquoted:							
(i)	Green Infra Wind Energy Theni Limited		34,34,477	34,34,477	10	INR	1.86	1.72
(ii)	Atria wind power (chitradurga) P Ltd		80,948	80,948	100	INR	0.47	0.44
(B)	Investment in Equity Instruments valued at Cost:							
	Unquoted:							
(i)	Sundaram Holding USA, Inc., Delaware, USA	Subsidiary	-	4,70,00,000	1	USD	-	317.01
	Total value of Equity Instruments (A+B)						2.33	319.17
(C)	Other non-current Investments valued at amortized cost:							
	Unquoted:							
(i)	Life Insurance Corporation Pension Policy, Mumbai					INR	0.43	0.42
(ii)	Investment in Zero coupon bonds	Holding	310.00	-	1,00,00,000	INR	310.00	-
	Total value of other non- current Investment						310.43	0.42
	Total (A+B+C)						312.76	319.59
	Aggregate amount of quoted investments and market value thereof						-	-
	Aggregate amount of unquoted investments						312.76	319.59
	Aggregate amount of impairment in value of investments						-	-
	Total						312.76	319.59

(All Investments are fully paid up)

Notes to Financial Statements - *(continued)*

Rupees in crores

6	Other Financial Assets	As at March 31, 2023	As at March 31, 2022
	Others		
	Security Deposits	0.33	0.16
	Share application money paid (pending for allotment)	1.34	-
	Total other financial assets	**1.67**	**0.16**

7	Other non-current assets		
	Capital advances	0.28	0.03
	Advances other than capital advances:		
	Electricity Deposit	3.17	3.02
	Other Advances:		
	Prepaid Expenses (Refer note 36 (7))	0.96	1.70
	IT Recoverable - (Advance Tax, TDS Receivable net of provision)	0.15	1.24
	Total other non-current assets	**4.56**	**5.99**

8	Inventories	As at March 31, 2023	As at March 31, 2022
	Raw materials and components	26.42	32.12
	Goods in Transit - - Raw materials and components	0.44	-
	Work-in-process	8.49	11.15
	Finished goods	8.04	7.18
	Stores and spares	0.87	0.90
	Total Inventories	**44.26**	**51.35**

Refer note 1 for Inventory Valuation. The cost of inventories recognized as an expense/(gain) include Rs. (0.04) crore (previous year Rs 0.013 crore) in respect of write-downs of inventory to net realisable value, slow and non moving items.

9	Trade receivables		
	Secured, considered good	-	-
	Unsecured, considered good	92.70	93.65
		92.70	93.65
	Less: Loss allowance	(0.37)	(0.37)
	Total	**92.33**	**93.28**

Ageing for trade receivables - billed current outstanding as at March 31, 2023 is as follows

Particulars	Outstanding for following periods from due date of payment						
	Not due	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	79.88	11.84	0.06	-	-	-	91.78
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.17	0.15	0.05	-	0.37
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	79.88	11.84	0.23	0.15	0.05	-	92.15
Less: Loss allowance							(0.37)
Trade Receivables- Billed							91.78
Trade Receivables- Unbilled							0.55
Total - Trade Receivables							92.33

Ageing for trade receivables - billed current outstanding as at March 31, 2022 is as follows

Particulars	Outstanding for following periods from due date of payment						
	Not due	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	78.32	8.95	-	-	-	-	87.27
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.15	0.18	0.04	-	0.37
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	78.32	8.95	0.15	0.18	0.04	-	87.64
Less: Loss allowance							(0.37)
Trade Receivables- Billed							87.27
Trade Receivables- Unbilled							6.01
Total - Trade Receivables							93.28

10	Cash and cash equivalents	As at March 31, 2023	As at March 31, 2022
	Balances with banks	1.08	0.68
	Cash on hand	0.06	0.02
	Total cash and cash equivalents	**1.14**	**0.70**
	Cash and cash equivalents for the purpose of cash flow statement	**1.14**	**0.70**

11	Other financial Assets		
	Hedge Asset	-	0.59
	Employee advances	0.16	0.16
	Total other financial assets	**0.16**	**0.75**

12 Other current assets

Rupees in crores

GST/Sales tax / IT Receivables	26.57	24.15
Other Advances:		
Prepaid expense (Refer note 36 (7))	2.36	1.89
Advance to suppliers	6.32	9.10
Others		
Claims and other receivables	0.73	1.92
Less: Loss allowance	(0.60)	(0.25)
Net Claims and other receivables	**0.13**	**1.67**
Export Incentive Receivable	0.01	-
Total other current assets	**35.39**	**36.81**

13 SHARE CAPITAL

(a) Authorised, issued, subscribed and fully paid up

Particulars	As at 31-03-2023		As at 31-03-2022	
	Number	Rs. In Crores	Number	Rs. In Crores
Authorised:				
Equity shares of Rs.10/- each	5,00,00,000	50.00	5,00,00,000	50.00
Issued, subscribed and fully paid up:				
Equity shares of Rs.10/- each	4,45,69,000	44.57	4,45,69,000	44.57
Total	4,45,69,000	44.57	4,45,69,000	44.57

(b) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31-03-2023		As at 31-03-2022	
	Number	Rs. In Crores	Number	Rs. In Crores
Shares outstanding at the beginning of the year	4,45,69,000	44.57	4,45,69,000	44.57
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	4,45,69,000	44.57	4,45,69,000	44.57

(c) (i) Rights and preferences attached to equity share:

Every shareholder is entitled to such rights as to attend and vote at the meeting of the shareholders, to receive dividends distributed and also has a right in the residual interest of the assets of the company. Every shareholder is also entitled to right of inspection of documents as provided in the Companies Act, 2013.

(ii) There are no restrictions attached to equity shares.

(d) Shares held by holding/ultimate holding/subsidiaries/associates of holding company at the end of the year

Name of shareholder	Class of share	As at 31-03-2023		As at 31-03-2022	
		No. of shares held	% of holding	No. of shares held	% of holding
TVS Motor Company Limited, Chennai (Holding Company) and by its six nominees	Equity	4,45,69,000	100.00	4,45,69,000	100.00

(e) Shareholders holding more than five percent at the end of the year (other than (d))

Name of shareholder	Class of share	As at 31-03-2023	As at 31-03-2022
		No. of shares held	No. of shares held
		-	-

(f) Shares held by promoters at the end of the year 31-03-2023

Promoter Name	As at 31-03-2023		As at 31-03-2022		
	No. of shares held	% of holding	No. of shares held	% of holding	% Changes during the year
TVS Motor Company Limited, Chennai (Holding Company)	4,45,69,000	100.00	4,45,69,000	100.00	-

Shares held by promoters at the end of the year 31-03-2022

Promoter Name	As at 31-03-2022		As at 31-03-2021		
	No. of shares held	% of holding	No. of shares held	% of holding	% Changes during the year
TVS Motor Company Limited, Chennai (Holding Company)	4,45,69,000	100.00	4,45,69,000	100.00	-

Notes to Financial Statements - *(continued)*

Rupees in crores

14 OTHER EQUITY

PARTICULARS	As at March 31, 2023	As at March 31, 2022
General reserve	8.05	8.05
Securties premium reserve	294.32	294.32
Retained earnings	91.75	75.23
Total	394.12	377.60

15 a. Long Term Borrowings

Description	Frequency	No. of instalments due	Maturity	As at 31-03-2023	As at 31-03-2022
Secured:					
Term loan from bank- External commercial borrowings (ECB)	Repayable in 6 equal half-yearly instalments USD 14,28,571 starting 30-Sep-2020	-	28- Mar- 2023	-	21.56
Term loan from bank	Repayable in 8 equal Quarterly instalments INR 1.25 Cr starting Sept 2021	1	27- June- 2023	1.25	6.26
Term loan from bank	Repayable in 12 equal Quarterly instalments INR 0.416 Cr starting June 2020	1	27- June- 2023	0.42	2.08
Term loan from bank	Repayable in 12 equal Quarterly instalments INR 2.916 Cr starting June 2020	1	27- June- 2023	2.92	14.58
Term loan from bank	Repayable in 4 equal Quarterly instalments INR 1.25 Cr starting Sep 2022	1	27- June- 2023	1.25	5.00
Term loan from bank	Repayable in 16 equal Quarterly instalments INR 0.937 Cr starting Dec 2021	10	21- Sep- 2026	9.38	13.13
Term loan from bank	Repayable in 12 equal Quarterly instalments INR 3.5 Cr starting Feb 2025	12	24- Nov- 2027	41.92	-
Term loan from SIPCOT	Repayable in single instalments INR 5.80Cr on April 2029	1	01- April- 2029	3.08	2.84
Loan from fellow subsidiary	Repayable in 60 equal monthly instalments Rs.92093 starting 07-Aug- 2017 (EMI, Includes interest)	-	07-Jul-2022	-	0.04
Total Borrowings				60.21	65.49
Less : Current Maturities of long-term borrowings (Refer Note No. 18)				9.58	47.53
Total Long-term Borrowings				50.63	17.96

Details of securities created:

(i) Term loan from bank- External commercial borrowings -Hypothecation of movable fixed assets

(ii) Term loan from banks -Exclusive charge on land and building and paripasu charge on plant and equipment

(iii) Term loan from SIPCOT- First charge on the specific plant and equipment

(iv) Loan from fellow subsidiary- Endorsement in the Registration Certificate (RC) book of the vehicle

Notes to Financial Statements - *(continued)*

Rupees in crores

Description	Currency	Amount	Rate of Interest
Term loan from bank- External commercial borrowings	USD	8.57 Million	3months USD LIBOR + 1.35%
Term loan from bank	INR	10 Crores	9.24% (T-Bill 90 days +2.98)
Term loan from bank	INR	5 Crores	9.24% (T-Bill 90 days +2.98)
Term loan from bank	INR	35 Crores	9.24% (T-Bill 90 days +2.98)
Term loan from bank	INR	5 Crores	9.24% (T-Bill 90 days +2.98)
Term loan from bank	INR	15 Crores	9.24% (T-Bill 90 days +2.98)
Term loan from bank	INR	42 Crores	8.5% (MCLR 6 Month)
Term loan from SIPCOT	INR	5.80 Crores	0.1% per Annum
Loan from fellow subsidiary	INR	0.36 Crores	IRR 13.08%

15.b Measurement of lease liabilities

	Amount
Lease liabilities as at 1st April 2021	1.60
Of which are:	
Current lease liabilities	0.15
Non-current lease liabilities	1.45
	1.60
Lease liability recognised as at 31st March 2022	
Of which are:	
Current lease liabilities	0.10
Non-current lease liabilities	1.90
	2.00
Lease liabilities as at 1st April 2022	**2.00**

	Amount
Of which are:	
Current lease liabilities	0.10
Non-current lease liabilities	1.90
	2.00
Lease liability recognised as at 31st March 2023	
Of which are:	
Current lease liabilities	0.17
Non-current lease liabilities	2.36
	2.53

16. Provisions- Employee benefit obligations

Particulars	As at March 31, 2023			As at March 31, 2022		
	Current	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Pension	1.09	2.63	3.72	1.09	2.05	3.14
Leave Salary	0.17	1.70	1.87	0.13	1.55	1.68
Gratuity	-	2.66	2.66	-	2.20	2.20
Total employee benefit obligations	**1.25**	**6.99**	**8.25**	**1.22**	**5.80**	**7.02**

Notes to Financial Statements - *(continued)*

Rupees in crores

Details	Gratuity			Pension			Leave Salary		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2022									
Opening values	5.63	3.42	(2.20)	3.14	-	(3.14)	1.68	-	(1.68)
Current service cost	0.65	-	(0.65)	-	-	-	-	-	-
Interest expense/(income)	0.39	0.35	(0.04)	0.23	-	(0.23)	0.12	-	(0.12)
Total amount recognised in profit or loss	**1.04**	**0.35**	**(0.69)**	**0.23**	**-**	**(0.23)**	**0.12**	**-**	**(0.12)**
Remeasurements									
Return on plan assets, excluding amounts included in interest expense/(income)	-	(0.48)	(0.48)	-	-	-	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	0.08	-	(0.08)	(0.12)	-	0.12	0.02	-	(0.02)
Experience (gains)/losses	1.64	-	(1.64)	0.47	-	(0.47)	0.05	-	(0.05)
Total amount recognised in other comprehensive income	**1.73**	**(0.48)**	**(2.21)**	**0.35**	**-**	**(0.35)**	**0.07**	**-**	**(0.07)**
Employer contributions	-	-	-	-	-	-	-	-	-
Benefit payments	(1.07)	1.36	2.43	-	-	-	-	-	-
March 31, 2023	**7.32**	**4.66**	**(2.66)**	**3.72**	**-**	**(3.72)**	**1.87**	**-**	**(1.87)**

Details	Gratuity			Pension			Leave Salary		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2021									
Opening values	5.09	4.54	(0.55)	2.27	-	(2.27)	1.41	-	(1.41)
Current service cost	0.55	-	(0.55)	-	-	-	-	-	-
Interest expense/(income)	0.35	0.26	(0.08)	0.18	-	(0.18)	0.11	-	(0.11)
Total amount recognised in profit or loss	**0.89**	**0.26**	**(0.63)**	**0.18**	**-**	**(0.18)**	**0.11**	**-**	**(0.11)**
Remeasurements									
Return on plan assets, excluding amounts included in interest expense/(income)	-	(0.26)	(0.26)	-	-	-	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-	0.15	-	(0.15)	-	-	-
(Gain)/loss from change in financial assumptions	(0.22)	-	0.22	(0.30)	-	0.30	(0.06)	-	0.06
Experience (gains)/losses	0.98	-	(0.98)	0.84	-	(0.84)	0.73	-	(0.73)
Total amount recognised in other comprehensive income	**0.76**	**(0.26)**	**(1.02)**	**0.69**	**-**	**(0.69)**	**0.67**	**-**	**(0.67)**
Employer contributions	-	-	-	-	-	-	-	-	-
Benefit payments	(1.12)	(1.12)	-	-	-	-	(0.51)	-	0.51
						-			-
March 31, 2022	**5.63**	**3.42**	**(2.20)**	**3.14**	**-**	**(3.14)**	**1.68**	**-**	**(1.68)**

Notes to Financial Statements - *(continued)*

Rupees in crores

(i) Post-Employment benefits

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Details	Gratuity		Pension		Leave Salary	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Discount rate	7.36%	6.97%	6.91%	6.63%	7.32%	6.94%
Salary growth rate	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Attrition rate	3.00%	3.00%	0.00%	0.00%	3.00%	3.00%

Assumptions regarding future mortality for pension and medical benefits are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a pensioner retiring at 60 years.

(i) Post-Employment benefits

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Details	Gratuity		Pension		Leave Salary	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Discount rate	7.22%	7.36%	7.16%	6.91%	7.20%	7.32%
Salary growth rate	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Attrition rate	3.00%	3.00%	0.00%	0.00%	3.00%	3.00%

Assumptions regarding future mortality for pension and medical benefits are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a pensioner retiring at 60 years.

The Expected maturity analysis of undiscounted defined benefit obligations is as follows:

Particulars	Year 1	Year 2	Year 3	Year 4	Year 5	Next 5 years	Total
As at March 31, 2023	1.96	2.37	2.11	2.75	2.24	11.45	22.90
As at March 31, 2022	1.47	2.18	2.21	2.05	2.64	11.45	22.01

(ii) Sensitivity analysis

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

Grautity — **Impact on defined benefit obligation**

Details	Change in assumption	Increase in assumption	Decrease in assumption
	March 31, 2023	March 31, 2023	March 31, 2023
Discount rate	0.50%	-4.82%	5.24%
Salary growth rate	0.50%	5.30%	-4.92%
Attrition growth rate	5.00%	0.25%	-0.25%
Life expectancy	5.00%	0.02%	-0.02%

Pension — **Impact on defined benefit obligation**

Details	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Discount rate	1.00%	1.00%	-14.15%	-15.05%	17.27%	18.54%
Salary growth rate	1.00%	1.00%	18.00%	19.25%	-14.87%	-15.76%
Attrition growth rate	5.00%	5.00%	0.00%	0.00%	0.00%	0.00%
Life expectancy	5.00%	5.00%	-0.69%	-0.70%	0.71%	0.73%

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

Notes to Financial Statements - *(continued)*

Rupees in crores

(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 yields; if plan assets under perform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimise risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. The company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The company intends to maintain the above investment mix in the continuing years.

Changes in bond yield: A decrease in bond yields will increase plan liabilities, although this will be partially offset by an yields increase in the value of the plans' bond holdings.

Inflation risks: In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.

Life expectancy: The pension plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

17 Deferred tax Liability / (Asset)

The balance comprises temporary differences attributable to:

Details	As at March 31, 2023	As at March 31, 2022
Depreciation	25.71	24.11
Provision for employee benefits	(3.85)	(2.34)
Provision for doubtful debts	(0.13)	(0.12)
On Voluntary Retirement Scheme	(1.68)	(1.55)
Loss allowance	(0.20)	(0.08)
On Financial Insturments	0.51	(1.29)
Unused MAT credit entitlement	(3.51)	(3.51)
Carryforward loss	-	(3.71)
Net deferred tax liability / (Asset)	**16.86**	**11.51**

Movement in deferred tax Liability / (Asset)

Details	Depreciation	Provision for employee benefits	Provision for doubtful debts	Financial Instruments	Unused tax credits (MAT credit entitlement)	On Voluntary Retirement Scheme	Provision for Loss allowance	Carryforward loss	Total
At April 1, 2021	24.17	(1.64)	(0.13)	(1.30)	(3.51)	-	-	(6.84)	10.74
Charged/(credited):									
- to profit or loss	(0.06)	(0.12)	0.00	0.11	-	(1.55)	(0.08)	3.13	1.43
- to other comprehensive income	-	(0.57)	-	(0.09)	-	-	-	-	(0.66)
At March 31, 2022	**24.11**	**(2.33)**	**(0.13)**	**(1.28)**	**(3.51)**	**(1.55)**	**(0.08)**	**(3.71)**	**11.51**
Charged/(credited):									
- to profit or loss	1.60	(0.22)	(0.00)	-	-	(0.13)	(0.12)	3.71	4.84
- to other comprehensive income	-	(1.29)	-	1.80	-	-	-	-	0.51
At March 31, 2023	**25.71**	**(3.84)**	**(0.13)**	**0.52**	**(3.51)**	**(1.68)**	**(0.20)**	**(0.00)**	**16.86**

Notes to Financial Statements - *(continued)*

Rupees in crores

18 Current Liabilities - Borrowings

	As at March 31, 2023	As at March 31, 2022
Borrowings repayable on demand from banks		
Unsecured:		
- Bank 1 (Interest @ 8.25%)	22.88	29.61
- Bank 2 (Interest @ 6.5%)	-	10.00
Secured:		
- Bank 3 (Interest @ 7.72%)	20.00	20.00
Cash credit facility - (Interest @ 9.15%)	2.99	15.45
Current Maturities of long term borrowings	9.58	47.53
Total Borrowings under Current Liabilities	**55.45**	**122.59**

Details of securities created for Cash credit facility and repayable demand loan:

Hypothecation of book debts and inventories of the company, both present and future

19 Trade payables

	As at March 31, 2023	As at March 31, 2022
Dues to Micro and Small Enterprises **	11.28	8.82
Dues to enterprises other than Micro and Small Enterprises	81.64	85.41
	92.92	94.23
Accrued Expenses	5.11	4.15
Total	**98.03**	**98.38**

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

Ageing for trade payables outstanding as at March 31, 2023 is as follows:

Particulars	Outstanding for following periods from due date of payment					
	Not due	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	11.28	-	-	-	-	11.28
(ii) Others	60.02	21.61	0.01	-	-	81.64
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
	71.30	**21.61**	**0.01**	**-**	**-**	**92.92**
Accrued Expenses						5.11
Total - Trade payables						**98.03**

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment					
	Not due	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	8.82	-	-	-	-	8.82
(ii) Others	52.60	32.79	0.02	0.00	-	85.41
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
	61.42	**32.79**	**0.02**	**0.00**	**-**	**94.23**
Accrued Expenses						4.15
Total - Trade payables						**98.38**

20 Other financial liabilities

	As at March 31, 2023	As at March 31, 2022
Current		
Interest accrued and due #	0.72	0.48
Total other current financial liabilities	**0.72**	**0.48**

Funds are made available with banks which have been appropriated subsequently

21 Other current liabilities

	As at March 31, 2023	As at March 31, 2022
Advance received from customers*	29.87	35.50
Others:		
Statutory dues	20.11	17.21
Employee related	3.18	2.91
Total other current liabilities	**53.16**	**55.62**

* Advance received from Customer includes Dues to Customer - Rs. 20.14 Crs (Previous Year -Rs. 20.14 Crs)

Notes to Financial Statements - *(continued)*

Rupees in crores

		Year ended March 31, 2023	Year ended March 31, 2022
22	**Revenue from operations**		
	Sale of components and tools	754.39	588.96
	Other operating revenue	28.82	17.38
	Total revenue	**783.21**	**606.34**
23	**Other income**		
	Interest income	3.49	0.29
	Other non-operating income	0.32	1.54
	Total other income	**3.81**	**1.83**

Other non-operating income includes Government grants of Rs. 0.31 crores (PY Rs. 1.16 crores)

		Year ended March 31, 2023	Year ended March 31, 2022
24	**Cost of Materials consumed:**		
	Opening stock of raw materials and components	32.12	20.52
	Add: Purchases	545.28	443.17
		577.40	463.69
	Less:Closing stock of raw materials and components	26.42	32.12
	Consumption of raw materials and components	**550.98**	**431.57**
	Changes in inventories of finished goods, work-in-process and Stock-in-trade:		
	Opening stock:		
	Work-in-process	11.15	4.76
	Finished goods	7.18	5.30
	(A)	**18.33**	**10.06**
	Closing stock:		
	Work-in-process	8.49	11.15
	Finished goods	8.04	7.18
	(B)	**16.53**	**18.33**
	(A)-(B)	**1.80**	**(8.27)**
25	**Employee benefits expense**		
	Salaries, wages and bonus	74.28	63.96
	Contribution to provident and other funds	2.61	2.42
	Welfare expenses	10.10	9.52
	Total employee benefits expense	**86.99**	**75.90**
26	**Finance Costs**		
	Interest	11.96	12.37
	Other borrowing cost	0.74	0.39
	Interest on lease liabilities	0.22	0.15
	Total finance costs	**12.92**	**12.91**

		Year ended March 31, 2023	Year ended March 31, 2022
27	**Other expenses**		
	(a) Consumption of stores, spares and tools	4.81	3.77
	(b) Power and fuel	25.19	20.96
	(c) Rent	0.92	0.95
	(d) Repairs - buildings	2.43	1.98
	(e) Repairs - plant and equipment	10.52	7.45
	(f) Repairs - Other assets	0.20	0.22
	(g) Insurance	1.54	1.24
	(h) Rates and taxes	0.76	0.58
	(i) Audit fees #	0.26	0.24
	(j) Packing and freight charges	21.32	16.55
	(k) Sitting fees	0.01	0.02
	(l) Loss on sale of fixed assets (Net)	0.01	0.13
	(m) Foreign exchange loss (Net)	6.44	0.04
	(n) Amount Spent towards corporate social responsibility	-	0.10
	(o) Miscellaneous expenses	12.91	10.65
	(under this head there is no expenditure which is in excess of 1% of revenue from operations or Rs.10 lakhs, whichever is higher)		
	Total other expenses	**87.32**	**64.88**
	# Refer Note No:37 (ii) for details on audit fees		
28	**Tax expense and Reconciliation**		
	(a) Income tax expense		
	Current tax		
	Current tax on profits for the year	3.76	0.79
	Adjustments for current tax of prior periods	(0.02)	(0.23)
	Total current tax expense	**3.74**	**0.56**
	Deferred tax		
	Decrease (increase) in deferred tax assets	(0.47)	1.49
	(Decrease) increase in deferred tax liabilities	5.31	(0.06)
	Total deferred tax expense/(benefit)	**4.84**	**1.43**
	Tax expense	**8.58**	**1.99**
	(b) Reconciliation of tax expense and the accounting profit multiplied by Indian tax rate:		
	Profit before income tax expense	24.08	4.30
	Provision for bad debts	(0.00)	(0.01)
	Amount of income to which provisions of section 10 or 11 or 12 apply, if any such amount is credited to profit and loss	-	(0.28)
	Disallowance u.s 14A	-	0.01
	Ind AS current year OCI adjustment	(2.56)	(1.71)
		21.52	**2.31**
	Tax at Indian tax rate 34.944% of the Income Tax Act 1961	**3.76**	**0.79**
	Tax relating to prior periods	(0.02)	(0.23)
	Deferred tax liabilities / (Assets)	4.84	1.43
	Tax expense	**8.58**	**1.99**

NOTES TO ACCOUNTS

Rupees in crores

	As at / year ended 31-03-2023	As at / year ended 31-03-2022
Related Party Disclosure		
29 (a) (i) Related parties and their relationship where control exists		

Holding company

TVS Motor Company Limited, Chennai

Sundaram-Clayton Limited, Chennai

Ultimate holding company

T V Sundram Iyengar & Sons Limited, Madurai (up to 4th February 2022)

TVS Holdings Private Limited (from 4th February 2022)

Subsidiary

Sundaram Holding,USA Inc, Delaware, USA (up to 22nd September 2022)

Subsidiaries of subsidiary of reporting entity

Green Hills Land Holding LLC, USA (up to 22nd September 2022)

Component Equipment Leasing LLC, USA (up to 22nd September 2022)

Sundaram - Clayton (USA) LLC, South Carolina, USA (up to 22nd September 2022)

Premier Land Holding LLC, USA (up to 22nd September 2022)

Associate

Brakes India Private Limited, Chennai (up to 4th February 2022)

TVS Logistics Services Limited, Madurai (up to 4th February 2022)

Delphi-TVS Diesel System Limited, Chennai (up to 4th February 2022)

Harita Accessories LLP, Chennai (up to 21st March 2022)

(ii) Related parties and their relationship where transaction / control exists

Fellow subsidiaries

Lucas-TVS Limited, Chennai (up to 4th February 2022)

TVS Electronics Limited, Chennai (up to 4th February 2022)

Sundaram Industries Private Limited, Madurai (up to 4th February 2022)

TVS Housing Limited, Chennai

TVS Motor Services Limited, Chennai

TVS Credit Services Limited, Chennai

TVS Electric Mobility Ltd, Chennai

TVS Motor Company (Europe) B.V., Amsterdam

TVS Motor (Singapore) Pte. Limited, Singapore (TVSM Singapore)

P.T.TVS Motor Company, Indonesia

Harita ARC Services Private Limited, Chennai

TVS Two Wheeler Mall Private Limited, Chennai

TVS Housing Finance Private Limited, Chennai

The GO Corporation, Switzerland (GO AG),

Swiss E-Mobility Group (Holding) AG, Switzerland (SEMG)

The Norton Motorcycle Co Limited, UK

TVS Digital Pte Ltd, Singapore

EBCO Limited, UK

Celerity Motor GmbH, Germany (From 06.12.2022)

EGO Movement Stuttgart, GmbH (Subsidiary of GO AG)

Swiss E-Mobility Group (Schweiz) AG Switzerland, Zurich

Colag E-Mobility GmBH, Germany, Nuremberg.

Alexand'Ro Edouard'O Passion Vélo Sàrl ("Passion Vélo") (From 12.04.2022)

Intellicar Telematics Private Limited (Upto 24th May 2022)

Associate of Holding companies:

Emerald Haven Realty Limited, Chennai

Ultraviolette Automotive Private Limited, Bengaluru

Tagbox Solutions Private Limited, Bengaluru

DriveX Mobility Private Limited, Coimbatore [From 15.10.2022]

Associate of Fellow companies:

Predictronics Corp, USA

Tagbox Pte Ltd, Singapore

Altizon Inc, USA

Scienaptic Systems Inc., USA

Key Managerial Personnel

Non Independent Directors

Mr. Venu Srinivasan (from 28th March 2022)

Dr. Lakshmi Venu

Mr. SG Murali

Mr. H.Lakshmanan (up to 28th March 2022)

Mr. CN Prasad (up to 28th March 2022)

Whole time Director

Mr. Rajesh Oommen

Relative of KMP

Dr. Malini Srinivasan

	As at / year ended 31-03-2023	As at / year ended 31-03-2022
29 (b) Transactions with related parties:		
(i) Purchase of goods		
Ultimate Holding Company - T V Sundaram Iyengar & Sons Private Limited, Madurai	-	-
- Associate - Brakes India Private Limited, Chennai	-	0.37
- Fellow subsidiaries - Lucas TVS	-	0.03
- Holding company - TVS Motor Company Limited, Chennai	0.25	-
(ii) Sale of Investment		
- Ultimate holding company - Sundaram-Clayton Limited, Chennai	317.01	-
(iii) Sale of goods		
- Holding Company - TVS Motor Company Ltd, Chennai	364.38	302.34
- Fellow Subsidiary - Lucas-TVS Limited, Chennai	-	0.51
- Associate - Ultraviolette Automotive Private Limited	5.72	-

NOTES TO ACCOUNTS - *(continued)*

Rupees in crores

	As at / year ended 31-03-2023	As at / year ended 31-03-2022
(iv) Purchase of Zero coupon bonds		
- Holding Company - TVS Motor Company Ltd, Chennai	310.00	-
(v) Rendering of services		
- Ultimate holding company - Sundaram-Clayton Limited, Chennai	6.79	6.39
(vi) Availing of services		
- Holding company - TVS Motor Company Limited, Chennai	1.11	0.86
- Ultimate holding company - Sundaram-Clayton Limited, Chennai	4.38	4.50
- Fellow subsidiaries		
Lucas TVS Limited, Chennai	-	0.14
TVS Electronics Limited, Chennai	-	0.14
TVS Credit Services Limited, Chennai	0.04	0.11
(vii) Sale of Assets		
Key Managerial Personnel	0.12	-
(viii) Remuneration to Key Management Personnel		
Short Term Employee benefits	1.52	1.09
Post- Employment Benefits	0.09	0.06

	As at / year ended 31-03-2023	As at / year ended 31-03-2022
(ix) Commission To Key Managerial Person	-	-
(x) Dividend Paid to Holding Company	2.23	-
29 (c) Balances with related parties:		
(xi) Trade receivables		
- Holding company - TVS Motor Company Limited, Chennai	(2.06)	13.75
- Ultimate holding company - Sundaram-Clayton Ltd, Chennai	2.93	0.79
- Fellow subsidiaries		
Lucas-TVS Limited, Chennai	-	0.05
- Associate		
Ultraviolette Automotive Private Limited	1.42	-
(xii) Trade payables		
- Holding company - TVS Motor Company Limited, Chennai	0.08	0.05
- Ultimate holding company - Sundaram-Clayton Ltd, Chennai	2.59	2.36
- Fellow subsidiaries		
Lucas-TVS Limited, Chennai	-	0.16
- Associate		
Brakes India Private Limited, Chennai	-	0.09

30 Financial risk management

The company's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity mitigates the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Mitigation plan
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps

The company's risk management is carried out by the treasury department under policies approved by the Board of director. Treasury identifies, evaluates and hedges financial risks in close co-operation with the company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(A) Credit risk

Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to wholesale customers including outstanding receivables.

(i) Credit risk management

Credit risk is managed by the entity. For banks and financial institutions, only high rated banks/institutions are accepted.

For other financial assets, The company assesses and manages credit risk based on internal credit rating system. The finance function consists of a separate team who assess and maintain an internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

NOTES TO ACCOUNTS - *(continued)*

Rupees in crores

1 : High-quality assets, negligible credit risk
2 : Quality assets, low credit risk
3 : Standard assets, moderate credit risk
4 : Substandard assets, relatively high credit risk
5 : Low quality assets, very high credit risk
6 : Doubtful assets, credit-impaired

The company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk The company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are included -

- Internal credit rating
- External credit rating (as far as available)
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- Actual or expected significant changes in the operating results of the borrower
- Significant increase in credit risk on other financial instruments of the same borrower
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in The company and changes in the operating results of the borrower.

Macroeconomic information (such as regulatory changes, market interest rate or growth rates) is incorporated as part of the internal rating model.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due.

A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

(ii) Provision for expected credit losses

The company provides for expected credit loss based on the following:

Year ended 31 March 2023:

(a) Expected credit loss for loans, security deposits and investments

Particulars	Category	Asset group	Internal credit rating	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Investment at amortized cost	1	310.43	0%	-	310.43
		Other Financial Assets	1	0.49	0%	-	0.49
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and credit-impaired	NA	NA	NA	NA	NA	NA

(b) Expected credit loss for trade receivables under simplified approach

Ageing	Less than 180 days	More than 180 days	Total
Gross carrying amount	92.27	0.43	92.70
Expected loss rate	-	86%	-
Expected credit losses (Loss allowance provision)	-	(0.37)	(0.37)
Carrying amount of trade receivables (net of impairment)	**92.27**	**0.06**	**92.33**

NOTES TO ACCOUNTS - *(continued)*

Rupees in crores

Year ended 31 March 2022:

(a) Expected credit loss for loans, security deposits and investments

Particulars	Category	Asset group	Internal credit rating	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Investment at amortized cost	1	0.42	0%	-	0.42
		Other Financial Assets	1	0.32	0%	-	0.32
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and credit-impaired	NA	NA	NA	NA	NA	NA

(b) Expected credit loss for trade receivables under simplified approach

Ageing	Less than 180 days	More than 180 days	Total
Gross carrying amount	93.28	0.37	93.65
Expected loss rate	-	100%	-
Expected credit losses (Loss allowance provision)	-	(0.37)	(0.37)
Carrying amount of trade receivables (net of impairment)	**93.28**	**-**	**93.28**

(iii) Reconciliation of loss allowance provision – Trade receivables

Details	Amount in Crs
Loss allowance on 1 April 2022	0.37
Changes in loss allowance (net)	-
Loss allowance on 31 March 2023	**0.37**

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the entitys treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

Details	31 March, 2023	31 March, 2022
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	27.01	14.55

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR.

(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.

Particulars	Maturity	Amount (Rs. Cr.)	
		31-Mar-23	31-Mar-22
Term loan	> than 12 months	50.63	17.96
Short-term borrowings	< than 12 months	45.87	75.06
Trade payables	< than 12 months	98.03	98.38
Current maturities of term loan	< than 12 months	9.58	47.53
Interest accrued and due on loans	< than 12 months	0.72	0.48
Employee related	< than 12 months	3.18	2.91
Lease rent	> than 12 months	4.57	4.15

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

NOTES TO ACCOUNTS - *(continued)*

Rupees in crores

(C) Market risk

(i) Foreign currency risk

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

The companys exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

	31 March 2023			31 March 2022		
Details	**USD**	**EURO**	**JPY**	**USD**	**EURO**	**JPY**
Financial liabilities						
Foreign currency loan	-	-	-	-	-	-
ECB loan from bank	-	-	-	21.56	-	-
Trade payables	4.18	0.01	-	0.32	0.02	0.01
Net exposure to foreign currency risk (liabilities)	**4.18**	**0.01**	**-**	**21.88**	**0.02**	**0.01**

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

Details	**Impact on profit**	
	31 March 2023	**31 March 2022**
USD sensitivity		
INR/USD Increases by 5%	0.21	0.02
INR/USD Decreases by 5%	(0.21)	(0.02)
JPY sensitivity		
INR/JPY Increases by 5%	-	0.00
INR/JPY Decreases by 5%	-	(0.00)
Euro sensitivity		
INR/Euro Increases by 5%	0.00	0.00
INR/Euro Decreases by 5%	(0.00)	(0.00)

* Holding all other variables constant

(ii) Cash flow and fair value interest rate risk

The company's main interest rate risk arises from short-term borrowings with variable rates, which expose the company to rate risk.

Interest rate risk exposure

Particulars	**31 March 2023**	**31 March 2022**
Variable rate borrowings	106.08	140.55

Sensitivity analysis

Details	**Impact on profit**	
	31 March 2023	**31 March 2022**
Interest rate		
Increases by 5%	0.36	0.54
Decreases by 5%	(0.36)	(0.54)

NOTES TO ACCOUNTS - *(continued)*

Rupees in crores

(D) Impact of hedging activities

Disclosure of effects of hedge accounting on financial position

Type of hedges and risks	Nominal Value of the hedging instruments	Carrying amount hedging instruments	Maturity Date	Hedge Ratio	Weighted Average price	Changes in fair value of hedging instrument
31st March 2023						
Forward Contracts	4.18	4.14	April 2023 to June 2023	1:1	INR/USD Rs.82.17	0.04
Interest rate swaps	-	-	28th March 2018 to 28th March 2023	-	-	-
Principal Only Swap	-	-	28th March 2018 to 28th March 2023	-	-	-
31st March 2022						
Forward Contracts	0.967	0.948	April 2021 to June 2021	1:1	INR/USD Rs.75.79	0.02
Interest rate swaps	36.94	0.07	28th March 2018 to 28th March 2023	-	-	(0.14)
Principal Only Swap	36.94	0.39	28th March 2018 to 28th March 2023	-	-	(0.01)

31 Capital management

(a) Risk management

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, The company may vary the amount of dividends payable to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistently, the company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet).

The company's strategy is to maintain a optimum gearing ratio. The gearing ratios were as follows:

Details	March 31, 2023	March 31, 2022
Net debt	104.94	139.85
Total equity	438.69	422.17
Net debt to equity ratio (in times)	0.24	0.33

(b) Dividends

Details	March 31, 2023	March 31, 2022
(i) Equity shares		
First and final dividend for the year ended 31 March 2023 of	2.23	-
Rs.0.5 per fully paid share		
(ii) Dividends not recognised at the end of the reporting period	-	-

NOTES TO ACCOUNTS - *(continued)*

Rupees in crores

32 Fair Value Measurements

Financial instruments by category

Particulars	March 31, 2023			March 31, 2022		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Equity instruments	-	2.33	-	-	2.16	-
- Others						
Life Insurance Corporation Pension Policy	-	-	0.43	-	-	0.42
Zero coupon bonds	-	-	310.00	-	-	-
Deposits	-	-	0.33	-	-	0.16
Share allotment money	-	-	1.34	-	-	-
Trade receivables	-	-	92.33	-	-	93.28
Cash and cash equivalents	-	-	1.14	-	-	0.70
Employee advance	-	-	0.16	-	-	0.16
Receivable under hedge instruments	-	-	-	-	0.59	-
Total financial assets	**-**	**2.33**	**405.73**	**-**	**2.75**	**94.72**
Financial liabilities						
Trade payables	-	-	98.03	-	-	98.38
Borrowings	3.08	-	93.42	2.84	-	90.18
Others						
- Current Maturities of long term borrowings	-	-	9.58	-	21.65	25.88
- Interest accrued	-	-	0.72	-	-	0.48
- Employee related	-	-	3.18	-	-	2.91
Payable under hedget instruments	-	-	-	-	-	-
Total financial liabilities	**3.08**	**-**	**204.93**	**2.84**	**21.65**	**217.83**

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements

At 31 March 2023	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL:		-	-	-	-
Financial Investments at FVOCI:					
Green Infra Wind Energy Theni Limited	5	-	-	1.86	1.86
Atria wind power (chitradurga) P Ltd	5	-	-	0.47	0.47
Total financial assets		**-**	**-**	**2.33**	**2.33**
Financial liabilities					
Financial liabilities at FVTPL:					
Borrowings	15.a	-	-	3.08	3.08
Financial liabilities at FVOCI:					
Payable under hedge instruments	20	-	-	-	-
Total financial liabilities		**-**	**-**	**3.08**	**3.08**

NOTES TO ACCOUNTS - *(continued)*

Rupees in Crores

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

At 31 March 2023	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments					
Life Insurance corporation pension policy	5	-	-	0.43	0.43
Total financial assets		**-**	**-**	**0.43**	**0.43**
Financial Liabilities	-	-	-	-	-
Total financial liabilities		**-**	**-**	**-**	**-**

Financial assets and liabilities measured at fair value - recurring fair value measurements

At 31 March 2022	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL:		-	-	-	-
Financial Investments at FVOCI:					
Green Infra Wind Energy Theni Limited	5	-	-	1.72	1.72
Atria wind power (chitradurga) P Ltd	5	-	-	0.44	0.44
Receivable under hedge instrument	11	-	-	0.59	0.59
Total financial assets		**-**	**-**	**2.75**	**2.75**
Financial liabilities					
Financial liabilities at FVTPL:					
Borrowings	15.a	-	-	2.84	2.84
Financial liabilities at FVOCI:					
Payable under hedge instruments	20	-	-	-	-
Total financial liabilities		**-**	**-**	**2.84**	**2.84**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

At 31 March 2022	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments					
Life Insurance corporation pension policy	5	-	-	0.42	0.42
Total financial assets		**-**	**-**	**0.42**	**0.42**
Financial Liabilities		-	-	-	-
Total financial liabilities		-	-	-	-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, 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. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

NOTES TO ACCOUNTS - *(continued)*

Rupees in Crores

There are no transfers between levels 1 and 2 during the year.

The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of foreign currency option contracts is determined using Black Scholes valuation model.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2

Fair value measurements using significant unobservable inputs (level 3)

	Unlisted Securities
As at 1 April 2021	2.00
Acquistion/(Disposal)	-
Gains/losses recognised in profit or loss	-
Gains/losses recognised in OCI	0.16
31-Mar-22	2.16
Acquistion/(Disposal)	-
Gains/losses recognised in profit or loss	-
Gains/losses recognised in OCI	0.17
31-Mar-23	2.33

Valuation inputs and relationships to fair value

	Fair value as at			Probability-weighted range		
Particulars	**31-Mar-23**	**31-Mar-22**	**Significant unobservable inputs**	**31-Mar-23**	**31-Mar-22**	**Sensitivity**
Unquoted Equity Shares	2.33	2.16	Risk adjusted discount rate	8.0%	8.0%	Not Significant

(v) Valuation processes

The finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO) and the Audit Committee (AC). Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once in every three months, in line with the group's quarterly reporting periods.

The main level 3 inputs for unlisted equity securities, contingent considerations and indemnification asset used by the group are derived based on the the discount rates that are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset

(vi) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade receivables, trade payables, deposits, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature and in-significant change in interest rate

33 Business combination

During 2015-16, the company acquired a automobile seat manufacturing business at Nalagarh, Himachal Pradesh. On the purchase of this business, assets and liabilities were recorded at fair values based on a chartered engineer's techinical valuation. Consideration paid in excess of net assets acquired has been treated as Goodwill.

Details	Amount
Land & Building	4.33
Plant & Equipments	4.79
Current Assets	1.28
Sub total (1)	**10.40**
Current Liabilities (2)	(3.60)
Sub total (3)=(1)+(2)	**6.80**
Consideration Paid (4)	9.00
Goodwill (5)=(4)-(3)	**2.20**

Note:

(i) Goodwill is monitored by the management taking in to account the cash generted by the acquired business. As per the management assessment no impairment is warranted as the current level of operations and cash inflows acquired from the business is sufficient to cover the carrying value goodwill and net assets.

(ii) Following are the assumptions used by the management for the said assessment:

Annual Cash Inflow Rs.Crs		5.00
Remaining useful life of the assets Yrs	No.of	10
Pre-tax Discount rate	%	8%

(iii) Company has assessed a constant net cash inflow of Rs.5 Crores over the next 5 years for the purpose of impairment testing

NOTES TO ACCOUNTS - *(continued)*

Rupees in Crores

34 Earnings per share

	31 March, 2023	31 March, 2022
(a) Basic and diluted earnings per share		
Basic and diluted earnings per share attributable to the equity holders of the Company	3.48	0.52
(b) Earnings used in calculating earnings per share		
Basic and diluted earnings per share		
Profit attributable to equity holders of the company used in calculating basis earnings per share	15.50	2.31
(c) Weighted average number of equity shares used as the denominator in calculating basic earnings per share	**4,45,69,000**	**4,45,69,000**

35 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006.	**Year ended 31-03-2023**	**Year ended 31-03-2022**
1. The principal amount and interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year:		
(i) Principal (all are within agreed credit period and not due for payment)	11.28	8.82
(ii) Interest (as no amount is overdue)	Nil	Nil
2. 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	Nil	Nil
3. 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	Nil	Nil
4. The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
5. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

Particulars	**For the year ended 31-03-2023**	**For the year ended 31-03-2022**

36 Revenue from contracts with customers

1 Disaggregated revenue

Revenue from contracts with customers are disaggregated into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Company identifies the product lines, amongst others to indicate the factors as mentioned above. The details of revenue from contracts with customers on the basis of various product lines are as under :

A.	**Type of goods or service**		
1.	Components and tools	754.39	588.96
2.	Other operating revenue	28.82	17.38
		783.21	606.34
B.	**Timing of recognition of revenue**		
1.	At a point in time	783.21	606.34
2.	Over time		-
		783.21	606.34

2 The operations of the Company relate to only one segment viz., automotive components and tools. Thus, the information on the relationship between disaggregated revenue under Ind AS 115 and for reportable segment under Ind AS 108 is not required.

3 Reconciliation of contracts with customers

The following schedule gives the movement of contract liabilities for the reporting period.

A.	Contract liabilities at the beginning of the period	13.29	11.55
	Add / (Less) :		
	Consideration received during the year as advance	6.20	13.29
	Revenue recognized from contract liability	(13.29)	(11.55)
	Contract liabilities at the end of the period	6.20	13.29

i. Payments are received in advance towards contracts entered with customers, and is recognised as a contract liability. As and when the performance obligation is met the same is recognized as revenue.

4 Transaction price allocated to the remaining performance obligations

The Company's contracts with customers are short term contracts with performance obligations that has an original expected duration of one year or less. Therefore, taking the practical expedient, the details on transaction price allocated to the remaining performance obligations are not disclosed.

5 Reconciliation of revenue with contract price

1.	Contract price	783.21	606.34
2.	Adjustments :		
	Discounts	-	-
3.	Revenue from operations as per Statement of Profit and loss	783.21	606.34

6 There is no impact on the retained earnings as on the date of adoption of the standard. No effect on any financial statement line item due to application of this standard and there is no requirement to disclose the same

7 Prepaid expenses include the cost of Rs. 4.31 crores incurred by the company towards Mould development for a customer. As per the understanding with the customer this cost is to be recovered over the supply of components to them. The development cost so incurred is used for the mould developed, which is used for producing the components supplied. The mould is the asset of the customer. This cost will be amortized over 6 year period and it will be tested for impairment as per para 101 of Ind AS 115 every year.

NOTES TO ACCOUNTS - *(continued)*

Rupees in Crores

Category of Asset	Design and development expenses of Mould
Opening balance as on 01-04-2022	**4.31**
Addition during the year 2022-23	-
Closing balance as on 31-03-2023	**4.31**
Accumulated amortization 31-03-2022	1.87
Amortization for the year 2022-23	0.74
Impairment Loss	-
Closing accumulated amortization balance as on 31-03-2023	**2.61**
Balance as on 31-03-2023	**1.70**
Current Asset	0.74
Non-Current Asset	0.96

37 Other Disclosures

(i) Contingent liabilities

	31st March 2023	31st March 2022
(a) Claims against the company not acknowledged as debt		
(i) Income Tax	3.46	3.46
(ii) Goods and Service Tax	2.82	2.82
(iii) Sales Tax	0.74	1.58
(iv) Customs	0.40	0.40
(b) Other money for which the company is contingently liable on bill discounting with bank	-	-
(c) Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	2.33	0.77
Total	**9.75**	**9.03**

The future cash flows on the above items are determinable only on receipt of the decisions / judgments that are pending at various forums / authorities. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

(ii) Payment to Auditor

	31st March 2023	31st March 2022
As Statutory Auditor	0.20	0.19
Taxation matters	0.04	0.04
Certification matters	0.02	0.02
Total	**0.26**	**0.24**
Miscellaneous expenses include travel and stay expenses of auditors	0.04	0.03

(iii) Expenditure incurred on Corporate Social Responsibility activities:

	31st March 2023	31st March 2022
1. Amount required to be spent by the Company during the year	-	0.10
2. Amount of expenditure incurred	-	0.10
3. Shortfall at the end of the year	-	-
4. Total of previous years shortfall	-	-
5. Reasons for shortfall	Not applicable	
6. Details of related party transactions e.g. Contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant accounting standard	-	-
7. Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in position	-	-
Nature of CSR Activities : Rural development, Economic development, Women empowerment, Health care, Education and Conservation of natural resources.		

(iv) Segment Reporting:

The company operates in only one segment namely, manufacturing and selling of automobile parts.

38 Additional Regulatory Information

(i) Ratio Analysis

S No	Ratio	Numerator	Denominator	Current Year 31.03.2023	Previous Year 31.03.2022	% Variance	Reasons
a	Current Ratio (in times)	Current Assets	Current Liabilities	0.83	0.66	26%	Reflects better operational performance
b	Debt Equity Ratio (in times)	Total Debt	Total Shareholders Equity	0.24	0.33	-28%	Repayment of Long term borrowings
c	Debt Service Coverage Ratio (in times)	Earnings available for debt services	Total Interest and principal repayments	1.10	0.67	64%	Increase in profit before tax and repayment of borrowings
d	Return on Equity Ratio (%)	Net Profit after Tax	Average Shareholder's Equity	3.60%	0.55%	556%	Return on Investment improved due to better earnings in the current year
e	Inventory Turnover Ratio (in times)	Net Sales	Average Inventory	16.46	14.32	15%	
f	Trade Receivable Turnover Ratio (in times)	Net Credit Sales	Average Trade Receivables	8.48	6.83	24%	
g	Trade Payable Turnover Ratio (in times)	Net Credit Purchases	Average Trade Payables	5.54	5.17	7%	
h	Net Captial Turnover Ratio (in times)	Net Sales	Working Capital	(22.28)	(6.33)	252%	Increase was primarily on account of improvement in working capital
i	Net Profit Ratio (%)	Net Profit	Net Sales	1.97%	0.38%	415%	Net profit % improved due to better operational performance
j	Return on Capital Employed (%)	Earnings before interest and taxes	Capital Employed	7.71%	5.16%	49%	The ROCE higher in current year due to higher earnings in the current year
k	Return on Investment (%)	Profit after Tax	Average Networth	3.53%	0.55%	546%	Return on Investment improved due to better earnings in the current year

NOTES TO ACCOUNTS - *(continued)*

Rupees in Crores

ii The Title deeds of the 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.

iii The Company does not have any investment property.

iv The Company has not revalued its Property, Plant and Equipment (including Right to Use Assets).

v The Company has not revalued its Intangible Assets.

vi The Company has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013) , which are repayable on demand or without specifying any terms or period of repayments.

vii No proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

viii The Company has borrowings from banks on the basis of security of current assets.The quarterly returns filed by the Company with such banks are in agreement with the books of accounts of the Company.

ix The Company is not declared as "willful defaulter" by any bank or financial institution or other lender.

x There are no transactions with the Companies whose name struck off under section 248 of The Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2023.

xi All applicable cases where registration of charges or satisfaction is required to be filed with Registrar of Companies have been filed. No registration or satisfaction is pending at the year ended 31 March 2023.

xii The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

xiii No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.

xiv The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity,

including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall

a) 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)

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

xv The Company has not received any fund from any person or entity, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Company shall

a) 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)

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

xvi The Company has not surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961.

xvii The Company has not operated in any crypto currency transactions.

39 Previous year's figures have been regrouped wherever necessary to confirm to the current year's classification

As per our report annexed

Venu Srinivasan
Chairman

Rajesh Oommen
Director & Chief Executive Officer

For V .Sankar Aiyar & Co
Chartered Accountants
Firm Regn. No. 109208W

Place: Chennai
Date: 27-04-2023

J Ashok Chakravarthi
Chief Financial Officer

G Sathyan
Company Secretary

S. Venkataraman
Partner
Membership No. 023116

Directors' Report to the Shareholders

The directors are pleased to present the Thirteenth annual report and the audited financial statements for the year ended 31st March 2023.

Financial Highlights

(Rs. In Lakhs)

Details	Year ended 31.03.2023	Year ended 31.03.2022
Sales and other income	7.21	40.10
Less: Expenses	3.81	39.62
Profit before tax	3.40	0.48
Provision for taxation (including deferred tax)	0.89	0.12
Profit after tax	2.51	0.36

Preparation of financial statements under Indian Accounting Standards

Pursuant to the notification issued by the Ministry of Corporate Affairs dated 16th February, 2015 relating to the Companies (Indian Accounting Standard) Rules, 2015, TVS Motor Company Limited (TVSM), the holding company, is required to adopt Indian Accounting Standards ("IND AS") from financial year 2016-17.

In terms of Rule 4(1)(ii) of the aforesaid rules, the holding, subsidiary, joint venture and associate companies are required to comply with Ind AS from financial year 2016-17 onwards. Accordingly, the financial statements of the Company for the year 2022-23 have been prepared in compliance with the said rules.

Dividend

The directors, in order to conserve the resources for its future business activities, have not proposed any dividend for the year under review.

The Board is not considering any transfer of amount to the General Reserves for the year under review, as it is not mandatorily required.

Real Estate (Regulation and Development) Act, 2016

Tamil Nadu government has issued and notified rules under RERA which is broadly in line with the Central Government draft rules.

Internal control systems

The Company has adequate internal control systems to ensure operational efficiency, accuracy and promptness in financial report and compliance of various laws and regulations. The internal control system is supported by the internal audit (IA) process. The IA department evaluates the efficacy and adequacy of internal control system, its compliance with operating systems and policies of the Company and accounting procedures at all locations of the Company.

The Company has well-documented Standard Operating Procedures (SOPs), policies and procedures for various processes which are periodically reviewed.

Based on the report of IA function, process owners undertake corrective action in their respective areas. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

Risk management

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified would be systematically addressed through mitigating actions on a continuous basis. These are being discussed at the meetings of the audit committee and the Board of directors of the Company.

As a process, the risks associated with the business are identified and prioritized based on Severity, Likelihood and Effectiveness of current detection. Such risks are reviewed by the senior management on a quarterly basis. Process owners are identified for each risk and matrix are developed for monitoring and reviewing the risk mitigation.

Directors' responsibility statement

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

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

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

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

(d) the directors had prepared the accounts for the financial year ended 31st March 2023 on a going concern basis; and

(e) 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.

Directors liable to retire by rotation

In terms of the Articles of Association of the Company and the applicable provisions of the Act 2013, Mr V Karunakara Reddy is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Board of Directors

Presently, Mr S G Murali, Mr V Karunakara Reddy & Mr Sriram Subramanian Iyer are the Directors of the Company.

Mr V Karunakara Reddy, Director of the Company who retires by rotation and being eligible for re-appointment offers himself for re-appointment as Director of the Company for approval by the Shareholders of the Company by an Ordinary Resolution.

Board Meetings

During the year under review, the board met 4 times on 22nd April 2022, 21st July 2022, 27th October 2022 and 20th January 2023 and the gap between two meetings did not exceed one hundred and twenty days.

Statutory Auditors

In terms of Section 139 of the Act, 2013, read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014, M/s V Sankar Aiyar & Co., Chartered Accountants, having Firm Registration No. 109208W allotted by The Institute of Chartered Accountants of India, have been appointed as statutory auditors of the Company for five years at such remuneration in addition to reimbursement of all applicable taxes, out-of-pocket, travelling and other expenses, etc., as may be decided between the Board of Directors of the Company.

The current auditors hold office till the conclusion of the 14th Annual General Meeting of the Company.

The Auditors' Report for the financial year 2022-23 does not contain any qualification, reservation or adverse remark and the same is attached as part of the annual financial statements.

Disclosures

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

(a) details relating to deposits covered under Chapter V of the Act;

(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) raising of funds through preferential allotment or qualified institutions placement;

(e) significant or material order passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;

(f) pendency of any proceeding under the Insolvency and Bankruptcy Code, 2016 and instance of one-time settlement with any bank or financial institution.

Change in Registered Office

During the year under review, the board at its meeting held on 21st July 2022 changed its registered office from 1st Floor, Greenways Towers, No. 119, St. Mary's Road, Abhiramapuram, Chennai – 600018 to Ispahani Centre, 4th Floor, Door No. 123,124, Nungambakkam High Road, Chennai – 600034 for its administrative convenience. Necessary Approvals were obtained from the registrar of companies as the change in registered office within the local limits of the same city.

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 the date of the report.

Details of material related party transactions:

Details of material related party transactions under Section 188 of the Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, are given in Annexure I to this report in the prescribed form.

Employee's remuneration:

There are no employees on the rolls of the Company, hence there is no disclosure under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Details of loans / guarantees / investments made:

The details of loans, guarantees and investments under section 186 of the Act, 2013 read with the Companies (Meetings of Board and its Power) Rules 2014, for the financial year 2022-23 is not applicable to the Company.

Conservation of energy, technology absorption, foreign exchange earnings and outgo:

The provisions of Section 134(3)(m) of the Act 2013 and the rules made there-under relating to the information and details on conservation of energy, technology absorption do not apply to the Company, as the Company is not a manufacturing company.

During the year under review, there were no foreign exchange earnings or expenditure in the Company.

Reporting of fraud:

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

Maintenance of cost records

Pursuant to Section 148(1) of the Companies Act, 2013 cost records are required to be maintained by specified class of Companies whose turnover exceeds 35 Crores during the immediately preceding financial year. Further, companies covered under Table B of Rule 3 to Companies (Cost Records and Audit) Rules, 2014 whose overall annual turnover exceeds 100 Crores are required to get its cost records audited.

The Company's operations do not fall under any of the activities requiring maintenance and subsequent audit of cost records.

Disclosure in terms of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company was not required to constitute an Internal Complaints Committee as required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, there were no cases filed pursuant to the provisions of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act 2013.

Acknowledgement

The directors gratefully acknowledge the continued support and co-operation received from the holding Company, namely, TVS Motor Company Limited, and bankers for their continued support and assistance..

For and on behalf of the Board

Place : Chennai	S G MURALI	SRIRAM S IYER
Date : 25th April 2023	Director	Director
	DIN : 00348902	DIN: 06967858

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2023

To the Members of TVS Housing Limited

Report on the Audit of the financial statements

Opinion

We have audited the financial statements of TVS Housing Limited ("the Company"), which comprise the Balance sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013("Act") in the manner so required and give a true and fair view in conformity with 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 March 31, 2023, and Profit, Other total Comprehensive Income, Changes in Equity and Cash Flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report thereon

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the 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 are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors 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 Responsibilities for the Audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal 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 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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 the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts.

(d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

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

a. There are no pending litigations on its financial position as at 31st March 2023

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

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

d. i Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts (refer Note no.27(xv), 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.

ii Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts (refer Note no.27(xvi), 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

iii Based on the audit procedures adopted by us, nothing has come to our notice that has caused us to believe that the representations made by the management under sub clause (i) and (ii) above, contain any material misstatement.

e. The Company has not declared any Dividend during the year.

f. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

3. With respect to the matter to be included in the Auditors’ Report under Section 197(16) of the Act.

In our opinion and according to the information and explanations given to us, the Company has not paid remuneration to its directors during the current year and hence, applicability of the provisions of Section 197 of the Act does not arise. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

UDIN	23211765BGWMOJ7818

For V. SANKAR AIYAR & CO.,
Chartered Accountants
ICAI Regd. No.109208W

V BALAJI
Partner
Membership No. 211765

Place : Chennai
Date : 22nd April, 2023

Annexure A to Independent Auditor's Report - 31 March 2023

(Referred to in our report of even date)

i. According to the information and explanations given to us and the records of the Company examined by us, the Company does not have any Property, Plant and Equipment and Intangible asset. Therefore, clause (i) of para 3 of the order is not applicable to the Company.

ii. a) As informed to us, the management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. There are no discrepancies noticed on such physical verification.

b) According to the information and explanation given to us and the records of the Company examined by us, the Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks and Financial Institutions during the year on the basis of security of current assets of the Company. Therefore, clause (ii)(b) of para 3 of the order is not applicable to the Company.

iii. According to the information and explanations given to us and the records of the Company examined by us, during the year, the Company has provided security by way of collateral for loan taken by its associate of Holding Company. Other than this, the Company has not made any investment, provided any loan or advances in the nature of loan or stood guarantee to Companies, firms, Limited Liability Partnerships or any other parties.

a) According to the information and explanations given to us and the records examined by us,

A. The Company does not have subsidiary or associate or joint venture.

B. The aggregate amount of security by way of collateral provided to the associate of Holding Company during the year is Rs. 1,040 Lakhs and the balance outstanding as on 31st March 2023 is Rs. 1,040 Lakhs. The Company has not given loans or advances and guarantee to parties other than subsidiaries, joint ventures and associates during the year.

b) In our opinion, the security by way of collateral provided to the associate of Holding Company is not prejudicial to the interest of the Company. According to the information and explanation given to us and the records examined by us the Company has not made investment in, provided any guarantees, and not provided any loan or advances in the nature of loans during the year and in earlier years.

c) The Company has not provided any loans and advances in the nature of loans. Therefore, clause (iii)(c), (d), (e) & (f) of para 3 of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 in respect of providing security by way of collateral to the associate of Holding Company. The Company has not made any investment, not provided any loan and not provided any guarantee.

v. According to the information and explanations given to us and the records of the Company examined by us, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Therefore, clause (v) of para 3 of the order is not applicable to the Company.

vi. In our opinion and according to the information and explanations given to us, maintenance of cost records as specified under Section 148(1) of the Act, for the operations carried on by the Company, is not applicable. Therefore, clause (vi) of para 3 of the order is not applicable to the Company.

vii. a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues payable including Income Tax, Goods and Services Tax, and Cess and other material statutory dues as applicable to the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Goods and Services Tax, and Cess were in arrears as at 31st March 2023 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and the records of the Company, there are no dues of Income-Tax, Customs Duty, Sales Tax, Service Tax, Goods and Service Tax, Value added Tax and Cess which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us and based on the records, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Therefore, there are no unrecorded income to be recorded in the books of accounts during the year.

ix. According to the information and explanations given to us and based on the records, the Company has not borrowed. Therefore, clause (ix) of para 3 of the order is not applicable to the Company.

x. a) According to the information and explanations given to us and based on the records, the Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments). Therefore, clause (x)(a) of para 3 of the order is not applicable to the Company.

b) According to the information and explanations given to us and based on the records verified by us, the Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit. Therefore, clause (x)(b) of para 3 of the order is not applicable to the Company.

xi. a) During the course of our examination of the books and records of the Company, carried out based upon the generally accepted audit procedures performed for the purpose of reporting the true and fair view of the financial statements, to the best of our knowledge and belief and as per the information and explanations given to us by the Management, and the representations obtained from the management, no fraud by the Company or no material fraud on the company have been noticed or reported during the year.

b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. According to the information and explanations given to us and based on the information given to us and records verified by us Secretarial Auditor has not filed report in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. The Company does not have a cost auditor.

c) According to the information and explanations given to us and as represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company. Therefore, clause (xii) of para 3 of the order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, based on verification of the records and approvals of the Audit Committee, the Company is in compliance with Section 177 and Section 188 of the Act, where applicable, for all transactions with the related parties The details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an Internal audit system as per provisions of the Companies Act 2013.

b) Since provisions of internal audit system is not applicable to the Company as per the provisions of the Companies Act 2013, clause (xiv)(b) of para 3 of the order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.

xvi. According to the information and explanations given to us and based on the information given to us and records verified by us

a) the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Clause 3(xvi)(a) of the Order is not applicable to the Company.

b) The Company has not conducted any Non-Banking Financial or Housing Finance activities.

c) the Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable to the Company.

d) There is no Core Investment Company as a part of the Group, hence, clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.

xviii. There has been no resignation of the statutory auditors during the year and accordingly Clause 3(xviii) of the Order is not applicable to the Company.

xix According to the information and explanations given to us and on the basis of the financial ratios disclosed in note 20 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

In our opinion and according to the information and explanations given to us, the Company is not required to comply with the provisions of Schedule VII read with Section 135 of the Act. Therefore, clause (xx) of para 3 of the order is not applicable to the Company.

xx. The Company is not required to prepare consolidated financial statement. Therefore, clause (xxi) of para 3 of the order is not applicable to the Company.

UDIN	23211765BGWMOJ7818

For V. SANKAR AIYAR & CO.,
Chartered Accountants
ICAI Regd. No.109208W

V BALAJI
Partner
Membership No. 211765

Place : Chennai
Date : 25th April, 2023

Annexure "B" to Independent Auditors' Report 31st March 2023

(Referred to in our report of even date)

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

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

Management's Responsibility for Internal Financial Controls

2. 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 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.

Auditor's Responsibility

3. 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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.

4. 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. 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

6. 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

7. 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

8. In our opinion, the Company has, in all material respects, an adequate internal financial Control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

UDIN	23211765BGWMOJ7818

For V. SANKAR AIYAR & CO.,
Chartered Accountants
ICAI Regd. No.109208W

Place : Chennai
Date : 22nd April, 2023

V BALAJI
Partner
Membership No. 211765

Balance Sheet as at 31st March 2023

(Rs. in Lakhs)

	Note No.	As at March 31, 2023	As at March 31, 2022
Assets			
Current assets			
Inventories	2	127.82	127.82
Financial assets			
i. Cash and cash equivalents	3	0.61	1.85
Current tax assets (Net)	4	1.31	2.48
Other current assets	5	109.70	111.56
Total current assets		**239.44**	**243.71**
Total Assets		**239.44**	**243.71**
Equity and Liabilities			
Equity			
Equity share capital	6	5.00	5.00
Other equity	7	85.37	82.86
Total equity		**90.37**	**87.86**
Current liabilities			
Financial liabilities			
i. Trade payables	8	-	-
-total outstanding dues of micro enterprises and small enterprises (MSME)			
- total outstanding dues of creditors other than micro enterprises and small enterprises		1.60	3.00
ii. Other financial liabilities	9	147.29	150.22
Other current liabilities	10	0.18	2.63
Total current liabilities		**149.07**	**155.85**
Total liabilities		**149.07**	**155.85**
Total equity and liabilities		**239.44**	**243.71**
Significant Accounting Policies	1		

As per our report annexed
For V.Sankar Aiyar & Co
Chartered Accountants
Firm Regn No.: 109208W

For and on behalf of the Board of Directors

V.BALAJI
Partner
Membership No.: 211765

SG MURALI
Director

SRIRAM S IYER
Director

Chennai
Dated: 25th April, 2023

Statement of Profit and Loss for the year ended 31st March 2023

(Rs. in Lakhs)

	Note No.	Year Ended March 31, 2023	Year Ended March 31, 2022
Income			
Revenue from operations	11	7.20	15.46
Other Income	12	0.01	24.64
Total income		7.21	40.10
Expenses			
Operating Expenses	13	-	34.00
Other expenses	14	3.81	5.62
Total expenses		3.81	39.62
Profit before tax		3.40	0.48
Income tax expense	15		
Current tax		0.89	0.12
Deferred tax		-	-
Total tax expense		0.89	0.12
Profit for the year		2.51	0.36
Items that will not be reclassified to profit or loss		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		2.51	0.36
Earnings per equity share			
Basic & Diluted earnings per share	16	5.02	0.72
Significant Accounting Policies	1		

As per our report annexed
For V.Sankar Aiyar & Co
Chartered Accountants
Firm Regn No.: 109208W

V.BALAJI
Partner
Membership No.: 211765

Chennai
Dated: 25th April, 2023

For and on behalf of the Board of Directors

SG MURALI
Director

SRIRAM S IYER
Director

Notes to balance Sheet

(Rs. in Lakhs)

		As at March 31, 2023	As at March 31, 2022
2	**Inventories**		
	Land held for Development*	127.82	127.82
	Total Inventories	**127.82**	**127.82**

*Land owned by the Company at Nedungundram is given as security for loan taken by Emerald Haven Realty Limited (Associate of Holding Company).

		As at March 31, 2023	As at March 31, 2022
3	**Cash and cash equivalents**		
	Balances with banks	0.61	1.85
	Total cash and cash equivalents	**0.61**	**1.85**

		As at March 31, 2023	As at March 31, 2022
4	**Current tax assets (Net)**		
	Advance Tax Less Provision for Tax	1.31	2.48
	Total Current tax assets (Net)	**1.31**	**2.48**
5	**Other current assets**		
	GST Receivable	109.60	111.46
	Advance given to vendor	0.10	0.10
	Total other current assets	**109.70**	**111.56**

6 **Equity share capital**

(a) **Authorised, issued, subscribed and fully paid up**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Rs. in Lakhs	Number	Rs. in Lakhs
Authorised:				
Equity shares of Rs.10/- each	50,000	5.00	50,000	5.00
Issued, subscribed and fully paid up:				
Equity shares of Rs.10/- each	50,000	5.00	50,000	5.00
	50,000	5.00	50,000	5.00

(b) **Reconciliation of equity shares outstanding at the beginning and at the end of the year**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Rs. in Lakhs	Number	Rs. in Lakhs
Shares outstanding at the beginning of the year	50,000	5.00	50,000	5.00
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	50,000	5.00	50,000	5.00

(c) **(i) Rights and preferences attached to equity share:**

The company has one class of equity shares having a par value of Rs.10 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) **Shares held by holding company at the end of the year/ shareholders holding more than 5% of paid up Equity Share Capital**

Name of shareholder	Class of share	As at March 31, 2023		As at March 31, 2022	
		No. of shares held	% of holding	No. of shares held	% of holding
TVS Motor Company Limited with nominees	Equity	50,000	100%	50,000	100%

(e) **Details of Shares held by promoters in the company**

Name of Promoter	Class of share	As at March 31, 2023		As at March 31, 2022		% Change during the year	
		No. of shares held	% of holding	No. of shares held	% of holding	As at March 31, 2023	As at March 31, 2022
TVS Motor Company Limited with nominees	Equity	50,000	100%	50,000	100%	Nil	Nil

		As at March 31, 2023	As at March 31, 2022
7	**Other Equity**		
	a) Retained earnings		
	Opening balance	82.86	82.50
	Net profit / (Loss) for the year	2.51	0.36
	Total reserves and surplus	**85.37**	**82.86**

Retained earnings: Company's cumulative earnings since its formation. These are available for distribution.

Notes to balance sheet

Rs. in Lakhs

		As at March 31, 2023	As at March 31, 2022
8	**Trade payables**		
	Dues to Micro and Small Enterprises **	-	-
	Dues to enterprises other than Micro and Small Enterprises	1.60	3.00
	Total trade payables	**1.60**	**3.00**

**The Company has not received any memorandum (as required to be filed by the supplier with the notified authorities under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as micro or small enterprises. Accordingly, amount paid/ payable to these parties is considered to be Rs. Nil.

The following details relating to Micro,Small and Medium Enterprises as required by (The Micro, Small and Medium Enterprises Development Act, 2006) MSMED Act is as under:-

	As at March 31, 2023	As at March 31, 2022
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	-	-
(b) 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;	-	-
(c) the amount of interest due and payable for the period of detay 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;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) 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.	-	-

Ageing schedules of Trade Payable as at 31 March, 2023

	Particulars	Unbilled dues	Not due	Outstanding for following periods from due date of payment				
				Less than1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i)	MSME	-	-	-	-	-	-	-
(ii)	Other than MSME	-	-	1.55	-	0.05	-	1.60
(iii)	Disputed dues - MSME	-	-	-	-	-	-	-
(iv)	Disputed dues - Other than MSME	-	-	-	-	-	-	-
		-	-	1.55	-	0.05	-	1.60

Ageing schedules of Trade Payable as at 31 March, 2022

	Particulars	Unbilled dues	Not due	Outstanding for following periods from due date of payment				
				Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i)	MSME	-	-	-	-	-	-	-
(ii)	Other than MSME	-	-	2.87	0.13	-	-	3.00
(iii)	Disputed dues - MSME	-	-	-	-	-	-	-
(iv)	Disputed dues - Other than MSME	-	-	-	-	-	-	-
		-	-	2.87	0.13	-	-	3.00

Notes to Statement of Profit or Loss

Rs. in Lakhs

		As at March 31, 2023	As at March 31, 2022
9	**Other financial liabilities**		
	Payable to related parties (Net of Security Deposit)	147.29	150.22
	Total Other financial liabilities	**147.29**	**150.22**
10	**Other current liabilities**		
	Statutory Dues	0.18	2.63
	Total other current liabilities	**0.18**	**2.63**

		Year Ended March 31, 2023	Year Ended March 31, 2022
11	**Revenue from operations**		
	Income from sale of Land	-	8.26
	Income from Rentals	7.20	7.20
	Total revenue	**7.20**	**15.46**
12	**Other Income**		
	Interest on IT Refund	0.01	24.64
	Total Other Income	**0.01**	**24.64**
13	**Operating Expenses**		
	Inventories at the beginning of the year:		
	Land held for development	127.82	161.82
	Add: Incurred during the year:	-	-
		127.82	**161.82**
	Less: Inventories at the end of the year:	127.82	127.82
	Operating Expenses	**-**	**34.00**
14	**Other expenses**		
	Rent	0.78	1.20
	Audit Fees	1.50	1.50
	Consultancy and Professional Charges	1.22	2.90
	Rates & Taxes	0.30	0.01
	Miscellaneous Expenses	0.01	0.01
	Total other expenses	**3.81**	**5.62**
15	**Income tax expense**		
	(a) Income tax expense		
	Current tax		
	Current tax on profits for the year	0.89	0.12
	Total current tax expense	**0.89**	**0.12**
	Total deferred tax expense/(benefit)	**-**	**-**
	Income tax expense	**0.89**	**0.12**
	(b) Reconciliation of tax expense and the accounting profit multiplied by Income tax rate:		
	Profit before income tax expense	3.40	0.48
	Tax at the Income tax rate of 26% (PY : 26.00%)	**0.89**	**0.12**
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
	Others	-	-
	Income tax expense	**0.89**	**0.12**

Notes to Statement of Profit or Loss (Contd.)

Rs. in Lakhs

	Year Ended March 31, 2023	Year Ended March 31, 2022
16 Earnings per share		
(a) Basic and diluted earnings per share		
Basic/Diluted earnings per share attributable to the equity holders of the Company (Rs.)	5.02	0.72
(b) Reconciliations of earnings used in calculating earnings per share		
Profit attributable to equity shareholders of the company used in calculating basic/diluted earnings per share (Rs.)	2.51	0.36
(c) Weighted average number of equity shares used as the denominator in calculating basic/diluted earnings per share	50,000	50,000

17 Fair value measurements
Financial instruments by category

	As at March 31, 2023	As at March 31, 2022
	Amortised cost	Amortised cost
Financial assets		
Cash and cash equivalents	0.61	1.85
Total Financial Assets	**0.61**	**1.85**
Financial liabilities		
Trade payables	1.60	3.00
Payable to related parties	147.29	150.22
Total Financial Liabilities	**148.89**	**153.22**

The Company has no Financial Assets or Liabilities that are valued at Fair Value through Profit and Loss or Fair Value through Other Comprehensive Income

(ii) Fair value of financial assets and liabilities measured at amortised cost
The carrying amounts of trade payables, cash and cash equivalents, and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

Rs. in Lakhs

18 Financial risk management
The company's activities expose only to credit risk.

Risk	Exposure arising from	Risk Mitigation
Credit risk	Cash and cash equivalents, financial assets measured at amortised cost.	Surplus cash is deposited only with banks/financial institutions with high external rating

(A) Credit risk
Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions.

(i) Credit risk management
Credit risk is managed on a company basis. For banks and financial institutions, only high rated banks/institutions are accepted.

(B) Liquidity risk
(i) 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 amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities:

Particulars	Maturity	March 31, 2023	March 31, 2022
Trade payables	< than 12 months	1.60	3.00
Other financial liabilities	> than 12 months	147.29	150.22

19 Capital management

Risk management
The company's objectives when managing capital are to
- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

20 Ratio Analysis

S No	Ratio	Numerator CY / PY	Denominator CY / PY	Current Year 31.03.2023	Previous Year 31.03.2022	% Variance	Reasons
a	Current Ratio= Current assets / Current Liabilities	239.44	149.07	1.61	1.57	2%	
		243.71	155.85				
b	Debt equity ratio= total debt / total shareholder's equity	-	90.37	NA	NA	NA	
		-	87.86				
c	Debt service coverage ratio= earnings available for debt services / total interest and principal repayments	2.51	-	NA	NA	NA	
		0.36	-				
d	Return on equity ratio/ return on investment ratio= Net profit after tax / Average shareholder's equity	2.51	89.12	0.03	0.00	578%	The variance in due to decrease in earnings and operating expenses.
		0.36	86.57				
e	Inventory turnover ratio= Net sales / average Inventory	7.20	127.82	0.06	0.11	-47%	The variance is due to decrease in earnings
		15.46	144.82				
f	Trade receivables turnover ratio= Net sales / average trade receivables	7.20	-	NA	NA	NA	
		15.46	-				
g	Trade Payables turnover ratio= Net Purchases / average trade Payables	-	2.30	NA	NA	NA	
		-	2.10				
h	Net capital turnover ratio= Net sales / working capital	7.20	90.37	0.08	0.18	-55%	The variance is due to decrease in earnings
		15.46	87.86				
i	Net profit turnover ratio= Net profit after tax / Net sales	2.51	7.20	0.35	0.02	1399%	The variance in due to decrease in earnings and operating expenses.
		0.36	15.46				
j	Return on Capital employed = Earnings before interest and taxes (EBIT) / Capital Employed	3.40	90.37	0.04	0.01	587%	The variance in due to decrease in earnings and operating expenses.
		0.48	87.86				
k	Return on investment=Net profit after tax /Avg Shareholders Equity	2.51	89.12	0.03	0.00	585%	The variance in due to increase in earnings (othet non-opearting income).
		0.36	87.50				

Other disclosures

Rs. in Lakhs

21 Operating Segment

(a) Description of segments and principal activities

The Company is primarily engaged in the business of Developing and subdividing real estate into plots. The entity's entire operations are reviewed by Chief operating decision makers as one Operating segment.

(b) Entity Wide disclosures

i) Company's major service is real estate development

ii) Company is domiciled and operates within India

iii) There is no major reliance on a single customer.

22 Contingent liabilities and contingent assets

	As at March 31, 2023	As at March 31, 2022
(a) Contingent liabilities	Nil	Nil

23 Commitments

(a) Capital commitments		
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities	Nil	Nil
(b) Other commitments		
Expenditure related contractual commitments apart from Capital Commitments	Nil	Nil

24 Related Party Disclosure

		As on year ended March 31, 2023	As on year ended March 31, 2022
(a)	**Related parties and their relationship for the financial year 2022-23**		
	<u>Ultimate Holding company</u>		
	Sundaram Clayton Limited		
	<u>Holding company</u>		
	TVS Motor Company Limited		
	<u>Associate of Holding Co.</u>		
	Emerald Haven Realty Limited		
	<u>Directors or KMP</u>		
	Mr. S G Murali		
	Mr. Sriram Subramanian Iyer		
	Mr. V R Karunakarareddy		
(b)	**Transactions with related parties:**		
	- Associate of Holding Co.		
	Emerald Haven Realty Limited		
(i)	Sale of Land	-	8.26
(ii)	Rent - Corporate Office	0.78	1.20
(iii)	Rental Income	7.20	7.20
(c)	**Balances with related parties: (Payable) / Receivable**		
(i)	Other payables (Net of Security Deposit)		
	- Associate of Holding Co.		
	Emerald Haven Realty Limited	(147.29)	(150.22)

	As at 31st March 2023	As at 31st March 2022
25 Auditors' remuneration (Included under Other Expenses) (Exclusive of GST)		
Payments to Auditors as		
a. Statutory Auditor	1.50	1.50
b. Certification Fees	-	-

26 In the opinion of the management, the current assets, loans & advances have a value of realisation in ordinary course of business or at least equal to the amount at which they are stated in the balance sheet.

27 Additional Regulatory Information

i Title deeds of immovable properities are held in the name of the Company.The same is held as stock in trade.

ii The Company does not have any investment property.

iii The Company has not revalued its Property, Plant and Equipment (including Right to Use Assets).

iv The Company does not have any intangible assets

v The Company does not have any Capital Work in Progress.

vi There are no intangible assets under development.

vii The Company has not granted Loan or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties, which are repayable on demand or without specifying any terms or period of repayments.

viii No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

ix The Company has not been sanctioned short term loan by a financial institution, which is considered as working capital limit.

x The Company is not declared "willful defaulter" by any bank or financial institution or other lender.

xi There are no transaction with the companies whose name struck off under section 248 of The Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2023.

xii All applicable cases where registration of charges or satisfaction is required to filed with Registrar of Companies have been filed. No registration or satisfaction is pending at end of financial year ended 31 March 2023.

xiii There are no Subsidiary for the Company. Hence, reporting under clause L (xiii) of Notification GSR 207(E) dated 24 March 2021,does not arise.

xiv No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.

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

a) 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)

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

xvi The Company has not received any fund from any person or entity, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Company shall

a) 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)

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

28 The Company do not have any transaction which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

29 The Company does not meet the thresholds prescribed under Section 135 of the Companies Act. Therefore, spending under Corporate Social Responsibility is not applicable.

30 The Company has not operated in any crypto currency Transactions.

As per our report annexed
For V.Sankar Aiyar & Co
Chartered Accountants
Firm Regn No.: 109208W

For and on behalf of the Board of Directors

V.BALAJI
Partner
Membership No.: 211765

SG MURALI
Director

SRIRAM S IYER
Director

Chennai
Dated: 25th April, 2023

Directors' Report to the Shareholders of the Company

The Directors have pleasure in presenting the Fourteenth Annual Report on the progress of the Company together with the audited statement of accounts for the year ended 31st March 2023.

1. Financial Results

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

(Rs. in lakhs)

Particulars	Year ended 31-03-2023	Year ended 31-03-2022
Revenue from Operations	-	-
Other Income	38.54	12.13
Total	38.54	12.13
Purchases of Stock-in trade	-	-
Finance Cost	327.46	938.59
Administrative & other expenses	18.52	18.97
Profit / (Loss) before tax	(345.98)	(945.42)
Less:		
- Provision for tax		
Add:		
- Deferred Tax Asset	(81.49)	(156.61)
Profit / (Loss) after tax	(255.95)	(788.81)

2. Dividend

The board of directors does not recommend any dividend for the year under consideration, in view of the loss sustained by the Company for the year ended 31st March 2023.

3. Share Capital

During the year under review, the board of directors issued and allotted 5,00,00,000 Optionally Convertible Redeemable Preference shares at a face value of Rs.10 per share on Preferential Basis to TVS Motor Company Limited, Holding Company.

The paid-up capital of the company is Rs. 199,63,38,140 comprise of 14,96,33,814 no. of Equity shares of at Rs.10/- each and 5,00,00,000 no. of Optionally Convertible Redeemable Preference Shares of at Rs. 10/- each.

4. Debentures

During the year under review, the Company has not issued any debentures.

5. 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 the date of the report.

5. Significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company

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. However, the members' attention is drawn to the statement on contingent liabilities, commitments, given in the notes forming part of the financial statements.

6. Internal control systems

The Company has adequate internal control systems to ensure operational efficiency, accuracy and promptness in financial report and compliance of various laws and regulations.

The internal control system is supported by the internal audit process. An internal auditor has been appointed for this purpose.

The Board is accountable for evaluating and approving the effectiveness of the internal controls, including financial, operational and compliance controls. The Company has a proper and adequate internal control system to ensure that all the assets of the Company are safeguarded and protected against any loss and that all the transactions are properly authorized and recorded.

7. Risk management

Our risk management framework is well embedded and continually reviewed by the Board. It enables to identify, evaluate and monitor principal risks and where possible, actively manage internal or external risks that could threaten the attainment of the Company targets.

As a process, risks associated with the business are identified and prioritized based on the Company's overall risk appetite, strategy, severity likelihood and effectiveness of current detection. Such risks are reviewed by the senior management on a quarterly basis. Process owners are identified for each risk and matrixes are developed for monitoring and reviewing the risk mitigation.

The risk function is looked after by a team reporting to the Director / CEO of the Company.

The Board is satisfied that there are adequate systems and procedures in place to identify, assess, monitor and manage risks.

8. Related Party Transactions

Pursuant to the provisions of section 134(h) of the Companies Act, 2013 (the Act 2013) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, furnishing of particulars of contracts or arrangements entered into by the Company with related parties during the year under review is furnished in Form AOC 2 as Annexure I to this Report if applicable.

All related party transactions during the year were on ordinary course of business and at arm's length price and have been approved by the Board of Directors.

9. Directors' responsibility statement

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

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

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

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

(d) the directors had prepared the accounts for the financial year ended 31st March 2023 on a going concern basis; and

(e) 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.

10. Directors

Directors' appointment / re-appointment / cessation

During the year under review, Ms Sasikala Varadachari and Mr V Gopalakrishnan appointed as Additional Directors effective 28th September

2022 and 30th September 2022 respectively and they shall hold office upto the date of the ensuing Annual general meeting and their appointments will be regularized at the ensuing AGM as Directors liable to retire by rotation.

The Board expressed its condolences to the sad demise of Mr V N Venkatanathan on 29th September 2022.

Independent Directors (IDs)

The Ministry of Corporate Affairs vide its notification dated July 5, 2017, exempted the wholly owned subsidiaries, joint ventures and dormant companies from the requirement of appointing Independent Directors pursuant to section 149 (4) of the Act, 2013.

Subsequently, such companies were further exempted from the requirement of constitution of Audit and Nomination and Remuneration Committees, vide its notification dated July 13, 2017.

Thus, the provisions of Section 149 of the Act, 2013 pertaining to the appointment of Independent Directors and constitution of the said Committees does not apply to the Company.

Directors liable to retire by rotation

In terms of Article 21 of the Articles of Association of the Company, Mr K N Radhakrishnan retire from the office at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Policy on Directors appointment and remuneration of directors, Key Managerial Personnel (KMPs)

In accordance with Section 178 of the Act, 2013 the Nomination & Remuneration Policy (NRC Policy) formulated to ensure that executive directors and other employees are sufficiently compensated for their performance. The Policy seeks to provide criteria for determining qualifications, positive attributes and independence of a director.

Remuneration Policy

<u>Directors:</u>

NRC Policy will recommend the remuneration for executive and non-executive directors. This will be then approved by the board and shareholders. Prior approval of shareholders will be obtained, whenever required, in case of remuneration to non-executive directors.

<u>Key Managerial Personnel:</u>

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 prescribed statutory ceiling.

The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience / merits and performance of each employee.

The Company while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry.

The annual variable pay of senior executives is linked to the performance of the Company in general and their individual performance for the relevant year measured against Company's objectives fixed in the beginning of the year.

Criteria for Board Membership

<u>Directors:</u>

The Company will generally consider (i) their relevant experience in Finance/ Law/ Management/ Administration/ Research/ Corporate Governance/ Technical Operations or other disciplines related to company's business, (ii) having the highest personal and professional ethics, integrity and values and (iii) their willingness to devote sufficient time and energy in carrying out their duties and responsibilities.

Number of board meetings held

During the year under review, the board met Seven times on 04th May 2022, 24th August 2022, 28th September 2022, 30th September 2022, 28th December 2022, 17th February 2023 and 28th March 2023 the gap between the two meetings did not exceed one hundred and twenty days.

Key Managerial Personnel (KMPs)

During the year under review, Mr T Karthik Narayanan appointed as Company Secretary in the Board Meeting held on 24th August 2022 with immediate effect.

In terms of Section 203 of the Companies Act, 2013, M/s. V Karuanakara Reddy, Chief Executive Officer, S Sridhar, Chief Financial Officer and T Karthik Narayanan, Company Secretary are the Key Managerial Personnel of the Company as on 31st March 2023.

Evaluation of the board and directors

In terms of Section 134 of the Companies Act 2013 and the rules made thereunder, the board has carried out evaluation of its own performance.

The board discussed and assessed its own composition, size, mix of skills and experience, its meeting sequence effectiveness of discussion, decision making, follow up action, quality of information and the performance. Besides, the board considered both its characteristics and the effectiveness of its performance in carrying out its role and responsibilities in the context of the nature, scope, complexity and risk profile of the Company.

The evaluation of individual directors was made on the following criteria, namely (i) attendance for the meetings, participation and independence during the meetings, (ii) interaction with management, (iii) role and accountability of the board and knowledge and proficiency etc.

11. Deposits

The Company has not accepted any deposit from the public within the meaning of Chapter V of the Act 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the year ended 31st March 2023.

12. Auditors

<u>Statutory Auditors</u>

On recommendation of Board of Directors of the Company, members of the Company appointed M/s. Raghavan Chaudhuri & Narayanan, Chartered Accountants, Bengaluru having Firm Registration No. 007761S allotted by the Institute of Chartered Accountants of India as Statutory Auditors of the Company at the 10th Annual General Meeting of the Company for a term of 5 consecutive years i.e. till the conclusion of 15th Annual General Meeting pursuant to Section 139 of the Companies Act, 2013, at such remuneration in addition to applicable taxes, out of pocket expenses, travelling and other expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors.

The Statutory Auditors will continue to hold office for the 5th year in the first term of five consecutive years, from the conclusion of this AGM.

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

Secretarial Auditors

As required under Section 204 of the Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company is required to appoint a Secretarial Auditor for auditing secretarial and related records of the Company.

As required under Section 204 of the Act, 2013, the Secretarial Audit Report for the year 2022-23, given by Mr T N Sridharan, Practicing Company Secretary, Chennai for auditing the secretarial and related records is attached to this report. The Secretarial Audit Report does not contain any qualification, reservation or other remarks. Mr T N Sridharan, Practicing Company Secretary, Chennai, was appointed as Secretarial Auditors for carrying out the secretarial audit for the financial year 2023-24.

Both the Statutory Auditors Report and Secretarial Audit Report are free from any qualification, reservation or adverse remark or disclaimer, and hence do not warrant any explanation or comments by the board.

14. Disclosures

Information on conservation of energy, technology absorption, foreign exchange etc:

The Company has no activity relating to conservation of energy or technology absorption. The Company did not have any foreign exchange earnings or outgo, in terms of the requirements of Section 134(3) (m) of the Act 2013 read with the Companies (Accounts) Rules 2014.

Employee's remuneration:

There is no employee receiving the remuneration in excess of the limits prescribed under Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and hence the question of attaching a statement containing the prescribed details of such employees does not arise.

Details of loans / guarantees / investments made:

During the year under review, the Company had not granted any loans or guarantees covered under Section 186 of the Act 2013 read with the Companies (Meetings of Board and its powers) Rules, 2014, for the financial year 2022-23.

Please refer note no. 4 to Notes on accounts for the financial year 2022-23, for details of investments made by the Company.

Reporting of fraud:

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

Maintenance of cost records:

Pursuant to Section 148(1) of the Companies Act, 2013 cost records are required to be maintained by specified class of Companies whose turnover exceeds 35 Crores during the immediately preceding financial year. Further, companies covered under Table B of Rule 3 to Companies (Cost Records and Audit) Rules, 2014 whose overall annual turnover exceeds 100 Crores are required to get its cost records audited.

Since the turnover does not exceed the prescribed limit, cost records were not required to be maintained by the Company.

Insolvency and Bankruptcy Code

There are no applications made or any proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.

Onetime settlement with any Bank or Financial Institution

There are no One Time Settlement with any Bank or Financial Institution.

Disclosure in terms of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has duly constituted an Internal Complaints Committee as required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, there were no cases filed pursuant to the provisions of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act 2013.

15. Acknowledgement

The directors wish to thank the shareholders of the Company for their co-operation and support and also place on record their appreciation of the services and assistance rendered by the bankers of the Company.

For and on behalf of the Board

Place: Chennai Date: 29th April 2023	K N Radhakrishnan Director DIN: 02599393	V Goapalakrishnan Director DIN: 03291640

Annexure I

Form No. AOC – 2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis - Nil
2. Details of material contracts/arrangement/transactions at arm's length basis:

Particulars	Amount (In lakhs)
TVS Motor Company Limited, Holding Company	
Optionally Convertible Redeemable Preference Shares Investment	5,000.00
TVS Credit Services Limited, Fellow Subsidiary	
Repayment towards purchase of investment	4,133.33
Interest on payable towards purchase of investment	323.81

For and on behalf of the Board

Place: Chennai
Date: 29th April 2023

K N Radhakrishnan
Director
DIN: 02599393

V Goapalakrishnan
Director
DIN: 03291640

FORM NO.MR-3
SECRETARIAL AUDIT REPORT OF TVS MOTOR SERVICES LIMITED
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2023
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To

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

CIN: U50404TN2009PLC071075
Authorised Capital:Rs.875,00,00,000/-
Paid up Capital: Rs.199,63,38,140/-

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by TVS MOTOR SERVICES LIMITED, (CIN: U50404TN2009PLC071075) (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 authorized 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, 2023 complied with the statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

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

ii) Since the company is a wholly owned subsidiary of TVS Motor Company Limited, the provisions of Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014 is not applicable to the company. However, the company has effected dematerialization of its shares and has complied with the provisions of The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;

iii) The Company being unlisted public limited company, the provisions of The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder are not applicable;

iv) As the company has not done any Foreign Direct Investment, or overseas Direct Investment nor availed any External Commercial Borrowings, the provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings in not applicable to the company;

v) The Company being unlisted public limited company, the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable 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 (Prohibition of Insider Trading) Regulations, 2015;

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

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, which was replaced by the Securities and Exchange Benefits and Sweat Equity) Regulations, 2021(with effect from 13th August 2021);

e) 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;

f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

h) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; and

j) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.The Company has materially complied with laws applicable specifically to the Company.

vi) The Company has materially complied with laws applicable specifically to the Company.

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 being unlisted public limited company, the company is not required to enter into Listing Agreements with any Stock Exchange(s), and hence compliance in relation thereto is not applicable.

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

i) The Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

ii) 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 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.

iii) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. However, on perusal of the minutes of the board meetings, it was observed that there was no dissenting note made by any 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) Pursuant to provision of Section 149(4), 177, 178 of the Companies Act, 2013 read with MCA Notification dated 5th July, 2017 and 13th July, 2013, read with Rule 6 of the Companies (Meetings of Board and its powers) Rules, 2014 and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2017, the company being a wholly owned subsidiary of TVS Motor Company Limited, the company was exempt from the constitution of Audit Committee and Nomination and Remuneration Committee.

ii) Further companies with CSR spending of less than Rs.50 lakhs per year are exempt from the constitution of Corporate Social

Responsibility Committee. However, since the Company has incurred loss during the preceding three financial years, the company is not liable to spend any amount in pursuance of its Corporate Social Responsibility Policy as required under Section 135(4) of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

iii) Accordingly, the board of directors in its meeting held on 20th August, 2021 has passed resolution for dissolution of the Audit Committee, Nomination and Remuneration Committee with effect from 20th August, 2021 and the CSR Committee was dissolved with effect from 3rd May, 2022 in pursuance of the provisions of Section 135(9) of the Companies Act, 2013.

iv) Considered and recorded the Risk Management Policy followed by the Company in terms of Section 134(3)(n) of the Companies Act, 2013 including identification therein of elements of risk, if any, which in the opinion of the board, may threaten the existence of the company;

v) has appointed Mrs. Sasikala Varadachari as additional director (to comply with the requirement of appointing woman director) on 28th September, 2022 in compliance with the provisions of Section 149 of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the relevant Form DIR-12 for her appointment was filed with the Registrar of Companies, in compliance with the provisions of the Act.

I further report that from the information and explanations furnished to me, during the audit period

i) The Company had issued and allotted to the holding company M/s. TVS Motor Company Limited 5,00,00,000 Optionally Convertible Redeemable Preference Shares of Rs.10/- each at par aggregating to Rs.50 Crores on Preference basis on 28th March 2023;

ii) No Foreign technical collaborations have been entered into during the year under review.

T.N.SRIDHARAN
Company Secretary
Membership No. FCS 3797
C.P.No.4191
UDIN: F003797E000223005

Place: Chennai
Date: 04th May 2022

To
The Members
TVS MOTOR SERVICES LIMITED,
“Chaitanya”,
No. 12, Khader Nawaz Khan Road,
Nungambakkam, Chennai 600 006

CIN: U50404TN2009PLC071075
Authorised Capital:Rs.875,00,00,000/-
Paid up Capital: Rs.199,63,38,140/-

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. We 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.

T.N.SRIDHARAN
Company Secretary
Membership No. FCS 3797
C.P.No.4191
UDIN: F003797E000223005

Place: Chennai
Date: 04th May 2022

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2023

To the Members of TVS Motor Services Limited

Report on the Audit of the Standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of TVS Motor Services Limited ("the Company"), having its registered office at "Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai-600 006, Tamil Nadu which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31st March 2023, and its loss, total comprehensive loss , its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Annual Report to the Shareholders but does not include the standalone financial statements and our auditor's report thereon. The Annual Report to the Shareholders is expected to be made available to us after the date of this Auditor's Report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the 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.

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

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

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

Auditor's Responsibilities for the Audit of the 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 Standards on Auditing 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 Standards on Auditing, we exercise professional judgment 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 Act, 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, 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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the 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 purpose of our audit;

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

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, 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 Ind AS specified under section 133 of the Act;

   (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of section 164(2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";

   (g) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act. In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors;

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

      (i) The Company has disclosed impact of pending litigations on the financial position in its standalone financial statements; Refer Note 28

      (ii) The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses as at 31 March 2023

      (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 (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;

      (b) The Management has represented, that, to the best of its knowledge and belief, 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.

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

      (v) The Company has not declared any dividends during the year.

      (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants
FRN: 007761S
V. SATHYANARAYANAN
Partner
Membership No. 027716

UDIN	23027716BGYLRZ9326

Place : Bangalore
Date : 29th April 2022

Annexure "A" to Independent Auditors' Report 31st March 2023

(Referred to in our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

(B) The Company doesn't have any intangible assets Accordingly, the provisions of clause 3(i)(b) of the Order are not applicable;

(b) The Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the Property, Plant and Equipment is reasonable having regard to the size of the Company and the nature of its assets;

(c) The title deeds of all the immovable properties (other than properties where the company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company;

(d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year;

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder;

ii. (a) The Company does not hold any inventory (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(ii) (a) of the Order are not applicable.

(b) The Company has not been sanctioned working capital limits in excess of 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable;

iii. The Company has not made investments and has not provided any Guarantee or security or granted any loans or advances in nature of loans secured or unsecured to companies, firms, Limited Liability Partnerships, or any other parties, during the year. Accordingly, the provision of clause 3(iii)(a) to 3 (iii)(f) of the order is not applicable;

iv. In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security;

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

vi. The maintenance of cost records has not been specified by the Central Government under sub- section (1) of section 148 of the Companies Act, 2013 for the business activities carried out bythe Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company;

vii. In respect of statutory dues:

(a) The Company is regular in depositing undisputed statutory dues, income-tax, Goods and service tax, duty of customs, and other material statutory dues, as applicable, to the appropriate authorities. Further, company doesn't have any liability under provident fund, employee state insurance, customs duty and no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable;

(b) There are no dues in respect of income-tax, sales-tax, Goods and service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute except the following:

Disputed Income Tax Demand	Rs. (In Lakhs)
1)FY 2011-12	1.06
2) FY 2011-12	0.35
3) FY 2017-18	397.26

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

ix. (a) The Company has not defaulted in repayment of loans or borrowings to any lender during the year;

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

(c) The Company has not obtained term loan during the year. Accordingly, the provisions of clause 3(ix)(c) of the Order are not applicable;

(d) The Company has not raised any short-term funds during the year. Accordingly, the provisions of clause 3(ix)(d) of the Order are not applicable.;

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and hence reporting on clause 3(ix)(e) of the order is not applicable;

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable;

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable;

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

xi. (a) No fraud by the Company and 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 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report;

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year;

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

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards;

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

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures;

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

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

(d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable;

xvii. The Company has not incurred cash losses during the financial year but had incurred cash losses amounting to Rs 3,23,16,868 in immediately preceding financial year covered by our audit;

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

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

xx. The provision of section 135 of Companies Act, is not applicable to company and hence reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable;

For RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants
FRN: 007761S
V. SATHYANARAYANAN
Partner
Membership No. 027716

UDIN	23027716BGYLRZ9326

Place : Bangalore
Date : 29th April 2022

Annexure 'B' to the Independent Auditors' Report for the year ended 31st March 2023

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of TVS Motor Services Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of subsection 3 of Section 143 of the Companies Act, 2013 (the "Act")

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

Management's Responsibility for Internal Financial Controls

The Management of the Company 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 issued by the Institute of Chartered Accountants of India (the "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 Act

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI 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 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 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 March 31, 2023, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants
FRN: 007761S
V. SATHYANARAYANAN
Partner
Membership No. 027716

UDIN	23027716BGYLRZ9326

Place : Bangalore
Date : 29th April 2022

BALANCE SHEET AS AT 31st March 2023

(All amounts in Lakhs, unless otherwise stated)

	Notes	As at March 31, 2023	As at March 31, 2022
Assets			
Non-current assets			
Capital work in progress	3	569.75	569.75
Investment property	2	9,029.61	9,029.61
Financial assets			
i. Investments	4	2,352.43	2,101.70
ii Loans	5	150.18	144.10
Income Tax Assets (Net)	6	72.89	72.22
Other non current assets	7	1.32	-
Deferred Tax assets	12	1,202.54	1,184.15
Total non-current assets		13,3785.72	13,101.53
Current assets			
Inventories			
Financial assets			
i. Trade Receivables	8	797.36	797.36
ii. Cash and cash equivalents	9	680.28	80.35
iii. Other receivables	10	6,555.18	6,298.05
Other current assets	11	701.59	701.56
Total current assets		8,734.41	7,877.32
Total Assets		22,113.13	20,978.85
Equity and liabilities			
Equity			
Equity share capital	13	14,963.38	14,963.38
Other Equity			
Reserves and surplus	14	1,412.69	366.83
Total equity		16,376.07	15,330.21
Liabilties			
Non-current liabilities			
Financial liabilities			
Borrowings			
i. Borrowings	15	3,919.45	-
Total non-current liabilities		3,919.45	-
Current liabilities			
Financial liabilities			
Borrowings			
i. Borrowing			-
ii Trade payables			
Total Outstanding dues of Micro Enterprises and Small Enterprises	16	-	-
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises (Refer Note 30 B)		174.85	175.92
iii. Other financial liabilities	17	454.83	4,263.87
Current Tax Liabilities (Net)			-
Other current liabilities	18	1,187.93	1,208.85
Total current liabilities		1,817.61	5,648.64
Total liabilities		5,737.06	5,648.64
Total equity and liabilities		22,113.13	20,978.85
Significant accounting policies	1		

As per our report of even date
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No. FRN 007761S

V. Sathyanarayanan
Partner
Membership No. 027716

For and on behalf of the Board

K N Radhakrishnan
Director

V Gopalakrishnan
Director

V Karunakara Reddy
Chief Executive Officer

S Sridhar
Chief Financial Officer

T Karthik Narayanan
Company Secretary

Place: Chennai
Date:29-Apr-2023
UDIN: 23027716BGYLRZ9326

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2023

(All amounts in Lakhs, unless otherwise stated)

	Notes	1st April 2022 to 31st March 2023	1st April 2021 to 31st March 2022
Income			
Revenue from operations		-	-
Other income	19	38.54	12.14
Total income		**38.54**	**12.14**
Expenses			
Finance costs	20	327.46	938.59
Other expenses	21	18.52	18.97
Total expenses		**345.98**	**957.56**
Profit/(loss) before tax		**(307.44)**	**(945.42)**
Tax Expense	22		
Current tax			-
Deferred tax		(81.49)	(156.61)
Profit/(loss) for the year		**(225.95)**	**(788.81)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Changes in fair value of FVOCI equity instruments		250.73	152.62
Income taxes on the above		**(63.10)**	**(38.41)**
Other comprehensive income for the year, net of tax		**187.63**	**114.21**
Total comprehensive loss for the year		**(38.32)**	**(674.60)**
Significant accounting policies	**1**		
Earnings per equity share (Basic/ diluted earnings per share) (in Rs)	23	(0.15)	(1.18)

As per our report of even date
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No. FRN 007761S

For and on behalf of the Board

K N Radhakrishnan
Director

V Gopalakrishnan
Director

V Karunakara Reddy
Chief Executive Officer

V. Sathyanarayanan
Partner
Membership No. 027716

S Sridhar
Chief Financial Officer

T Karthik Narayanan
Company Secretary

Place: Chennai
Date:29-Apr-2023
UDIN: 23027716BGYLRZ9326

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2023

(All amounts in Lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Cash flow from operating activities		
Profit before income tax	(307.44)	(945.42)
Adjustments for		
Interest income accrued reversed	(6.75)	(7.00)
Unwinding of discount on security deposits	**323.81**	**622.25**
Operating Profit Before Working Capital Changes	**9.62**	**(330.17)**
Change in operating assets and liabilities		
(Increase)/decrease in other current assets	**(258.48)**	**(72.56)**
Increase/(decrease) in other financial liabilities	**(4,133.93)**	**(4,133.35)**
Increase/(decrease) in other current liabilities	**(20.92)**	**48.54**
Cash generated from operations	**(4,403.71)**	**(4,487.54)**
Income taxes paid		
Cash used in operating activities	(4,403.71)	(4,487.54)
Cash flows from investing activities		
Sale of Investment in Urban Infra Opportunities Fund	-	3.60
(Increase) /decrease in other Financial assets		(5.82)
Interest Income	**3.64**	**7.00**
Net genrated from/(used in) investing activities	**3.64**	**4.78**
Cash flows from financing activities		
Proceeds from issue of Share capital	-	9,600.00
Proceeds(Repayment) of Borrowings	**5,000.00**	**(5,137.13)**
Net cash genrated from financing activities	**5,000.00**	**4,462.87**
Net increase (decrease) in cash and cash equivalents	**599.93**	**(19.89)**
Cash and cash equivalents at the beginning of the financial year	80.35	100.24
Cash and cash equivalents at the end of the year	**680.28**	**80.35**

As per our report of even date
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No. FRN 007761S

V. Sathyanarayanan
Partner
Membership No. 027716

For and on behalf of the Board

K N Radhakrishnan
Director

V Gopalakrishnan
Director

V Karunakara Reddy
Chief Executive Officer

S Sridhar
Chief Financial Officer

T Karthik Narayanan
Company Secretary

Place: Chennai
Date:29-Apr-2023
UDIN: 23027716BGYLRZ9326

Statement of Changes in Equity

(All amounts in Lakhs, unless otherwise stated)

I) Equity Share Capital

Particulars	Notes	Amounts
Balance as at 1st Apr, 2021		**5,363.38**
Changes in equity share capital during the year	13	9,600.00
Balance as at 1st Apr, 2022		**14,963.38**
Changes in equity share capital during the year	13	
Balance as at March 31, 2023		**14,963.38**

II) Other equity

Particulars	Notes	Reserves and surplus		Other reserves		Total
		Retained earnings	Capital reserve	FVOCI - Equity instruments	Fair valuation of preference share issued *	
Balance as at March 31, 2021		**732.61**	**(24.09)**	**332.91**	**-**	**1,041.43**
Loss for the period	14 (a)	(788.81)				**(788.81)**
Other Compreshensive income (net of tax)	14 (b)			114.21		**114.21**
Balance as at March 31, 2022		**(56.20)**	**(24.09)**	**447.12**	**-**	**366.83**
Loss for the period	14 (a)	(225.95)				**(225.95)**
Other Compreshensive income (net of tax)	14 (b)			187.63		**187.63**
Fair valuation of Preference shares	14 (a)				1,084.18	**1,084.18**
Balance as at March 31, 2023		**(282.15)**	**(24.09)**	**634.75**	**1,084.18**	**1,412.69**

* Reserve created for the equity component arising in fair valuation of Optionally Convertible Redeemable Preference shares.(Refer Note: 13.i)

As per our report of even date
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No. FRN 007761S

V. Sathyanarayanan
Partner
Membership No. 027716

For and on behalf of the Board

K N Radhakrishnan
Director

V Gopalakrishnan
Director

V Karunakara Reddy
Chief Executive Officer

S Sridhar
Chief Financial Officer

T Karthik Narayanan
Company Secretary

Place: Chennai
Date:29-Apr-2023
UDIN: 23027716BGYLRZ9326

1. Significant Accounting Policies forming part of Financial Statements

COMPANY BACKGROUND

TVS Motor Services Limited ('the Company') 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 – 600 006, Tamil Nadu, India.

SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of accounts:

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

b. Historical cost convention

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

- certain financial assets and liabilities that is measured at fair value;

c. Critical Estimates and judgments

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 recognized prospectively in the current and future period.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

d. 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 asset's 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. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

e. Revenue Recognition

I. Income is recognized as per the terms of contract, on accrual basis.

II. Dividends are recognised in profit or loss only when the right to receive payment is established.

f. Financial liabilities and equity instruments

a) Classification as debt or equity :

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b) Equity instruments :

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of directly attributable transaction costs.

c) Financial liabilities:

Financial liabilities are classified as measured at amortised cost or 'FVTPL'.

A Financial Liability is classified as at FVTPL if it is classified as

- held-for-trading or
- it is a derivative (that does not meet hedge accounting requirements) or
- it is designated as such on initial recognition.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IND AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with IND AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss.

d) Other financial liabilities :

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

g. Financial Assets:

1) Classification

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

- fair value through other comprehensive income,
- fair value through profit or loss, and
- Measured at amortized cost.

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.

2) Measurement:

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt Instruments:

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

Amortised Cost:

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

Fair Value through profit or loss:

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

3) Impairment of 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 an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

4) De-recognition of financial assets:

A financial asset is derecognised only when:

The Company has transferred the rights to receive cash flows from the financial asset or the Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized, if the Company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

5) 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 realize the asset and settle the liability simultaneously.

h. Taxation

i. Provision for current tax is made on the basis of taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

ii. 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.

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 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 not recognised for unclaimed tax credits that are carried forward as deferred tax assets.

i. Functional Currency:

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.

j. Borrowings

Borrowings that are not eligible to be carried under amortised cost model is designated as fair value through profit or loss on initial recognition.

Borrowings are initially recognised at fair value, net of transaction cost incurred. Processing fee on loan borrowed is amortized over the tenor of the respective loan.

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

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

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

k. Borrowings cost:

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

l. Recovery cost:

Recovery cost representing the expenditure incurred in recovery of the outstanding dues are accounted in the year in which the expenditure are incurred.

m. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of the transactions of non-cash nature. Deposits which are lien marked with maturity period exceeding 3 months are not treated as cash and cash equivalent for cash flow statement.

n. Earnings Per Share

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

o. Impairment

The carrying amounts of assets are reviewed at each balance sheet date for indication of any impairment based on internal/external factors. An impairment loss is recognized wherever carrying amount of the assets exceeds its recoverable amount. Any such impairment loss is recognized by charging it to the Statement of Profit and Loss. A previously recognized impairment loss is reversed where it no longer exists and the assets are restated to the effect.

p. Operating Cycle

All assets & liabilities are classified as Current and Non-Current based on the operating cycles which have been estimated to be 12 months and which are expected to be realized and settled within a period of 12 months from the date of the Balance sheet.

q. Provisions

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

r. Contingent liabilities

Wherever there is a possible obligation that may, but probably will not require an outflow of resources, the same is disclosed by way of contingent liability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

s. 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.

t. Business Combination

Business combinations involving entities under common control are accounted for using the pooling of interests method as follows:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

(iii) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

(iv) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

(v) The identity of the reserves are preserved and the reserves of the transferor becomes the reserves of transferee.

(vi) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

u. Revenue recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

Notes to Balance Sheet

(All amounts in Lakhs, unless otherwise stated)

2 Investment Property

Particulars	Gross Value				
	As at 1st April 2022	Additions during the year due to business combination	Additions during the year	Deletions during the year	As at 31st Mar 2023
Land*	9,029.61	-	-	-	9,029.61
Total	**9,029.61**		**-**	**-**	**9,029.61**

Fair Value of the land as at 31/03/2020 Rs.44,601.00 Lakhs (31/03/2019 Rs.44,601.00 Lakhs)

Particulars	Gross Value				
	As at 1st April 2021	Additions during the year due to business combination	Additions during the year	Deletions during the year	As at 31st March 2022
Land*	9,029.61	-	-	-	9,029.61
Total	**9,029.61**		**-**	**-**	**9,029.61**

Fair Value of the land as at 31/03/2019 Rs.44,601.00 Lakhs (31/03/2018 Rs.44,601.00 Lakhs)

*1. A part land is given as security for term loan borrowing of subsidiary company .

* 2. Land includes Rs. 5,542 lakhs, whose possession has been taken by Company and supported by Agreement of Sale,Power of Attorney and in respect of which process of registration is in progress.

3

Capital work in progress	March 31, 2023	March 31, 2022
Capital work in progress	569.75	569.75
Total Capital work in progress	**569.75**	**569.75**

Ageing of Capital work-in- progress as on 31st March 2023

Particulars	Amount in CWIP for following periods as on 31-Mar-2023				
	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Projects temporarily suspended				569.75	569.75

Ageing of Capital work-in- progress as on 31st March 2022

Particulars	Amount in CWIP for following periods as on 31-Mar-2022				
	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Projects temporarily suspended				569.75	569.75

4 Investments

	March 31, 2023	March 31, 2022
Unquoted		
Investment in equity shares carried at FVOCI		
TVS Credit Services Limited		
10,90,125 equity shares of Rs.10 each fully paid up	2,016.73	1,766.00
Phi Research Private Ltd	300.70	300.70
Investment Carried at FVTPL		
Investment in CIG Reality Fund	35.00	35.00
(5,00,000 (PY 5,00,000) units of Rs 10 each)		
Total Investments	**2,352.43**	**2,101.70**
Agregate amount of quoted investments and market value thereof		
Agregate amount of unquoted investments	2,352.43	2,101.70
Total	**2,352.43**	**2,101.70**

5 Loans

	March 31, 2023	March 31, 2022
Loans	150.18	144.10
Total	**150.18**	**144.10**

Unsecured Loan of Rs.135 lakhs given to South Asia Electronics Limited @5%p.a

6 Income Tax Assets (Net)

Income Tax Assets (Net)	72.89	72.22
Total Other- Income Tax Assets	**72.89**	**72.22**

7 Other non current assets

Security Deposit	1.32	-
Total Other non current assets	**1.32**	**-**

8 Trade Receivables

Secured, considered good	-	-
Unsecured, considered good	797.36	797.36
Total Trade Receivables	**797.36**	**797.36**

Notes to Balance Sheet (Contd.)

(All amounts in Lakhs, unless otherwise stated)

Ageing for trade receivables as on 31.03.2023

Particulars	Outstanding for following periods from due date of payment as on 31-Mar-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	-	-	-	-	797.36	797.36
(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	-	-	-	-	-	-

Note: Company is confident of receiving the money, hence no provision is made.

Ageing for trade receivables as on 31.03.2022

Particulars	Outstanding for following periods from due date of payment as on 31-Mar-2022					
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	-	-	-	797.36	797.36
(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	-	-	-	-	-	-

Note: Company is confident of receiving the money, hence no provision is made.

		March 31, 2023	March 31, 2022
9	**Cash and cash equivalents**		
	Balances with banks	617.60	16.59
	Cash on Hand	62.68	63.76
	Total cash and cash equivalents	**680.28**	**80.35**
10	**Other financial assets**		
	Secured		
	Receivable towards sale of property and other assets	6,555.18	6,298.05
	Total Other receivables	**6,555.18**	**6,298.05**
11	**Other Current assets**		
	Balance with GST/ Service Tax Department	701.59	701.56
	Total Other Current assets	**701.59**	**701.56**

Notes to Balance Sheet
(All amounts in Lakhs, unless otherwise stated)

12 Deferred tax Liabilities/(asset)

The balance comprises temporary differences attributable to:

Particulars	March 31, 2023	March 31, 2022
Depreciation		
Fair valuation of financial liabilties	-	81.49
Fair valuation of financial asset	269.93	206.83
Invesment Property	(1,472.47)	(1,472.47)
Net deferred tax Liabilities/(asset)	**(1,202.54)**	**(1,184.15)**

Movement in deferred tax assets/(liabilities)	Investment Property	Fair valuation of financial asset	Fair valuation of financial liabilties	Total
At Mar 31, 2022	**(1,472.47)**	**206.83**	**81.49**	**(1,184.15)**
- to profit or loss		63.10	(81.49)	(18.39)
- to other comprehensive income				
At Mar 31, 2023	**(1,472.47)**	**269.93**	**-**	**(1,202.54)**

Note:-

1) Deferred Tax assets been recognised on certain losses. The group has concluded tax assets will be recoverable against future taxable income.

13 Equity share capital

i) Authorised, issued, subscribed & fully paid equity share capital

a) Equity Share Capital

Particulars	As at 31-03-2023		As at 31-03-2022	
	Number	Rs in Lakhs	Number	Rs in Lakhs
Authorised Capital				
Equity Shares of Rs.10/- each	26,00,00,000	26,000.00	26,00,00,000	26,000.00
Issued, Subscribed & Paid up Capital				
Equity Shares of Rs.10/- each fully paid	14,96,33,814	14,963.38	14,96,33,814	14,963.38
	14,96,33,814	**14,963.38**	**14,96,33,814**	**14,963.38**

b) Preference Share Capital

Particulars	As at 31-03-2023		As at 31-03-2022	
	Number	Rs in Lakhs	Number	Rs in Lakhs
Authorised Preference share Capital				
Non cumulative Optionally Convertible Redeemable Preference Shares of Rs.10/- each fully paid	61,50,00,000	61,500.00	-	-
Issued, Subscribed & Paid up Capital				
Non cumulative Optionally Convertible Redeemable Preference Shares of Rs.10/- each fully paid	5,00,00,000	5,000.00	-	-
	5,00,00,000	**5,000.00**	**-**	**-**

Note: The company has issued OCRPS, financial liability portions is accounted as financial liability as per 'Ind AS -32 Financial Instruments: Presentation and disclosure' under Non Current borrowings (refer note: 15) and equity component is accounted as reserves (refer note:14)

Notes to Balance Sheet (Contd.)

(All amounts in Lakhs, unless otherwise stated)

ii) Reconciliation of equity share outstanding at the beginning and end of the year

a) Equity Share Capital

Particulars	As at 31-03-2023		As at 31-03-2022	
	Number	Rs in Lakhs	Number	Rs in Lakhs
Shares outstanding at the beginning of the year	14,96,33,814	14,963.38	5,36,33,814	5,363.38
Shares Issued during the year	-	-	9,60,00,000	9,600.00
Shares outstanding at the end of the year	14,96,33,814	14,963.38	14,96,33,814	14,963.38

b) Preference Share Capital

Particulars	As at 31-03-2023		As at 31-03-2022	
	Number	Rs in Lakhs	Number	Rs in Lakhs
Shares outstanding at the beginning of the year	-	-	-	-
Shares Issued during the year	5,00,00,000	5,000.00	-	-
Shares outstanding at the end of the year	5,00,00,000	5,000.00	-	-

iii) Rights and preferences attached to equity share:

Every shareholder is entitled to such rights as to attend the meeting of the shareholders, to receive dividends distributed and also has a right in the residual interest of the assets of the company. Every shareholder is also entitled to right of inspection of documents as provided in the Companies Act 2013.

iv) Details of shares held by holding company at the end of 31st March 2023 for both Equity and Preference Share Capital

a) Equity Share Capital

Name of Shareholder	Relationship	Class of Share	31-Mar-23		31-Mar-22	
			Share holding %	No. of Shares held	Share holding %	Number of shares
TVS Motor Company Limited	Holding company	Equity	100%	14,96,33,814	100%	14,96,33,814

* 6 equity shares of the Company are held by the nominees of the holding company

b) Preference Share Capital

Name of Shareholder	Relationship	Class of Share	31-Mar-23		31-Mar-22	
			Share holding %	No. of Shares held	Share holding %	Number of shares
TVS Motor Company Limited	Holding company	Preference	100%	5,00,00,000	0%	-

v) Details of other shareholders holding more than 5% shares in the company

Name of Shareholder	Class of Share	31-Mar-23		31-Mar-22	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
TVS Motor Company Limited	Equity	14,96,33,814	100%	14,96,33,814	100%

Name of Shareholder	Class of Share	31-Mar-23		31-Mar-22	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
TVS Motor Company Limited	Preference	5,00,00,000	100%	-	0%

Notes to Balance Sheet

(All amounts in Lakhs, unless otherwise stated)

vi) Details of shares held by promoters as at 31st March 2023

Name of Shareholder	Class of Share	31-Mar-23		31-Mar-22		% Change during the year
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	
TVS Motor Company Limited	Equity	14,96,33,814	100%	14,96,33,814	100%	0%

Name of Shareholder	Class of Share	31-Mar-23		31-Mar-22		% Change during the year
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	
TVS Motor Company Limited	Preference	5,00,00,000	100%	-	0%	100%

14 (a)

Reserves and surplus	March 31, 2023	March 31, 2022
Retained earnings	(282.15)	(56.20)
Captial reserves	(24.09)	(24.09)
Total reserves and surplus	**(306.24)**	**(80.29)**
a) Retained earnings		
Opening balance	(56.20)	732.61
Net Loss for the period	(225.95)	(788.81)
Closing balance	**(282.15)**	**(56.20)**
b) Capital reserve		
Opening balance	(24.09)	(24.09)
Closing balance	**(24.09)**	**(24.09)**

Note

Retained earnings: Company's cumulative earnings since its formation minus the dividends/capitalisation.

Capital Reserve: Gain on common control business combination has been credited capital reserve\

14 (b)

	Reserves and surplus	March 31, 2023	March 31, 2022
(i)	**FVOCI-Equity Instruments**		
	Opening balance	447.12	332.91
	Other Compreshensive income (net of tax)	187.63	114.21
	Closing Balance	**634.75**	**447.12**
(ii)	**Fair valuation of preference share issued**		
	Opening balance	-	-
	Fair valuation of preference share issued	1,084.18	-
	Closing Balance	**1,084.18**	**-**

15

Borrowings	March 31, 2023	March 31, 2022
Non Cumulative optionally Convertible Redeemable Preference shares	3,919.45	-
Total borrowings	**3,919.45**	**-**

0.01% Optionally Convertible Redeemable Preference shares for Rs. 5000 lakhs was issued issued during the year. As per Ind AS109, the same has been fair valued. (Refer Note 13.i)

16

Trade payables	March 31, 2023	March 31, 2022
Current		
Total Outstanding dues of Micro Enterprises and Small Enterprises *		
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	174.85	175.92
Total trade payables	**174.85**	**175.92**

* Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by management. There are no interest due or outstanding on the same.

Notes to Balance Sheet (Contd.)

(All amounts in Lakhs, unless otherwise stated)

Ageing for Trade Payables as on 31.03.2023

Particulars	Outstanding for following periods from due date of payment as on 31-Mar-2023				
	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	5.40	-	-	169.44	174.85
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-

Ageing for Trade Payables as on 31.03.2022

Particulars	Outstanding for following periods from due date of payment as on 31-Mar-2022				
	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	5.40	-	-	170.52	175.92
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-

17	Financial liabilities	March 31, 2023	March 31, 2022
	Current		
	Bond Redemption money payable		
	Payable for purchase of investments and investment property*	267.16	4,076.20
	Payable to Holding company		
	Stale Cheques	54.03	54.03
	Payable Others	133.64	133.64
	Total other current financial liabilities	454.83	4,263.87

*Refer Note 29(f)

18	Other current liabilities	March 31, 2023	March 31, 2022
	Statutory Dues	893.18	896.48
	Advance from customers	67.11	67.11
	- Advance received Chennai business consulting Pvt Ltd.	227.64	245.26
	Total other current liabilities	1,187.93	1,208.85

19	**Other income**	March 31, 2023	March 31, 2022
	a) Other income		
	Other Non Operating Income	31.79	5.14
	Interest income on loan to SAEL	6.75	7.00
	Total other income	38.54	12.14

20	**Finance Cost**	March 31, 2023	March 31, 2022
	Other Borrowing Cost (Refer Note 29(e))	327.46	938.59
	Total finance cost	327.46	938.59

21	**Other expenses**	March 31, 2023	March 31, 2022
	Rates and Taxes	0.14	0.12
	Payment to Auditor* (Refer below note)	6.00	6.00
	Consultancy Fees	8.19	8.55
	Other expenses	4.19	4.30
	Total other expenses	**18.52**	**18.97**
	Details of payment to auditors		
	Payment to auditors		
	As Statutory auditors	6.00	6.00
	Total payment to auditors	**6.00**	**6.00**

Notes to Balance Sheet

(All amounts in Lakhs, unless otherwise stated)

22

Income tax expense	March 31, 2023	March 31, 2022
(a) Income tax expense		
Current tax	-	-
Current tax on profits for the year	-	-
Total current tax expense	**-**	**-**
Deferred tax		
Decrease (increase) in deferred tax assets	(18.39)	(118.20)
(Decrease) increase in deferred tax liabilities		
Total deferred tax expense/(benefit)	**(18.39)**	**(118.20)**

23

Earnings per share	March 31, 2023	March 31, 2022
(a) Basic and diluted earnings per share		
Basic and diluted earnings per share attributable to the equity holders of the company (in rupees)	(0.15)	(1.18)
(b) Reconciliations of earnings used in calculating earnings per share		
Basic and diluted earnings per share		
Profit attributable to equity holders of the company used in calculating basis earnings per share (Rs in lakhs)	(225.95)	(788.81)
(c) Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (in numbers)	14,96,33,814	6,65,92,718

Preference shares issued during the year are optionally convertible at the end of the tenure (36 months). They are convertible at a price per Equity Share equivalent to the fair market value determined by a registered valuer (as defined under the Act) within 30 days from the date of issuance of the Conversion Notice

Since the ratio of conversion is not determinable, the same has not been included in computation of Weighted Average Number of Equity Shares for Diluted EPS

24 Fair value measurements

Financial instruments by category

	March 31, 2023			March 31, 2022		
	FVTPL	**FVOCI**	**Amortised cost**	**FVTPL**	**FVOCI**	**Amortised cost**
Financial assets						
Investments						
- Equity instruments	-	300.70	-	-	300.70	-
- Other funds	35.00	-	-	35.00	-	-
- Equity share of TVS Credit Services to be retained		2,016.73			1,766.00	
Loan			150.18			144.10
Trade receivable			797.36			797.36
Cash and cash equivalents	-	-	680.28	-	-	80.35
Receivable towards sale of property	-	-	6,555.18	-	-	6,298.05
Total financial assets	**35.00**	**2,317.43**	**8,183.00**	**35.00**	**2,066.70**	**7,319.86**
Financial liabilities						
Borrowings	-	-	3,919.45	-	-	-
Trade payables	-	-	174.85	-	-	175.92
Payable towards purchase of Investments	-	-	267.16	-	-	4,076.20
Other financial liabiity	-	-	187.67	-	-	187.67
Total financial liabilities	**-**	**-**	**4,549.13**	**-**	**-**	**4,439.79**

FVTPL:- Fair Value through Profit and loss

FVOCI:- Fair Value through Other comprehensive Income

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Notes to Balance Sheet (Contd.)

(All amounts in Lakhs, unless otherwise stated)

Financial assets and liabilities measured at fair value - recurring fair value measurements

Particulars	Notes	At 31 March 2023	At 31 March 2022
Level 3 Measurements			
Financial Assets			
Investments	4	2,352.43	2,101.70
Total financial Assets		**2,352.43**	**2,101.70**
Financial liabilities			
Borrowings	14	-	-
Total financial liabilities		**-**	**-**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

Particulars	Notes	At 31 March 2023	At 31 March 2022
Level 3 Measurements			
Financial assets			
		-	-
Total financial assets		**-**	**-**
Financial liabilities			
Payable towards purchase of Investments	15	267.16	4,076.20
Total financial liabilities		**267.16**	**4,076.20**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, 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. This is the case for unlisted equity securities, included in level 3.

There are no transfers between levels 1 and 2 during the year.

The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments

- the use of entity specific growth rates and discount rates applicable to the entity

- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2

(iii) Fair value measurements using significant unobservable inputs (level 3)

	Preference shares
As at 1 April 2022	**-**
Issue/ (redemption)	5,000.00
Fair value recognised through reserves	(1,085.46)
Fair value recognised in profit or loss	-
Fair value recognised in OCI	-
As at 31st Mar 23	**3,914.54**

Notes to Balance Sheet
(All amounts in Lakhs, unless otherwise stated)

(iii) Valuation processes

Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset and Earnings growth factor.
Risk adjustments have been derieved based on the market risk premium adjusted for companies relevered financial data

(iv) Fair value of financial assets and liabilities measured at amortised cost

	31-Mar-23		31-Mar-22	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial assets				
Loan	150.18	150.18	144.10	144.10
Trade receivable	797.36	797.36	797.36	797.36
Cash and cash equivalents	680.28	680.28	80.35	80.35
Receivable towards sale of property	6,555.18	6,555.18	6,298.05	6,298.05
Total financial assets	**8,183.00**	**8,183.00**	**7,319.86**	**7,319.86**
Financial Liabilities				
Borrowings	3,919.45	3,919.45	-	-
Trade payables	174.85	174.85	175.92	175.92
Payable towards purchase of Investments	267.16	267.16	4,076.20	4,076.20
Other financial liabiity	187.67	187.67	187.67	187.67
Total financial liabilities	**4,549.13**	**4,549.13**	**4,439.79**	**4,439.79**

The carrying amounts of trade receivables, receivables for sale of property, trade payables, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

25 Financial risk management

The company's activities expose it to liquidity risk and credit risk.

(A) Credit risk

Credit risk arises from cash and cash equivalents, and receivables for sale of property

(i) Credit risk management

Credit risk is on cash and cash equivalents are managed by depositing in high rated banks/institutions are accepted and company faces negligible credit risk on receivable from sale of property

(B) Liquidity risk

Company is managing liquidity risk by issue of Preference Shares

(i) 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 amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities:

31 March 2023	Less than 3 months	Between 3 Month and 1 year	Between 1 and 2 years	Greater than 2 years	Total
Non-derivatives					
Convertible Preference Shares	-			5,000.00	5,000.00
Payable towards purchase of Investments	267.16	-		-	267.16
Trade payables	174.85	-	-	-	174.85
Other financial liabilities	187.67	-	-	-	187.67
Total non-derivative liabilities	629.68	-	-	5,000.00	5,629.68

Notes to Balance Sheet (Contd.)

(All amounts in Lakhs, unless otherwise stated)

31 March 2022	Less than 3 months	Between 3 Month and 1 year	Between 1 and 2 years	Greater than 2 years	Total
Non-derivatives					
Convertible Preference Shares	-	-	-	-	-
Payable towards purchase of Investments	267.16	4,133.33		-	4,400.49
Trade payables	175.92	-	-	-	175.92
Other financial liabilities	187.67	-	-	-	187.67
Total non-derivative liabilities	630.75	4,133.33	-	-	4,764.08

26 Capital management

Risk management

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, The company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, The company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents)

divided by

Total 'equity' (as shown in the balance sheet).

The company's strategy is to maintain a optimal gearing ratio. The gearing ratios were as follows:

	March 31, 2023	March 31, 2022
Net debt	3,919.45	-
Total equity	16,376.07	15,330.21
Net debt to equity ratio	**0.24**	**-**

27 Segment information

Description of segments and principal activities

The Company has identified its board of directors as chief operating decision maker (CODM) .They review the entire operations of the entity as one.Hence, the Company has only one operating segment which are all as reflected in the financial statements as at and for the year ended March 31, 2018.

28 Contingent Liabilities not provided for

Particulars	March 31,2023	March 31,2022
Disputed Income Tax Demand (of this 70.11 lakhs has been paid for stay of demand) for the FY 17-18	467.46	467.46
Disputed Income Tax Demand (of this 0.01 lakhs has been paid for stay of demand) for the FY 16-17	0.09	0.09

29 Related party transactions

(a) Holding Entity

Name of entity

TVS Motor Company Limited (Effective 7th Sep'17), Chennai

(b) Ultimate Holding Entity

Sundaram-Clayton Limited, Chennai

T V Sundaram Iyengar & Sons Private Limited, Madurai

(c) Fellow Subsidiaries involving transactions

Name of entity

TVS Credit Services Limited, Chennai

(d) Key management personnel compensation

(e)Transactions with related parties

The following transactions occurred with related parties:

	March 31, 2023	March 31, 2022
TVS Credit Services Limited		
Repayment towards purchase of investment	4,133.33	4,133.33
Interest on payable towards purchase of investment	323.81	622.25
TVS Motor company		
Equity Investment	-	9,600.00
Preference shares Investment	5,000.00	-

(f) Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	March 31, 2023	March 31, 2022
Payables:		
TVS Credit Services Limited	267.16	4,076.20

Notes to Balance Sheet

(All amounts in Lakhs, unless otherwise stated)

30 Additional Note-

DISCLOSURE OF RATIOS

Ratio	Description of numerator	Description of denominator	Ratio 31.03.2023	Ratio 31.03.2022	Variance	Reasons for variance
(a) Current ratio	Current Assets	Current Liabilities	4.81	1.39	244.59%	Repayment of current liabilities
(b) Debt-equity ratio	Short term borrowings + Long term Borrowings	Shareholders' fund	0.24	NA	NA	
(c) Debt service coverage ratio	Profit after Tax + Non Cash Expense + Interest on borrowings + Loss on sale of fixed assets	Interest on term loans + Principal of term loans	0.00%	5.19%	-100.00%	Repayment of borrowings
(d) Return on equity ratio	Profit after tax	Equity share capital	-0.01	-0.05	73.19%	Reduction in finance cost
(e) Inventory turnover ratio	Cost of goods sold	Average Inventory	NA	NA	NA	
(f) Trade receivables turnover ratio	Net Credit Sales	Average accounts receivable	NA	NA	NA	
(g) Trade payables turnover ratio	Net Credit Purchase	Average accounts payable	NA	NA	NA	
(h) Net capital turnover ratio	Revenue from Operations	Working Capital	NA	NA	NA	
(i) Net profit ratio	Profit after tax	Revenue from operations	NA	NA	NA	
(j) Return on capital employed	EBIT	Shareholders' fund+ Long term borrowings	0.10%	-0.04%	321.26%	Reduction in finance cost
(k) Return on investment	Profit after tax	Equity shareholders' Fund	-1.38%	-5.15%	73.19%	Reduction in finance cost

As per our report of even date
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No. FRN 007761S

For and on behalf of the Board

K N Radhakrishnan
Director

V Gopalakrishnan
Director

V Karunakara Reddy
Chief Executive Officer

V. Sathyanarayanan
Partner
Membership No. 027716

S Sridhar
Chief Financial Officer

T Karthik Narayanan
Company Secretary

Place: Chennai
Date:29-Apr-2023
UDIN: 23027716BGYLRZ9326

Directors' Report to the Shareholders

The directors are pleased to present the Second annual report and the audited financial statements for the year ended 31st March 2023.

Financial Highlights

The Company is yet to commence business.

Preparation of financial statements under Indian Accounting Standards

Pursuant to the notification issued by the Ministry of Corporate Affairs dated 16th February, 2015 relating to the Companies (Indian Accounting Standard) Rules, 2015, TVS Motor Company Limited (TVSM), the holding company, is required to adopt Indian Accounting Standards ("IND AS") from financial year 2016-17.

In terms of Rule 4(1)(ii) of the aforesaid rules, the holding, subsidiary, joint venture and associate companies are required to comply with Ind AS from financial year 2016-17 onwards. Accordingly, the financial statements of the Company for the period ended 31st March 2023 have been prepared in compliance with the said rules.

Dividend

The Directors of the Company do not recommend any dividend for the period ended 31st March 2023.

Internal control systems

The Company has adequate internal control systems to ensure operational efficiency, accuracy and promptness in financial report and compliance of various laws and regulations. The internal control system is supported by the internal audit (IA) process. The IA department evaluates the efficacy and adequacy of Internal control system, its compliance with operating systems and policies of the Company and accounting procedures at all locations of the Company.

The Company has well-documented Standard Operating Procedures (SOPs), policies and procedures for various processes which are periodically reviewed.

Risk Management

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified would be systematically addressed through mitigating actions on a continuous basis. These are being discussed at the meetings of the audit committee and the Board of directors of the Company.

As a process, the risks associated with the business are identified and prioritized based on Severity, Likelihood and Effectiveness of current detection. Such risks are reviewed by the senior management on a quarterly basis. Process owners are identified for each risk and matrix are developed for monitoring and reviewing the risk mitigation.

Directors' responsibility statement

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

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

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

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

iv. the directors had prepared the accounts for the financial year ended 31st March 2023 on a going concern basis;

v. 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

vi. 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.

Directors liable to retire by rotation

In terms of the Articles of Association of the Company and the applicable provisions of the Act 2013, Mr Sudarshan Venu is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Board of Directors

During the year under review, Prof. Sir Ralf Dieter Speth has been appointed as a Director at the First Annual General Meeting held on 28th July 2022.

As on 31st March 2023, Mr Venu Srinivasan, Mr Sudarshan Venu, Prof. Sir Ralf Dieter Speth and Mr Kuok Meng Xiong are the Directors of the Company.

Board Meetings

During the period under review, the Board met 4 times on 5th May 2022, 28th July 2022, 4th November 2022 and 24th January 2023. The gap between two meetings did not exceed one hundred and twenty days.

Statutory Auditors

In terms of Section 139 of the Act, 2013, read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014, M/s V. Sankar Aiyar & Co., Chartered Accountants, having Firm Registration No. 109208W allotted by The Institute of Chartered Accountants of India, have been appointed as statutory auditors of the Company for five years till the conclusion of the Sixth Annual General Meeting of the Company at such remuneration in addition to reimbursement of all applicable taxes, out-of-pocket, travelling and other expenses, etc., as may be decided between the Board of Directors of the Company.

The Statutory Auditors will continue to hold office for the Second year in the first term of five consecutive years, from the conclusion of this Annual General Meeting.

The Auditors' Report for the financial year 2022-23 does not contain any qualification, reservation or adverse remark and the same is attached as part of the annual financial statements.

Disclosures

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

(a) details relating to deposits covered under Chapter V of the Act;

(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) raising of funds through preferential allotment or qualified institutions placement;

(e) significant or material order passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;

(f) pendency of any proceeding under the Insolvency and Bankruptcy Code, 2016 and instance of one-time settlement with any bank or financial institution.

<u>Material changes and commitments</u>

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 the date of the report.

<u>Employee's remuneration:</u>

There are no employees on the rolls of the Company, hence there is no disclosure under Section 197(12) of the Act 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

<u>Details of loans / guarantees / investments made:</u>

As regards the furnishing the details of loans, guarantees and investments made by the Company as per Section 186 of the Act 2013 for the financial year 2022-23, the Company has not extended any guarantee or has given loans to other companies or made any investment during the year under review.

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo etc.,

The information do not apply to the Company, as the Company is not a manufacturing Company.

During the period under review, there were no foreign exchange earnings or expenditure in the Company.

Related Party Transactions

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

Pursuant to the provisions of section 134(h) of the Companies Act 2013 (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.

Related Party disclosures as per the Indian Accounting Standards have been provided in Notes to the financial statements.

Maintenance of cost records

Pursuant to Section 148(1) of the Companies Act, 2013 cost records are required to be maintained by specified class of Companies whose turnover exceeds 35 Crores during the immediately preceding financial year.

The Company's operations do not fall under any of the activities requiring maintenance and subsequent audit of cost records.

Reporting of fraud

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

Disclosure in terms of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company was not required to constitute an Internal Complaints Committee as required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 since there are no employees in the Company.

During the year under review, there were no cases filed pursuant to the provisions of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act 2013.

Acknowledgement

The directors gratefully acknowledge the continued support and co-operation received from the holding Company, namely, TVS Motor Company Limited, and bankers for their continued support and assistance.

For and on behalf of the Board

Place : Chennai	VENU SRINIVASAN	SUDARSHAN VENU
Date : 04th May 2023	Director	Director
	DIN: 00051523	DIN: 03601690

Balance Sheet as at 31st March 2023

(in Rs.)

Particulars	Note No	As at 31st March 2023	As at 31st March 2022
ASSETS			
Current Assets			
Financial Assets			
Cash and Cash Equivalents	2	1,00,00,000	1,00,00,000
TOTAL ASSETS		**1,00,00,000**	**1,00,00,000**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	3	1,00,00,000	1,00,00,000
Other Equity	4	(20,000)	(10,000)
TOTAL EQUITY		99,80,000	99,90,000
LIABILITIES			
Current Liabilities			
Financial Liabilities			
Trade Payables			
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (a) above	5	20,000	10,000
TOTAL LIABILITIES		20,000	10,000
TOTAL EQUITY AND LIABILITIES		**1,00,00,000**	**1,00,00,000**
Significant Accounting Policies forming part of financial statements	1		
See the accompanying notes to the financial statements			

As per our report even date
For V.Sankar Aiyar & Co
Chartered Accountants
Firm Regn No.: 109208W

S.VENKATARAMAN
Partner
Membership No.: 023116

Chennai
Dated: 04th May, 2023

For and on behalf of the Board of Directors

VENU SRINIVASAN
Director

SUDARSHAN VENU
Director

Statement of Profit and Loss for the period ended 31st March 2023

(In Rs.)

Particulars	Note No	For the period 1st Apr 2022 to 31st Mar 2023	For the period 13th Dec 2021 to 31st Mar 2022
REVENUE			
Revenue from operations		-	-
TOTAL INCOME		-	-
EXPENSES			
Other expenses	6	10,000	10,000
TOTAL EXPENSE		10,000	10,000
Loss before tax		**(10,000)**	**(10,000)**
Tax expense		-	-
Loss after tax for the year		**(10,000)**	**(10,000)**
Other Comprehensive Income		-	-
Total Comprehensive Income		**(10,000)**	**(10,000)**
Earning per equity share:			
Basic & Diluted earnings per share	7	(0.00)	(0.00)
See the accompanying notes to the financial statements			

As per our report even date
For V.Sankar Aiyar & Co
Chartered Accountants
Firm Regn No.: 109208W

S.VENKATARAMAN
Partner
Membership No.: 023116

Chennai
Dated: 04th May, 2023

For and on behalf of the Board of Directors

VENU SRINIVASAN
Director

SUDARSHAN VENU
Director

Cash Flow Statement

(In Rs.)

		As at 31st March 2023	As at 31st March 2022
A.	**Cash Flow from Operating Activities**		
	Loss Before Tax	(10,000)	(10,000)
B.	Operating loss before Working Capital Changes	(10,000)	(10,000)
C.	Adjustments for changes in Working Capital		
	Trade payables	10,000	10,000
D.	**Net Cash from Operating Activities**	**-**	**-**
E.	**Net Cash from Investing Activities**	**-**	**-**
F.	**Net Cash Flow from Financing Activities**		
	Proceeds from Issue of Equity Shares	-	1,00,00,000
	Net Cash from Financing Activities	-	1,00,00,000
G.	**Net change in Cash and Cash Equivalents (D+E+F)**	**-**	**1,00,00,000**
H.	Cash and Cash Equivalents as at End	1,00,00,000	1,00,00,000
I.	Less: Cash and Cash Equivalents as at Beginning	1,00,00,000	-
	NET CHANGE IN CASH & CASH EQUIVALENTS (H-I)	-	1,00,00,000
Note: The above statement of cash flow is prepared using indirect method			

As per our report even date
For V.Sankar Aiyar & Co
Chartered Accountants
Firm Regn No.: 109208W

S.VENKATARAMAN
Partner
Membership No.: 023116

Chennai
Dated: 04th May, 2023

For and on behalf of the Board of Directors

VENU SRINIVASAN
Director

SUDARSHAN VENU
Director

Statement of Changes in Equity

A Equity Share Capital

	Rs. In Crores
As at 31-03-2021	-
Changes in equity share capital due to prior period errors	-
	-
Change in equity share capital during the year	1,00,00,000
As at 31-03-2022	1,00,00,000
Changes in equity share capital due to prior period errors	-
	1,00,00,000
Change in equity share capital during the year	-
As at 31-03-2023	1,00,00,000

B Other equity

Particulars	Retained earnings	Other reserves	Total
Balance as at 01-04-2021	-	-	-
Add : Profit for the year 2021-22	(10,000)	-	(10,000)
Add : Other comprehensive income for the year 2021-22	-	-	-
Balance as at 31-03-2022	(10,000)	-	(10,000)
Add : Profit for the year 2022-23	(10,000)	-	(10,000)
Add : Other comprehensive income for the year 2022-23	-	-	-
Balance as at 31-03-2023	(20,000)	-	(20,000)

As per our report even date
For V.Sankar Aiyar & Co
Chartered Accountants
Firm Regn No.: 109208W

S.VENKATARAMAN
Partner
Membership No.: 023116

Chennai
Dated: 04th May, 2023

For and on behalf of the Board of Directors

VENU SRINIVASAN
Director

SUDARSHAN VENU
Director

Notes to the Financial Statements - *(Continued)*

(In Rs.)

		Amount as at 31-Mar-23	Amount as at 31-Mar-22
2	CASH AND CASH EQUIVALENTS		
	Balances with banks	1,00,00,000	1,00,00,000
	Total	1,00,00,000	1,00,00,000

3 EQUITY SHARE CAPITAL

(a) Authorised, issued, subscribed and fully paid up

Particulars	As at 31-03-2023		As at 31-03-2022	
	Number	Rupees in crores	Number	Rupees in crores
Authorised:				
Equity shares of Re.1/- each	1,00,00,000	1.00	1,00,00,000	1.00
Issued, subscribed and fully paid up:				
Equity shares of Re.1/- each	1,00,00,000	1.00	1,00,00,000	1.00
	1,00,00,000	1.00	1,00,00,000	1.00

(b) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	As at 31-03-2023		As at 31-03-2022	
	Number	Rupees in crores	Number	Rupees in crores
Shares outstanding at the beginning of the year	1,00,00,000	1.00	1,00,00,000	1.00
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,00,00,000	1.00	1,00,00,000	1.00

(c) (i) Rights and preferences attached to equity share:

Every shareholder is entitled to such rights as to attend and vote at the meeting of the shareholders, to receive dividends distributed and also has a right in the residual interest of the assets of the company. Every shareholder is also entitled to right of inspection of documents as provided in the Companies Act,2013.

(ii) There are no restrictions attached to equity shares.

(d) Shares held by Holding Company at the end of the year

Name of shareholder	Class of share	As at 31-03-2023		As at 31-03-2022	
		No. of shares held	% of holding	No. of shares held	% of holding
TVS Motor Company Limited (Holding Company)	Equity	1,00,00,000	100.00	1,00,00,000	100.00

(e) Shareholders holding more than five percent at the end of the year (other than (d))

Name of shareholder	Class of share	As at 31-03-2023		As at 31-03-2022	
		No. of shares held	% of holding	No. of shares held	% of holding
Nil					

(f) Shares held by promoters at the end of the year 31.03.2023

Promoter name	Class of share	As at 31-03-2023		As at 31-03-2022	
		No. of shares held	% of holding	No. of shares held	% of holding
TVS Motor Company Limited (Holding Company)	Equity	1,00,00,000	100.00	1,00,00,000	100.00

4 OTHER EQUITY

	As at 31-03-2023	As at 31-03-2022
Retained earnings	(20,000)	(10,000)
Other Reserves	-	-
	(20,000)	(10,000)

5 TRADE PAYABLES

Dues to Micro and Small Enterprises **	-	-
Dues to enterprises other than Micro and Small Enterprises	20,000	10,000
	20,000	10,000

** There are no transactions with Micro Small and Medium enterprises during the year

Notes to Statement of Profit & Loss

		For the period 1st Apr 2022 to 31st Mar 2023	For the period 13st Dec 2021 to 31st Mar 2022
6	Other Expenses		
	Payment to statutory auditors	10,000	10,000
	Total Other Expenses	10,000	10,000
7	Earnings per share (Basic and Diluted)		
	Earnings attributable to equity share holders	(10,000)	(10,000)
	Number of Shares	1,00,00,000	1,00,00,000
	Earnings per Share	(0.00)	(0.00)

8 Fair Value Measurements

Particulars	As at 31-03-2023			As at 31-03-2022		
	FVTPL$	FVOCI *	Amortised cost	FVTPL$	FVOCI *	Amortised cost
Financial assets						
Cash and cash equivalents	-	-	1,00,00,000	-	-	1,00,00,000
	-	-	-	-	-	-
	-	-	1,00,00,000	-	-	1,00,00,000
Financial liabilities						
Trade payables	-	-	20,000	-	-	10,000
	-			-		
	-	-	20,000	-	-	10,000

* FVOCI - Fair Valued Through Other Comprehensive Income $ FVTPL- Fair Value Through Profit or Loss

Notes to the Financial Statements - *(Continued)*

(In Rs.)

9 Financial Risk Management - The company is yet to commence the operation. Therefore, note relating to market risk, liquidity risk and credit risk along with mitigation parameters, note on Capital Management, Key Financial Ratios are not furnished.

10 Employee obligations - The company does not have employees and hence disclosure of employee obligation is not furnished.

11 Related party disclosures

(i) Related parties and their relationship where control exists :

Ultimate holding company - TVS Holdings Private Limited

Holding company - TVS Motor Company Limited

(ii) Key Management Personnel:

Mr. Venu Srinivasan , Director

Mr. Sudarshan Venu, Director

Prof. Sir Ralf Dieter Speth, Director

12 Disclosure under Micro, Small and Medium Enterprises Development Act,2006 - Nil

13 Payment to Auditors:

For Statutory audit - Rs. 10,000

14 Contingent liabilities, Contingent assets and other commitments - Nil

15 Additional Regulatory Disclosures As Per Schedule III Of Companies Act, 2013

(i) The Company does not have any immovable property.

(ii) The Company does not have any investment property.

(iii) The Company has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013), which are repayable on demand or without specifying any terms or period of repayments.

(iv) No proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

(v) There are no transactions with the Companies whose name are struck off under Section 248 of The Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the year ended 31st March 2022.

(vi) The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

(vii) No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.

(viii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) 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

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary

(ix) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) 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

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(x) The Company has not operated in any crypto currency or Virtual Currency transactions

(xi) During the year the Company has not disclosed or surrendered, any income other than the income recoginsed in the books of accounts in the tax assessments under Income Tax Act, 1961.

(xii) The Company does not have any Property, Plant & Equipment (PPE) and Intangible Assets , hence revaluation of Property, Plant & Equipment (PPE) and Intangible Assets are not applicable.

(xiii) The Company does not have any sanctioned facilities from banks based on security of current assets. Hence, submission of quarterly returns to Banks is not applicable to the Company.

(xiv) The Company does not have any borrowings, hence "wilful defaulter" related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.

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

1. BUSINESS AND FINANCIAL PERFORMANCE

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

₹ in crore

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

Company's Performance

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

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

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

Key Product-wise Performance during the Financial Year

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

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

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

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

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

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

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

2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

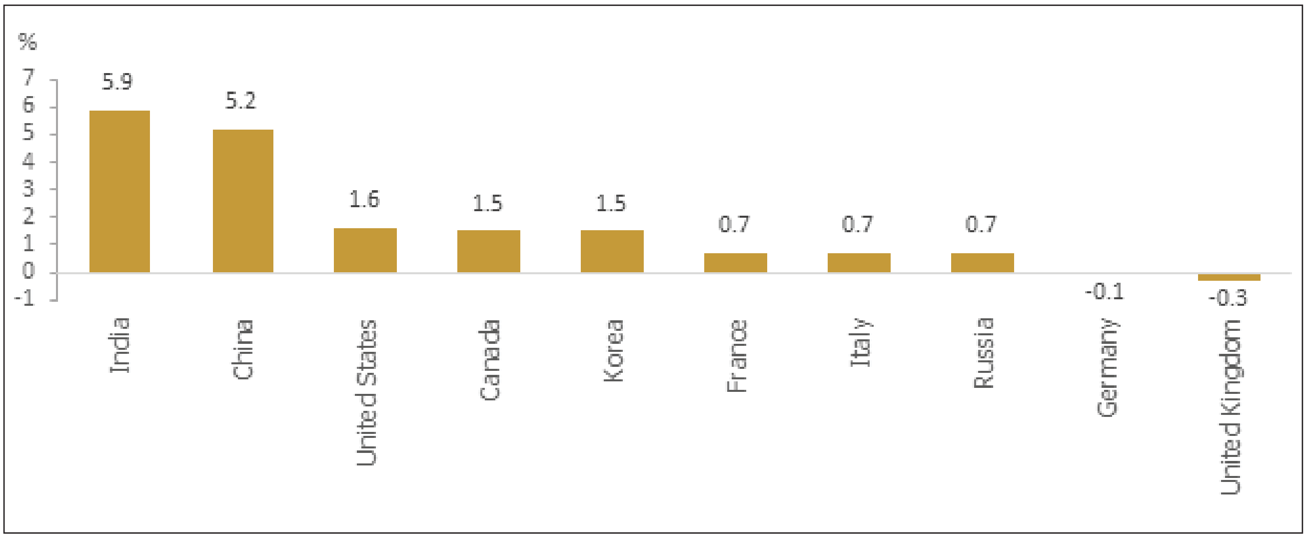
India achieved Robust Economic Growth during Fiscal 2023 compared to other Nations

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

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

Despite these headwinds, India recorded a higher economic growth rate compared with many other global economies owing to various factors such as healthy domestic demand, strong investment activity, increase in Government push for capital expenditure (CapEx), relatively accommodative financial conditions, growth in contact-based services, active and strong Government policies and initiatives and overall normal monsoons for the fourth time in a row. The above factors would provide the ignition to lift the economy towards its goal of USD5 trillion nominal GDP from an estimated USD3.4 trillion this fiscal year.

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



Source: IMF, CRISIL MI&A

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

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

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

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

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

Digital Architecture

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

Government Initiatives

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

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

Economic Growth to Remain Stable in Fiscal 2024

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

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

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

Union Budget 2023-24 has highlighted the Government's renewed CapEx thrust, the largest in 15 years at a record 4.5% of the GDP, with sectors such as railways, highways, and petroleum benefiting the most. In fiscal 2024, Production-Linked Incentive (PLI) driven exports will be the single growth driver for India, helping increase overall exports by 2-4%. The Government has launched PLI Schemes for six of India's top 10 export verticals, which would likely propel incremental exports this year. Further policy pushes and new-age opportunities are expected to lead CapEx growth in fiscal 2024. Policies aimed at a greater formalisation of the economy would help accelerate per-capita income growth.

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

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

The Union Budget 2023-24 has also introduced various initiatives aimed at strengthening the rural sector. The Government allocated funds of ₹1.6 trillion to the Ministry of Rural Development and has introduced the Agriculture Accelerator Fund to encourage innovative start-ups in rural areas. It will also launch the Atmanirbhar Bharat Horticulture Clean Plant Programme to boost the production of high-value horticulture crops. Moreover, the Government has indicated funding of ₹20 lakh crore towards agricultural credit for the husbandry, dairy, and fishery sectors.

Rising Middle India Population to Propel Economic Growth

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

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

RISKS AND CONCERNS

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

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

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

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

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

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

Improved Profitability for NBFCs Amid Focus on Collections and Technology Innovations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Recovery Management

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

Increased use of Data and Analytics across the Business Segments

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

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

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

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

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

Building Digital Capability for Growth

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

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

Marketing and Branding Initiatives

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

Increasing Reach and Building a Strong Brand Equity

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

Increasing Digital Penetration in Business Acquisitions

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

Continued Focus on Digitalisation for Improving Customer Experience

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

Annual Campus Engagement Programme

The Company places a strong emphasis on engaging with college campuses to increase brand visibility among future employees and inspire talented youth to generate innovative solutions to business challenges. In fiscal 2023, the Company held the fourth edition of its annual campus engagement programme, E.P.I.C Season 4, which attracted over 40,000 student registrations from 2,900+ leading colleges.

Human Resources

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

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

Career Acceleration and Talent Development Initiatives

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

Tech in Human Resources

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

Quality

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

Awards and Recognitions

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

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

Community Support Initiatives

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

Funding

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

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

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

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

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

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

Credit Ratings

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

Share Capital

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

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

Non-Convertible Debentures

During the year under review, the Company issued Non-Convertible Debentures (NCDs) of ₹1,825 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). These NCDs have been rated as AA by CRISIL as of 31st March, 2023.

Dividend

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

Transfer to Statutory Reserves

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

Public Deposits

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

Consolidated Financial Statements

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

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

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

Subsidiary Companies

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

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

Performance of Subsidiaries

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

All the subsidiaries are yet to commence their operations.

Holding Company

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

Corporate Governance

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

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

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

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

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

Directors

Directors' Appointment / Re-appointment / Cessation

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

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

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

Directors Liable to Retire by Rotation

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

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

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

Woman Director

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

Independent Directors

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

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

Declaration and Undertaking

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

Separate Meeting of IDs

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

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

Non-Independent Directors (Non-IDs)

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

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

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

Chairman

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

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

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

Board

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

The evaluation process 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. The Board, upon evaluation, concluded that it is well balanced in terms of diversity of experience with experts in each domain viz., Automotive, Leadership/Strategy, Finance, Legal and Regulatory, and Governance. The Company endeavours to have a diverse Board representing a range of experience at policy-making levels in business and technology.

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

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

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

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

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

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

Performance Evaluation of the Board

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

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

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

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

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

Policy on Appointment and Remuneration of Directors, Key Managerial Personnel

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

Key Managerial Personnel

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

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

Statutory Auditors

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

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

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

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

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

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

Secretarial Auditors

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

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

Secretarial Standards

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

3. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

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

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

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

4. Extract of Annual Return

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

www.tvscredit.com

5. Number of Meetings of the Board

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

6. Corporate Governance

Board Meetings

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

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

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

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

Nomination and Remuneration Policy

Directors:

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

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

Commission:

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

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

Key Managerial Personnel:

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

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

Criteria for Board Membership

Directors:

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

Independent Directors:

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

Related Party Transactions:

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

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

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

Risk Management

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

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

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

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

7. Internal Control Systems

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

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

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

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

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

8. Internal Audit

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

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

9. Corporate Social Responsibility Initiatives

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

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

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

Based on the recommendation of the CSR Committee, the Board has approved the projects/ programmes carried out as CSR for an amount of ₹5 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 2022-23 and the Company has met the CSR spending through the Srinivasan Services Trust registered with the Ministry of Corporate Affairs.

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

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

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

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

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

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

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

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

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

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

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

10. Policy on Vigil Mechanism

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

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

11. Sexual Harassment Policy

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

12. General Disclosures

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

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

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

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

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

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

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

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

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

14. Material Changes and Commitments

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

15. Employees' Remuneration

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

16. Details of Loans/Guarantees/Investments Made

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

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

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

17. Reporting of Fraud

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

18. Maintenance of Cost Records

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

19. Adherence to RBI Norms and Guidelines

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

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

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

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

20. Acknowledgement

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

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

For and on behalf of the Board of Directors

Place : Chennai
Date : 3rd May, 2023

Sudarshan Venu
Chairman

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

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

1. Brief outline on CSR Policy of the Company:

   This policy encompasses the Company's philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful 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)	₹156.37 crore
	(b) Two percent of average net profit of the company as per section 135(5) of the Companies Act, 2013	₹3.13 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)	₹3.13 crore
6.	(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	₹5 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)]	₹5 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
5.00 crore	Not Applicable				

	(f) Excess amount for set off, if any

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

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

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

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

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

For and on behalf of the Board of Directors

Venu Srinivasan
Chairman of the CSR Committee
DIN: 00051523

Place : Chennai
Date : 3rd May, 2023

Annexure-IV to Directors' Report to the Shareholders

Form AOC-I

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

Part "A"

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

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

S.No.	Particulars	Name of the Company		
1.	Name of the subsidiary	TVS Two Wheeler Mall Private Limited	Harita ARC Private Limited	TVS Housing Finance Private Limited
2.	Reporting period for the subsidiary concerned, if different from the Holding Company's reporting period	01.04.2022 to 31.03.2023		
3.	Reporting Currency and Exchange Rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	₹	₹	₹
4.	Share Capital / Contribution	0.25	0.25	1,200.00
5.	Reserves & Surplus	(1.38)	(1.37)	276.49
6.	Total Assets	0.24	0.24	1,495.04
7.	Total Liabilities	0.24	0.24	1,495.04
8.	Investments	-	-	-
9.	Turnover	-	-	-
10.	Profit/(Loss) before taxation	(0.15)	(0.12)	73.02
11.	Provision for taxation / Current Year Taxes	-	-	18.43
12.	Profit/(Loss) after taxation	(0.15)	(0.12)	54.59
13.	Proposed Dividend	-	-	-
14.	% of shareholding	100%	100%	100%

For and on behalf of the Board

Sudarshan Venu
Chairman

Ashish Sapra
Chief Executive Officer

Roopa Sampath Kumar
Chief Financial Officer

Place : Chennai
Date : 3rd May, 2023

As per our report annexed

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

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

As per our report annexed

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

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

Annexure-V to Directors' Report to the Shareholders

Company's Philosophy on Corporate Governance

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

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

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

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

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

ii) The size of the Board is commensurate with the size and business of the Company. As on 31st March, 2023, the Board comprises Seven 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
Venu Srinivasan	00051523	NED	21 Jun 2010	21	-	1	-
Sudarshan Venu	03601690	NED & Chairperson**	31 Jan 2013	14	-	2	1
K N Radhakrishnan	02599393	NED	17 Feb 2010	5	10*	2	1
R Gopalan	01624555	ID	20 Jul 2019	9	-	7	4
V S Rangan	00030248	ID	14 Jul 2014	8	-	6	-
B Sriram	02993708	ID	12 Oct 2019	7	-	4	1
Kalpana Unadkat	02490816	ID	28 Jul 2021	2	-	4	-

NED : Non Executive Director ID : Independent Director

#includes private companies and companies incorporated outside India

*Held as nominee of TVS Motor Services Limited

**appointed as Chairman effective 6th April, 2023.

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

Meetings of the Board

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

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

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

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

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

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

Meetings of Independent Directors

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

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

Familiarization programme

Familiarization 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 2022-23, in terms of the requirements of SEBI Listing Regulations are available on the website of the Company and can be accessed at https://www.tvscredit.com/media/2812/id-familarisation-program-tvs-credit-services-limited.pdf.

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

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

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

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

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

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

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

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

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

Committees of the Board

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

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

Composition of Committees

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

a. Audit Committee:

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

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

Brief description of terms of reference:

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

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

Roles and Responsibilities:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are fair and transparent, sufficient and credible.
- The role of the Audit Committee would include the review and audit of the working of the management of the Company in terms of the profitability, cost control and performance of credit exposures.
- Recommending the appointment of and removal of external and internal auditors, fixation of audit fee and approval for payment for any other services.
- Approval of Annual Plans before it is placed before the Board.
- Reviewing with the management the quarterly and annual financial statements before submission to the Board, 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 the draft audit report.
  - iv. Significant adjustments arising out of the audit.
  - v. The going concern assumption.
  - vi. Compliance with accounting standards.
  - vii. Compliance with the legal requirements concerning financial statements.

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

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

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

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

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

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

LOA - Leave of Absence

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

b. Corporate Social Responsibility Committee:

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

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

Roles and Responsibilities:

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

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

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

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

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

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

LOA - Leave of Absence

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

c. Nomination and Remuneration Committee:

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

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

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

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

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

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

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

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

Brief description of terms of reference:

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

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

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

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

1.5 Devise a policy on diversity on the Board.

1.6 Develop a succession plan for the Board and SMP.

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

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

LOA - Leave of Absence

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

Remuneration criteria to Directors:

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

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

d. Risk Management Committee:

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

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

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

Roles and Responsibilities:

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

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

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

LOA - Leave of Absence

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

e. Asset Liability Management Committee (ALCO):

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

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

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

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

LOA - Leave of Absence

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

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

f. Information Technology (IT) Strategy Committee:

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

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

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

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

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

LOA - Leave of Absence

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

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

g. Credit Sanction Committee:

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

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

The Committee consists of the following Directors and Officials:

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

h. Senior Management Committee:

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

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

i. Stakeholders Relationship Committee:

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

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

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

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

LOA - Leave of Absence

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

iii) General Body Meeting:

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

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

Special Resolutions passed in the previous three AGMs:

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

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

Special resolutions passed the EGMs during the Financial Year:

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

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

iv) **Means of Communication to Shareholders**

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

Quarterly Results:

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

Newspapers wherein results are normally published:

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

Website:

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

v) **General Shareholder Information:**

Annual General Meeting

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

Particulars of dividend payment:

The Company has not declared any dividends to its Shareholders.

vi) Listing on Stock Exchanges:

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

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

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

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

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

ix) Share Transfer Agents and Share Transfer System:

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

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

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

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

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

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

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

x) Distribution of Shareholding

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

xi) Dematerialisation of Shares and Liquidity:

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

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

xiii) List of Credit Rating:

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

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

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

xv) Sexual Harassment at the Workplace:

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

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

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

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

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

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

xvii) Non-Mandatory Disclosures

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

a. The Board:

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

b. Shareholder Rights:

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

c. Audit qualifications:

The financial statements of the Company are unmodified.

d. Reporting of internal auditor:

The internal auditor reports directly to the Audit Committee.

xviii) Other Disclosures

a. Materially significant related party transactions:

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

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

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

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

Related Party Transaction Policy

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

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

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

As per the Companies Act 2013, any unforeseen RPT involving an amount not exceeding ₹1 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.

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

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

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

f. **Material Subsidiaries**

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

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

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

g. **Succession Planning**

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

xix) Plant Locations:

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

xx) Address for investor correspondence:

a.	For transfer/dematerialisation of securities, payment of dividend/ interest on securities, and any other query relating to the securities of the Company	:	Equity Shares: Integrated Registry Management Services Limited, Share Transfer Agent (STA) Unit: TVS Credit Services Limited Chennai – 600 006 Debentures: Cameo Corporate Services Ltd 'Subramanian Building', No.1, Club House Road, Chennai – 600 002
b.	For non-receipt of the annual report	:	Equity - corpserv@integratedindia.in Debt - investor1@cameoindia.com
c.	For investors' grievances and general correspondence	:	Equity - corpserv@integratedindia.in Debt - investor1@cameoindia.com
d.	Debenture Trustees	:	Beacon Trusteeship Limited Address: 4C & D Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club, Bandra East (E), Mumbai – 400 051 E-mail: compliance@beacontrustee.co.in

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

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

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

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

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

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

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

xxv) Remuneration to Directors:

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

Non-Executive Directors:

Sitting fees

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

Commission

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

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

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

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

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

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

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

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

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

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

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

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

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

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

xxx) **Breach of the Covenant:**

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

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

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

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

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

Compliance with Corporate Governance requirements

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

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

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

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2023

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

To

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(f) Indian Stamp Act and Rules;

(g) Motor Vehicles Act, 1938.

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

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

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

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

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

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

I further report that:

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

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

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

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

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

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

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

The Company had redeemed 4,250 non-convertible debentures during the year under review.

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

Place : Chennai
Date : 03/05/2023

To

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

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

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

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

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

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

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

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

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

Place : Chennai
Date : 03/05/2023

To the Members of TVS Credit Services Limited

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of TVS Credit Services Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss, the Statement of Changes in Equity, and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act 2013 ("The Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015 as amended ("IND-AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

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

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

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

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

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

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

Responsibilities of Management and those charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, we give in "Annexure A" to this Report, a statement on the matters specified in para 3 and 4 of the said Order.

2) As required by Section 143 (3) of the Act, we report that:

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

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

   (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

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

   (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2023 from being appointed as a Director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.

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

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

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

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

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

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

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

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

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

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

S. Usha
Partner
Membership No. 211785

Date: 03rd May, 2023
Place: Chennai

UDIN: 23211785BGWCVM6164

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

C.N. Gangadaran
Partner
Membership No. 011205

Date: 03rd May, 2023
Place: Chennai

UDIN: 23011205BGPUTU4632

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

b) Based on our examination of the Books of Accounts and other Records of the Company and based on the information and explanation provided by the Management, the Company has not been declared as a 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 a short-term basis have been utilised for long-term purposes.

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

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

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

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

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

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

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

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

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

(xiv) a) The Company has an Internal Audit System commensurate with the size and nature of its business.

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

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

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

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

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

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

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

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

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

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

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

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

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

S. Usha
Partner
Membership No. 211785

Date: 03rd May, 2023
Place: Chennai

UDIN: 23211785BGWCVM6164

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

C.N. Gangadaran
Partner
Membership No. 011205

Date: 03rd May, 2023
Place: Chennai

UDIN: 23011205BGPUTU4632

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that:

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and

(3) Provide reasonable assurance regarding the prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

S. Usha
Partner
Membership No. 211785

Date: 03rd May, 2023
Place: Chennai

UDIN: 23211785BGWCVM6164

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

C.N. Gangadaran
Partner
Membership No. 011205

Date: 03rd May, 2023
Place: Chennai

UDIN: 23011205BGPUTU4632

STANDALONE BALANCE SHEET
AS ON 31ST MARCH, 2023

(All amounts in ₹ crore unless otherwise stated)

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

As per our report of even date

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

S. Usha
Partner
Membership No. 211785

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

C.N. Gangadaran
Partner
Membership No. 011205

Place : Chennai
Date : 3rd May, 2023

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

Sudarshan Venu
Chairman
DIN-03601690

Ashish Sapra
Chief Executive Officer

Roopa Sampath Kumar
Chief Financial Officer

Anand Vasudev
Company Secretary

Place : Chennai
Date : 3rd May, 2023

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

(All amounts in ₹ crore unless otherwise stated)

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

As per our report of even date

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

S. Usha
Partner
Membership No. 211785

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

C.N. Gangadaran
Partner
Membership No. 011205

Place : Chennai
Date : 3rd May, 2023

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

Sudarshan Venu
Chairman
DIN-03601690

Ashish Sapra
Chief Executive Officer

Roopa Sampath Kumar
Chief Financial Officer

Anand Vasudev
Company Secretary

Place : Chennai
Date : 3rd May, 2023

TVS CREDIT

(All amounts in ₹ crore unless otherwise stated)

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

As per our report of even date

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

S. Usha
Partner
Membership No. 211785

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

C.N. Gangadaran
Partner
Membership No. 011205

Place : Chennai
Date : 3rd May, 2023

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

Sudarshan Venu
Chairman
DIN-03601690

Ashish Sapra
Chief Executive Officer

Roopa Sampath Kumar
Chief Financial Officer

Anand Vasudev
Company Secretary

Place : Chennai
Date : 3rd May, 2023

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

(All amounts in ₹ crore unless otherwise stated)

I) Equity Share Capital

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

II) Other Equity

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

As per our report of even date

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

S. Usha
Partner
Membership No. 211785

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

C.N. Gangadaran
Partner
Membership No. 011205

Place : Chennai
Date : 3rd May, 2023

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

Sudarshan Venu
Chairman
DIN-03601690

Ashish Sapra
Chief Executive Officer

Roopa Sampath Kumar
Chief Financial Officer

Anand Vasudev
Company Secretary

Place : Chennai
Date : 3rd May, 2023

(All amounts in ₹ crore unless otherwise stated)

1 Significant Accounting Policies forming part of Financial Statements

COMPANY BACKGROUND

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

The Company received the Certificate of Registration (No. N-07-00783) dated 13th April, 2010 from the Reserve Bank of India (RBI) and commenced Non-Banking Financial activity thereon. The Company is a Systemically Important Non-Deposit taking Non-Banking Finance Company, as defined under Section 45-IA of the Reserve Bank of India (RBI) Act, 1934. The Company is engaged in providing Automobile Finance, Consumer Durable Loans, and Small Business Loans. The Company is categorised as "NBFC - Investment and Credit Company (NBFC-ICC)" vide RBI circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated 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.

SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of Accounts

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

The financial statements have been prepared in accordance with Division III of Schedule III of the Companies Act 2013 notified by MCA on 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 (NBFCs) or other regulators, as and when they are issued and applicable.

b. Historical Cost Convention

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

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

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

c. Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods. This note provides an overview of the areas that involved a higher degree of 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.

d. Significant Estimates and Judgements

The areas involving critical estimates are:

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

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

The areas involving critical judgements are:

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

(b) Derecognition of financial assets and securitisation

(c) Categorisation of loan portfolios

(All amounts in ₹ crore unless otherwise stated)

e. Property, Plant and Equipment (PPE)

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

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

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

f. Depreciation

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

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

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

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

g. Investment Property

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

h. Intangible Assets

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

i. Financial Assets and Financial Liabilities

1) Classification

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

(a) Amortised cost,

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

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

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

<u>Business Model Assessment</u>

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

(All amounts in ₹ crore unless otherwise stated)

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

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

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

Reclassifications

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

Financial Liabilities

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

2) Measurement

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

Debt Instruments:

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

i. Amortised Cost:

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

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

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

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

iv. Investment in Subsidiaries:

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

(All amounts in ₹ crore unless otherwise stated)

3) Revenue Recognition

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

A) Interest Income:

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

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

B) Dividend Income:

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

C) Fees and Commission Income:

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

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

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

D) Other Income:

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

4) Impairment of Financial Assets

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

i. Loans

ii. Trade receivables and Other Financial Assets

i. Loans

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

1) The 12-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) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the expected life of the financial instrument).

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

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

(All amounts in ₹ crore unless otherwise stated)

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

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

Measurement of ECL

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

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

ii. Trade Receivables and Other Financial Assets

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

Presentation of allowance for ECL in the statement of financial position

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

Collateral Repossessed:

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

Write-Off:

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

5) Derecognition of Financial Assets and Financial Liabilities

A financial asset is derecognised only when:

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

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

(All amounts in ₹ crore unless otherwise stated)

6) Derivatives

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

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

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

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

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

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

7) Offsetting Financial Instruments

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

j. Trade and other Payables

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

k. Cash and Cash Equivalents

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

l. Taxation

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

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

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

(All amounts in ₹ crore unless otherwise stated)

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

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

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

m. Employee Benefits

(a) Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(b) The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

(c) Post-Employment Obligation:

The Company operates the following post-employment schemes:

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

(i) Pension and Gratuity Obligation:

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

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

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

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

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

(ii) Provident Fund:

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

n. Functional Currency

(a) Functional and Presentation Currencies:

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

(All amounts in ₹ crore unless otherwise stated)

(b) Transactions and Balances:

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

o. Borrowings

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

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

p. Borrowings Cost

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

q. Cash Flow Statement

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

r. Earnings Per Share

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

s. Impairment of Non-Financial Assets

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

t. Lease

The Company evaluates each contract or arrangement, and whether it qualifies as lease as defined under IND-AS 116. The Company as a lessee, assesses, whether the contract is, or contains a lease. A contract is, or contains a lease if the contract involves:

(a) The use of an identified asset,

(b) The right to obtain substantially all the economic benefits from use of the identified asset,

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

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

(All amounts in ₹ crore unless otherwise stated)

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

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

The lease payments are discounted using the incremental borrowing rate.

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

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

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

u. Segment Reporting

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

v. Provisions

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

w. Contingent Liabilities

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

x. Equity

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

(All amounts in ₹ crore unless otherwise stated)

NOTE 2 Cash and Cash Equivalents

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

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

Cash and Cash Equivalents for the purpose of cash flow statement

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

NOTE 3 Bank Balance other than Cash and Cash Equivalents*

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

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

NOTE 4 Derivative Financial Instruments

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

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

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

(All amounts in ₹ crore unless otherwise stated)

NOTE 5 Trade Receivables

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

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

NOTE 6 Loans

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

(All amounts in ₹ crore unless otherwise stated)

NOTE 6 Loans (Contd.)

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

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

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

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

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

NOTE 7 Investments

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

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

(All amounts in ₹ crore unless otherwise stated)

NOTE 8 Other Financial Assets

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

NOTE 9 Current Tax Assets

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

NOTE 10 Deferred Tax Assets/(Liabilities)

The balance comprises temporary differences attributable to:

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

(All amounts in ₹ crore unless otherwise stated)

NOTE 11 Investment Property

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

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

(i) Fair value

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

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

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

(All amounts in ₹ crore unless otherwise stated)

NOTE 12 Property, Plant and Equipment and Intangible Assets

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

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

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

(All amounts in ₹ crore unless otherwise stated)

NOTE 13 Other Non-Financial Assets

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

NOTE 14 Trade Payables

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

NOTE 14.1 Trade Payables (Ageing Schedule)

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

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

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

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

(All amounts in ₹ crore unless otherwise stated)

NOTE 14 Trade Payables (Contd.)

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

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

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

NOTE 15 Debt Securities

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

(All amounts in ₹ crore unless otherwise stated)

NOTE 16 Borrowings (Other than Debt Securities)

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

NOTE 17 Subordinated Liabilities

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

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

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

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

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

e. There is no unhedged foreign currency exposures.

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

(All amounts in ₹ crore unless otherwise stated)

Annexure

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

(All amounts in ₹ crore unless otherwise stated)

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

(All amounts in ₹ crore unless otherwise stated)

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

(All amounts in ₹ crore unless otherwise stated)

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

Details of Security

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

ii. Term Loan received from Banks and Other Parties of ₹12,058.77 crore inclusive of Current and Non-Current Dues (Previous Year: ₹8,244.47 crore as on 31st March, 2022) is fully secured by an exclusive floating charge against hypothecation of receivables under the financing activity of the Company.

iii. Working Capital Demand Loan and Cash Credit of ₹2,195.16 crore (Previous Year: ₹1,197.62 crore as at 31st March, 2022) is fully secured by an exclusive floating charge against hypothecation of receivables under the financing activity of the Company.

External Commercial Borrowings

During the previous year, the Company had raised funds in the overseas market amounting to ₹751.50 crore (equivalent to USD 100 million) under External Commercial Borrowings (ECB) accessed through an automatic route after receiving the Loan Registration Number from RBI as per ECB Master Directions. These are unlisted instruments, for a total duration of 3 years and the loan has been fully hedged. The net proceeds from the issue of these ECB were applied for the purpose of on-lending, in accordance with the directions issued by the RBI.

(All amounts in ₹ crore unless otherwise stated)

NOTE 18 Other Financial Liabilities

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Interest Accrued But Not Due	154.78	69.69
b)	Employee Related Liabilities	139.40	57.69
c)	Security Deposit	64.39	81.37
d)	Lease Liability (refer Note 37)	33.11	21.96
	Total	**391.68**	**230.71**

NOTE 19 Provisions

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Pension	9.78	13.80
b)	Compensated Absences	42.89	24.54
	Total	**52.67**	**38.34**

NOTE 20 Other Non-Financial Liabilities

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Statutory Dues	31.39	29.54
	Total	**31.39**	**29.54**

NOTE 21 Equity Share Capital

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	**Authorised Share Capital:**		
	250,000,000 Equity Shares of ₹10 each	250.00	250.00
	(Previous Year 250,000,000 Equity Shares)		
		250.00	**250.00**
b)	**Issued, Subscribed and Fully Paid-up Share Capital:**		
	228,223,926 number of equity shares of ₹10 each	228.22	201.20
	(Previous year 201,196,900 equity shares of ₹10 each)		
c)	**Par Value per Share**	₹10 each	₹10 each
d)	**Number of equity shares at the beginning of the year**	201,196,900	191,937,700
	Changes in equity share capital due to prior period errors	-	-
	Restated number of equity shares at the beginning of the year	201,196,900	191,937,700
	Add: Preferential Allotment made during the year	27,027,026	9,259,200
	Number of equity shares at the end of the year	228,223,926	201,196,900
e)	**Equity Shares held by Holding Companies**		
	Particulars	**No. of Shares**	**No. of Shares**
	Holding Company - TVS Motor Company Limited	195,424,754	168,397,728
	Sundaram-Clayton Limited (Holding Company of TVS Motor Company Limited)	5,266,650	2,180,250

(All amounts in ₹ crore unless otherwise stated)

NOTE 21 Equity Share Capital (Contd.)

f) **Number of Shares held by Shareholders holding more than 5% of total shares as at the end of the year**

Name of the Shareholders	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
TVS Motor Company Limited	195,424,754	85.63%	168,397,728	83.70%
Lucas-TVS Limited	11,337,297	4.97%	11,337,297	5.63%

g) **Shares held by Promoters at the end of year**

S.No.	Promoter Name	No. of Shares	% of Total Shares	% change during the year
1	TVS Motor Company Limited	195,424,754	85.63%	1.93%
2	Sundaram-Clayton Limited	5,266,650	2.31%	1.22%
3	TVS Motor Services Limited	1,090,125	0.48%	(0.06%)

NOTE 22 Other Equity

Description	As at 31st March, 2023	As at 31st March, 2022
a) Securities Premium Reserves	1,336.35	863.37
b) Statutory Reserve	242.03	164.29
c) Retained Earnings	932.20	621.98
d) Other Reserves	19.31	12.79
Total reserves and surplus	**2,529.89**	**1,662.44**

a) Securities Premium Reserves	As at 31st March, 2023	As at 31st March, 2022
Opening balance	863.37	722.63
Additions during the year	472.98	140.74
Closing balance	**1,336.35**	**863.37**

b) Statutory Reserve	As at 31st March, 2023	As at 31st March, 2022
Opening balance	164.30	140.15
Transfer from retained earnings	77.73	24.15
Closing balance	**242.03**	**164.30**

c) Retained Earnings	As at 31st March, 2023	As at 31st March, 2022
Opening balance	621.98	526.65
Net Profit for the Year	388.67	120.73
Items of other Comprehensive Income recognised directly in Retained Earnings:		
- Remeasurements of post-employment benefit obligation net off tax	(0.72)	(1.25)
Transfer to Statutory Reserve	(77.73)	(24.15)
Closing balance	**932.20**	**621.98**

d) Other Reserves - Hedging Reserve	As at 31st March, 2023	As at 31st March, 2022
Opening balance	12.79	(17.67)
Add: Change in fair value of hedging instruments, net of tax	6.52	30.46
Closing balance	**19.31**	**12.79**

Securities Premium

The reserve represents premium on issue of shares. It will be utilised in accordance with the provisions of the Companies Act, 2013.

(All amounts in ₹ crore unless otherwise stated)

NOTE 22 Other Equity (Contd.)

Statutory Reserves:

According to Section 45 - IC of the Reserve Bank of India Act, 1934, the Company transfers a sum not less than 20% of its net profit every year as disclosed in the statement of Profit and Loss and before declaration of any dividend to the Statutory reserves.

Retained Earnings:

Represents Company's cumulative undistributed earnings since its inception. This is available for distribution to Shareholders through dividends/capitalisation.

NOTE 23 Interest Income

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
On Financial assets measured at amortised cost:		
Interest on Loans	3,736.84	2,444.16
Interest on Deposits with Bank	17.94	1.77
Total	**3,754.78**	**2,445.93**

NOTE 24 Fees and Commission Income

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
Fee-based Income	316.42	255.86
Service Income	84.42	44.66
Total	**400.84**	**300.52**

NOTE 25 Other Income

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
Unwinding of discount on security deposits and receivable for investments	3.92	6.80
Other Non-Operating Income	0.78	0.23
Interest on Income tax refund	-	1.91
Total	**4.70**	**8.94**

NOTE 26 Finance Costs

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
On Financial liabilities measured at amortised cost		
Interest Cost		
- Interest on Borrowings (other than Debt Securities)	826.56	547.34
- Interest on Debt Securities	191.67	85.47
- Interest on Subordinated Liabilities	141.51	102.12
- Interest on Lease Liabilities	2.08	1.99
Other Finance Charges	6.46	6.01
Total	**1,168.28**	**742.93**

(All amounts in ₹ crore unless otherwise stated)

NOTE 27 Impairment of Financial Instruments

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
On Financial Instruments measured at Amortised Cost		
Bad Debts Written-off (net)	136.26	231.29
Net Loss on Sale of Repossessed Assets	171.46	216.03
Impairment Provision on Loans	321.40	98.98
Impairment Provision on Trade Receivables and Other Financial Assets	0.02	7.85
Total	**629.14**	**554.15**

NOTE 28 Employee Benefit Expenses

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
Salaries and Wages	922.69	638.95
Contribution to Provident and other funds	49.21	40.92
Staff Welfare	67.61	31.91
Total	**1,039.51**	**711.78**

NOTE 29 Other Expenses

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
Travelling and Conveyance	124.21	91.45
Communication Costs	152.60	91.45
Rent, Taxes and Energy Costs (Refer Note 37c)	33.03	25.48
Repairs & Maintenance	14.51	12.30
Insurance Expenses	0.69	0.51
Legal and Prof Charges	149.36	81.81
Auditors Fees and Expenses*	0.65	0.53
Directors Sitting Fees & Commission Expenses	0.71	0.73
Corporate Social Responsibility**	5.00	3.50
Donation	2.83	-
Printing and Stationery	9.95	5.81
Others	16.12	9.92
Total	**509.66**	**323.49**

*__Auditors Fees and Expenses__

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
Statutory Audit	0.38	0.24
Tax Audit	0.08	0.07
Certification	0.04	0.15
Reimbursement of Expenses	0.15	0.07
Auditors Fees and Expenses	**0.65**	**0.53**

(All amounts in ₹ crore unless otherwise stated)

NOTE 29 Other Expenses (Contd.)

**** Expenditure incurred on Corporate Social Responsibility activities:**

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
(i) Amount required to be spent by the Company during the year	5.00	3.42
(ii) Amount of expenditure incurred	5.00	3.50
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	NA	NA
(vi) Nature of CSR activities		
a. Expenses incurred through Trusts	5.00	3.50
Total	**5.00**	**3.50**

NOTE 30 Income Tax Expenses

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
(a) Income tax expense:		
Current tax on profits for the year	197.78	64.84
Tax profits relating to prior period	-	-
Total current tax expense	**197.78**	**64.84**
Deferred tax		
Decrease/(increase) in deferred tax assets	(75.17)	(34.36)
(Decrease)/increase in deferred tax liabilities	-	-
Total deferred tax expense/(benefit)	**(75.17)**	**(34.36)**
Income tax expense for the year	**122.61**	**30.48**
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	511.28	151.21
Tax at the Indian tax rate of 25.168% (PY – 25.168%)	128.68	38.06
Tax effect of amounts which are permanent differences in nature in calculation of taxable income	(6.07)	(7.57)
Income tax expense	**122.61**	**30.49**

NOTE 31 Other Comprehensive Income

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans	(0.96)	(1.67)
Income tax relating to these items	0.24	0.42
Items that will be reclassified to profit or loss		
Fair value change on cash flow hedge	8.71	40.71
Income tax relating to these items	(2.19)	(10.25)
Other Comprehensive Income	**5.80**	**29.21**

(All amounts in ₹ crore unless otherwise stated)

NOTE 32 Earnings Per Share

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Company	18.72	6.17
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the Company	18.72	6.17
(c) Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Profit attributable to equity holders of the Company used in calculating basis earnings per share	388.67	120.73
Diluted earnings per share		
Profit attributable to equity holders of the Company used in calculating diluted earnings per share	388.67	120.73
(d) Weighted average number of equity shares used as the denominator in calculating basic earnings per share	207,631,553	195,548,365
(e) Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	207,631,553	195,548,365

NOTE 33 Employee Benefit Obligations

Defined Benefit Obligation

The Company provides gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised fund in India.

The Company operates defined benefit pension plan, which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

Particulars	Gratuity			Pension			Compensated Absences		
	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total
As on 1st April, 2021	**22.13**	**(20.33)**	**1.80**	**11.68**	**-**	**11.68**	**20.27**	**-**	**20.27**
Current service cost	3.66	-	3.66	-	-	-	-	-	-
Interest expense/(income)	1.25	(1.32)	(0.06)	0.76	-	0.76	1.04	-	1.04
Total amount recognised in profit or loss	**4.91**	**(1.32)**	**3.60**	**0.76**	**-**	**0.76**	**1.04**	**-**	**1.04**
Remeasurements									
Return on plan assets, excluding amounts included in interest expense/(income)	-	(0.79)	(0.79)	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	(0.26)	-	(0.26)	(0.29)	-	(0.29)	(0.18)	-	(0.18)
Experience (gains)/losses	1.36	-	1.36	1.65	-	1.65	5.55	-	5.55
Total amount recognised in other comprehensive (income)/losses	**1.10**	**(0.79)**	**0.31**	**1.36**	**-**	**1.36**	**5.37**	**-**	**5.37**
Employer contributions	-	(8.52)	(8.52)	-	-	-	(2.14)	-	(2.14)
Benefit payments	(0.40)	0.40	(0.00)	-	-	-	-	-	-
As on 31st March, 2022	**27.74**	**(30.56)**	**(2.81)**	**13.80**	**-**	**13.80**	**24.54**	**-**	**24.54**

(All amounts in ₹ crore unless otherwise stated)

NOTE 33 Employee Benefit Obligations (Contd.)

Particulars	Gratuity			Pension			Compensated Absences		
	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total
As on 1st April, 2022	**27.74**	**(30.56)**	**(2.81)**	**13.80**	**-**	**13.80**	**24.54**	**-**	**24.54**
Current service cost	4.52	-	4.52	-	-	-	-	-	-
Interest expense/(income)	1.99	(2.16)	(0.18)	0.75	-	0.75	2.10	-	2.10
Total amount recognised in profit or loss	**6.51**	**(2.16)**	**4.34**	**0.75**	**-**	**0.75**	**2.10**	**-**	**2.10**
Remeasurements									
Return on plan assets, excluding amounts included in interest expense/(income)	-	2.59	2.59	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	(1.29)	-	(1.29)	(1.72)	-	(1.72)	(1.15)	-	(1.15)
Experience (gains)/losses	4.43	-	4.43	(3.06)	-	(3.06)	17.39	-	17.39
Total amount recognised in other comprehensive (income)/losses	**3.14**	**2.59**	**5.73**	**(4.78)**	**-**	**(4.78)**	**16.24**	**-**	**16.24**
Employer contributions	-	(9.57)	(9.57)	-	-	-	-	-	-
Benefit payments	(3.54)	3.54	-	-	-	-	-	-	-
As on 31st March, 2023	**33.85**	**(36.16)**	**(2.31)**	**9.77**	**-**	**9.77**	**42.88**	**-**	**42.88**

Details	Gratuity		Pension		Compensated Absences	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Discount Rate	7.11%	5.36%	7.13%	6.13%	7.10%	5.17%
Salary Growth Rate	6.00%	6.00%	5.50%	5.50%	6.00%	6.00%
Attrition Rate	36.00%	36.00%	0.00%	0.00%	36.00%	36.00%
Retirement Age	58	58	60	60	58	58
Mortality inclusive of provision for disability	100% of Indian Assured Lives Mortality (IALM)					

(i) Sensitivity Analysis

FY 2022-23

Particulars	Gratuity			Pension			Compensated Absences		
	Change in Assump-tion	Due to increase in assump-tion	Due to decrease in assump-tion	Change in Assump-tion	Due to increase in assump-tion	Due to decrease in assump-tion	Change in Assump-tion	Due to increase in assump-tion	Due to decrease in assump-tion
Discount Rate	0.50%	33.45	34.23	1.00%	8.69	11.07	0.50%	42.46	43.34
Salary Growth Rate	0.50%	34.22	33.46	1.00%	11.13	8.63	0.50%	43.34	42.46
Mortality	5.00%	33.84	33.84	5.00%	9.71	9.85	5.00%	42.89	42.89

FY 2021-22

Particulars	Gratuity			Pension			Compensated Absences		
	Change in Assump-tion	Due to increase in assump-tion	Due to decrease in assump-tion	Change in Assump-tion	Due to increase in assump-tion	Due to decrease in assump-tion	Change in Assump-tion	Due to increase in assump-tion	Due to decrease in assump-tion
Discount Rate	0.50%	27.41	28.09	1.00%	12.05	15.91	0.50%	24.28	24.81
Salary Growth Rate	0.50%	28.08	27.41	1.00%	15.99	11.97	0.50%	24.81	24.28
Mortality	5.00%	27.74	27.74	5.00%	13.69	13.91	5.00%	24.54	24.54

(All amounts in ₹ crore unless otherwise stated)

NOTE 33 Employee Benefit Obligations (Contd.)

(ii) The following payments are expected contributions to the defined benefit plan in future years:

Particulars	
Within the next 12 months (next annual reporting period)	11.01
Between 2 and 5 years	22.77
Beyond 5 years	5.92
Total	**39.70**

(iii) Risk Exposure:

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below::

Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yield.

Changes in Bond Yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

(iv) Defined Contribution Plans:

The Company's contribution to the defined contribution plan viz., provident fund, of ₹30.41 crore (31st March, 2022: ₹25.99 crore) has been recognised in the Statement of Profit and Loss. There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated 28th February, 2019 on components/allowances paid to employees that need to be taken into account while computing an employer's contribution to provident fund under the EPF Act. The Company is in the process of evaluating the method of computation of its PF contribution in relation to above judgement and would record any further effect in its financial statements, upon receiving further clarification on the subject.

NOTE 34 Fair Value Measurements

Financial assets and financial liabilities measured at amortised cost, including their levels in the fair value hierarchy:

Particulars	Carrying Amount		Fair Value Hierarchy	Fair Value	
	31st March, 2023	31st March, 2022		31st March, 2023	31st March, 2022
Financial assets:					
Cash and Cash Equivalents	1,525.17	956.23	Level 3	1,525.17	956.23
Other Bank Balances	5.72	6.00	Level 3	5.72	6.00
Trade Receivables	64.36	37.90	Level 3	64.36	37.90
Loans	20,545.09	14,014.31	Level 3	20,545.09	14,014.31
Investments	12.01	12.01	Level 3	12.01	12.01
<u>Other Financial Assets</u>					
Employees Related Receivables	7.97	4.85	Level 3	7.97	4.85
Security Deposit for Leased Premises	9.65	8.27	Level 3	9.65	8.27
Advances to Related Parties	-	38.10	Level 3	-	38.75
Other Financial Assets - Related Parties	0.02	0.02	Level 3	0.02	0.02
Other Financial Assets - Non-Related Parties	0.01	0.83	Level 3	0.01	0.83
Deposit with Service Providers	5.19	6.39	Level 3	5.19	6.39
Total	**22,175.19**	**15,084.91**		**22,175.19**	**15,085.56**

(All amounts in ₹ crore unless otherwise stated)

NOTE 34 Fair Value Measurements (Contd.)

Financial Liabilities carried at amortised cost

Particulars	Carrying Amount		Fair Value Hierarchy	Fair Value	
	31st March, 2023	31st March, 2022		31st March, 2023	31st March, 2022
Trade Payables	635.69	334.62	Level 3	635.69	334.62
Debt Securities	2,607.04	2,213.68	Level 3	2,607.04	2,213.68
Borrowings other than Debt Securities	14,518.93	9,457.10	Level 3	14,518.93	9,457.10
Subordinated Liabilities	1,744.80	1,293.34	Level 3	1,744.80	1,293.34
Other Financial Liabilities	391.68	230.71	Level 3	391.68	230.71
Total	**19,898.14**	**13,529.45**		**19,898.14**	**13,529.45**

Financial assets and liabilities measured at fair value (Level 2)

Particulars	31st March, 2023	31st March, 2022
Financial Assets		
Derivative Financial Instruments	170.86	64.06
Total Financial Assets	**170.86**	**64.06**
Financial Liabilities		
Derivative Financial Instruments	-	-
Total Financial Liabilities	**-**	**-**

There were no transfers between any levels during the year.

(i) Fair value hierarchy

IND-AS 113, 'Fair Value Measurement' requires classification of the valuation method of financial instruments measured at fair value in the Statement of Balance Sheet, using a three-level fair-value hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The fair value of derivative financial assets and liabilities is estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. The three levels of the fair-value hierarchy under IND-AS 113 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes publicly traded derivatives and mutual funds that have a quoted price. The quoted market price used for financial assets held by the Company is the current bid price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

(ii) Valuation Technique Used to Determine Fair Value

Specific valuation techniques used to value financial instruments include:

- The Management assessed that Cash and Cash equivalents, bank balance other than Cash and Cash equivalents, receivable, other financial assets, payables, and other financial liabilities approximate their carrying amount largely due to short-term maturities of these instruments. The fair value of the investments has been considered as the carrying value of these investments since these investments have been made in the subsidiaries of the Company.
- The majority of borrowings are floating rate borrowings, the carrying value is representative of the fair value.
- The fair values for advance to related parties and rent advance were calculated based on cash flows discounted using a current lending rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.
- The fair value of forward foreign exchange contracts and cross currency interest rate swaps (CCIRS) is determined using forward exchange rates at the balance sheet date.

(All amounts in ₹ crore unless otherwise stated)

NOTE 35 Financial Risk Management

The Company's financial assets include loan and advances, investments and cash and cash equivalents that derive directly from its operations. The Company's financial liabilities comprise mainly borrowings from banks, debentures and commercial papers.

The Company is exposed to various risks such as credit risk, liquidity risk, foreign currency risks, and interest rate risks.

The Board of Directors have the overall responsibility for the establishment of governance and oversight in relation to the Company's Risk Management Framework. The Board of Directors have established Committees such as the Risk Management Committee and Asset Liability Committee for developing and monitoring the Company's risk management policies and treasury policies. The Committees report regularly to the Board of Directors on their activities.

The Company's risk management policies are established to identify and analyse the various risks faced by the Company, to set appropriate risk benchmarks limits, and controls, and to monitor risks and adherence to limits from time to time. The Risk Management Committee oversees how management monitors compliance with the risk management policies and procedures and other governance frameworks and reviews the adequacy of the risk management framework in relation to the various risks faced by the Company from time to time.

(A) Credit Risk

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored to determine significant increase in credit risk. The Company monitors the credit assessment on a portfolio basis, assesses all credit exposures in excess of designated limits. The Company does a risk grading based upon the credit worthiness of the borrowers. All these factors are taken into consideration for computation of Expected Credit Loss (ECL).

Loans

The following table sets out information about the credit quality of retail loan assets measured at amortised cost based on the number of days past due information. The amount represents the gross carrying value of assets as on each reporting date.

Particulars	31st March, 2023	31st March, 2022
Gross Carrying value of Loans		
Stage-1 (Up to 30 Days)	19,691.90	12,776.84
Stage-2 (31-90 Days)#	989.54	1,097.14
Stage-3 (More than 90 Days)*	573.71	528.99
Total Gross carrying value as of year end	**21,255.15**	**14,402.97**

Includes restructured contracts under one-time resolution framework vide RBI circular dated 6th August, 2020 and RBI/2021-22/31/DOR.STR.REC.11/21.04.048/2021-22 dated 5th May, 2021 even though days past due is less than and equal to 30 days on the reporting date.

* Includes restructured contracts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR. No.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019 irrespective of days past due on the reporting date.

Other financial assets

Credit risk with respect to Other Financial Assets is extremely low except for "Other Financial Assets-Non Related Parties". Based on the credit assessment, the historical trend of low default is expected to continue. No provision for ECL has been created for Other Financial Assets except full provision on "Other Financial Assets - Non-Related Parties".

Credit Quality

The Company has a comprehensive framework for monitoring the credit quality of its retail and other loans based on days past due monitoring. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow-ups and legal recourse.

Inputs considered in the ECL model

In assessing the impairment of loans assets under ECL model, the loan assets have been segmented into three stages.

(All amounts in ₹ crore unless otherwise stated)

NOTE 35 Financial Risk Management (Contd.)

The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages relate to the recognition of expected credit losses and the calculation and presentation of interest revenue.

The Company categorises loan assets into stages based on the Days Past Due status:

— Stage 1: Up to 30 Days Past Due

— Stage 2: 31-90 Days Past Due

— Stage 3: More than 90 Days Past Due

Assumptions Considered in the ECL model

The Company has made the following assumptions in the ECL Model:

— "Loss Given default" (LGD) is common for all three stages and is based on loss in past portfolios. Actual cash flows are discounted with the average rate for arriving loss rate. EIR has been taken as the discount rate for all loans.

Estimation Technique

The Company has applied the following estimation technique in its ECL model:

— "Probability of Default" (PD) is applied in Stage 1 and Stage 2 on a portfolio basis and for Stage 3 PD is 100%.

— Probability of default for Stage 1 loan assets is calculated as average of historical trend from Stage 1 to Stage 3 in next 12 months.

— Probability of default for Stage 2 loan assets is calculated based on the lifetime PD as average of historical trend from Stage 2 to Stage 3 for the remaining tenure.

— Loss given default is calculated based on discounted actual cash flow on past portfolio in default along with reversals.

There is no change in estimation techniques or significant assumptions during the reporting period.

The Company considers a broad range of forward-looking information with reference to external forecasts of economic parameters such as GDP growth, Government borrowing, private consumption expenditure, policy interest rates, etc., as considered relevant so as to determine the impact of macroeconomic factors on the Company's ECL estimates. The internal estimates of PD, LGD rates used in the ECL model may not always capture all the characteristics of the market/external environment as at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

Assessment of Significant Increase in Credit Risk

When determining whether the risk of default has increased significantly since initial recognition, the Company considers both quantitative and qualitative information and analysis based on the business historical experience, including forward-looking information. The Company considers reasonable and supportable information that is relevant and available without undue cost and effort.

The Company uses the number of Days Past Due to classify a financial instrument in the low credit risk category and to determine a significant increase in credit risk in retail. As a backstop, the Company considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due.

In accordance with the Board-approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated 27th March, 2020 and 17th April, 2020 relating to 'COVID-19 – Regulatory Package', the Company has offered a moratorium up to six months on the payment of 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.

(All amounts in ₹ crore unless otherwise stated)

NOTE 35 Financial Risk Management (Contd.)

Definition of Default

The Company considers a financial instrument is in default when the borrower becomes 90 Days Past Due on its contractual payments. The Company considers Loans under default as 'credit impaired' and classified as Stage-3 except for restructured contracts as disclosed above.

Impairment Loss

The expected credit loss allowance provision is determined as follows:

	Stage 1	Stage 2	Stage 3	Grand Total
Gross Balance as at 31st March, 2023	**19,691.90**	**989.54**	**573.71**	**21,255.15**
Expected Credit Loss	264.74	138.78	306.54	710.06
Expected Credit Loss Rate	1.34%	14.02%	53.43%	3.34%
Net of Impairment Provision	19,427.16	850.76	267.17	20,545.09

	Stage 1	Stage 2	Stage 3	Grand Total
Gross Balance as at 31st March, 2022	**12,776.84**	**1,097.14**	**528.99**	**14,402.97**
Expected Credit Loss	87.80	33.25	267.61	388.66
Expected Credit Loss Rate	0.69%	3.03%	50.59%	2.70%
Net of Impairment Provision	12,689.04	1,063.89	261.38	14,014.31

Reconciliation of Expected Credit Loss

Particulars	Stage 1	Stage 2	Stage 3	Grand Total
Balance as at 1st April, 2021	**81.90**	**42.34**	**165.43**	**289.67**
Transfer from Stage 1	(29.74)	18.52	11.22	-
Transfer from Stage 2	2.12	(12.60)	10.48	-
Transfer from Stage 3	4.64	2.41	(7.05)	-
Loans that have derecognised during the year	(21.70)	(19.63)	(90.95)	(132.28)
New Loans originated during the year	60.76	2.65	17.14	80.55
Net Remeasurement of Loss Allowance	(10.17)	(0.44)	161.34	150.73
Balance as at 31st March, 2022	**87.81**	**33.25**	**267.61**	**388.67**
Transfer from Stage 1	(6.38)	3.96	2.42	-
Transfer from Stage 2	2.16	(8.41)	6.25	-
Transfer from Stage 3	11.64	2.96	(14.60)	-
Loan that have derecognised during the year	(22.10)	(9.86)	(141.35)	(173.31)
New Loans originated during the year	118.95	46.44	48.07	213.46
Net Remeasurement of Loss Allowance	72.66	70.44	138.14	281.24
Balance as at 31st March, 2023	**264.74**	**138.78**	**306.54**	**710.06**

Concentration of Credit Risk

The business manages concentration of risk primarily by geographical region. The following details show the geographical concentrations of the loans at the year end:

	31st March, 2023	31st March, 2022
Carrying value		
Concentration by geographical region in India		
South	8,470.99	5,619.31
West	5,917.79	3,870.72
East	3,307.58	2,517.92
North	3,558.79	2,395.02
Total Loans as at reporting period	**21,255.15**	**14,402.97**

(All amounts in ₹ crore unless otherwise stated)

NOTE 35 Financial Risk Management (Contd.)

(B) Liquidity Risk

Liquidity risk is a risk that an entity will encounter difficulty in meeting financial obligations.

As per Company's policy, management ensures the availability of sufficient funds either through Instalment receivables/ sourcing through debts at each point in time. The fund requirement is ascertained at the beginning of the period by taking into consideration instalment receivable, likely disbursement, loan instalment payment, and other operational expenses. The Company is continuously getting good support from bankers and financial institutions at the time of need.

i. Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	31st March, 2023	31st March, 2022
Floating rate		
Expiring within one year (bank overdraft and other facilities)	2,440	1,215
Expiring beyond one year (bank loans)	-	-
	2,440	**1,215**

The bank cash credit and other facilities may be drawn at any time and may be terminated by the bank without notice.

ii. Maturities of Financial Liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

a. All non-derivative financial liabilities, and

b. Net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities based on contractual undiscounted payments as at the balance sheet date.

Particulars	Contractual Cashflows					
	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total Carrying Amount
As at 31st March, 2023						
Financial Assets:						
Cash and Cash Equivalents	1,525.17	-	-	-	-	1,525.17
Fixed Deposits	-	-	5.72	-	-	5.72
Derivative Financial Instruments	-	35.27	46.69	88.90	-	170.86
Trade Receivables	39.34	25.02	-	-	-	64.36
Loans	4,622.32	3,218.00	5,637.25	12,889.67	22.68	26,389.92
Investments	-	-	-	-	12.01	12.01
Other Financial Assets	3.67	1.88	7.53	7.65	2.11	22.84
Total	**6,190.50**	**3,280.17**	**5,697.19**	**12,986.22**	**36.80**	**28,190.88**
Financial Liabilities:						
Borrowings	2,600.41	1,848.07	5,520.08	10,983.52	209.55	21,161.63
Security Deposit	51.81	2.85	4.90	4.83	-	64.39
Trade Payables	352.02	153.78	111.94	17.95	-	635.69
Other Financial Liabilities	158.67	2.55	140.20	24.24	7.67	333.32
Total	**3,162.91**	**2,007.25**	**5,777.12**	**11,030.54**	**217.22**	**22,195.03**

(All amounts in ₹ crore unless otherwise stated)

NOTE 35 Financial Risk Management (Contd.)

Particulars	Contractual Cashflows					
	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total Carrying Amount
As at 31st March, 2022						
Financial Assets:						
Cash and Cash Equivalents	956.23	-	-	-	-	956.23
Fixed Deposits	-	-	6.00	-	-	6.00
Derivative Financial Instruments	20.82	14.92	-	28.32	-	64.06
Trade Receivables	9.41	8.61	19.88	-	-	37.90
Loans	3,163.57	2,263.33	3,962.84	8,267.58	10.02	17,667.34
Investments	-	-	-	-	12.01	12.01
Other Financial Assets	1.44	7.42	44.51	5.09	-	58.46
Total	**4,151.47**	**2,294.28**	**4,033.23**	**8,300.99**	**22.03**	**18,802.00**
Borrowings	3,192.51	1,129.72	3,314.25	6,032.30	566.63	14,235.41
Security Deposit	43.70	29.13	5.26	3.28	-	81.37
Trade Payables	149.02	75.24	98.70	11.66	-	334.62
Other Financial Liabilities	72.39	2.32	57.53	19.23	0.37	151.83
Total Non-Derivative Liabilities	**3,457.62**	**1,236.41**	**3,475.74**	**6,066.47**	**567.00**	**14,803.24**

(a) Foreign Currency Risk Exposure:

Foreign exchange risk arises on financial instruments being denominated in a currency that is not the functional currency of the entity. The Company is exposed to foreign exchange risk due to continuous fluctuation in the foreign currency(USD) of the loan originated. The Company has entered into cross currency swaps (CCS)/forward contracts/ Interest rate swaps to fully hedge all foreign currency exchange risk on the principal and interest amount payable on borrowings.

Particulars	31st March, 2023	31st March, 2022
Financial Liabilities		
Variable Foreign Currency Borrowings (USD 197 million) (PY USD 287 million)	1,473.21	2,108.05
Derivative Liabilities		
Hedged through forward contracts and CCS	1,473.21	2,108.05
Net exposure to foreign currency risk (Liabilities)	-	-

(b) Sensitivity Analysis:

The Company has hedged all its foreign currency exposures by entering into CCS/Forwards contracts, it shall not be subject to any sensitivity on settlement due to foreign currency fluctuation due to the movements in foreign exchanges i.e. USD. Forward Contract & Cross Currency Swaps are to buy USD for Hedging Foreign Currency Loans. The Company shall not maintain as per IND-AS 109 to be considered a Foreign Currency Loan.

Impact on Profit After Tax		
USD sensitivity	31st March, 2023	31st March, 2022
INR/USD Increases by 5%	-	-
INR/USD Decreases by 5%	-	-

(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 31st March, 2023 and 31st March, 2022, the Company's borrowings at variable rates were mainly denominated in INR.

The Company's floating rate borrowings are carried at amortised cost. For NBFC business, a loan is the major source for running the business. In India, loans are generally available at a Floating Rate Interest. And there are no such options available to obtain a swap option for floating rate Interest linked to the respective bank MCLR with fixed interest. Hence except for foreign currency loans, other loans are not hedged.

(All amounts in ₹ crore unless otherwise stated)

NOTE 35 Financial Risk Management (Contd.)

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31st March, 2023	31st March, 2022
Variable rate borrowings	8,211.28	6,232.48
Total borrowings	**18,870.77**	**12,964.11**

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

Particulars	31st March, 2023		
	Weighted average interest rate	Balance	% of total loans
Cash credits, bank loans etc.	7.88%	8,211.28	43.51%

Particulars	31st March, 2022		
	Weighted average interest rate	Balance	% of total loans
Cash credits, bank loans etc.	6.53%	6,232.48	48.07%

An analysis by maturities is provided in note 35 B (ii) above.

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

Impact on Profit After Tax		
Particulars	**31st March, 2023**	**31st March, 2022**
Interest rates – increase by 50 basis points (50 bps) *	30.72	23.32
Interest rates – decrease by 50 basis points (50 bps) *	(30.72)	(23.32)

* Holding all other variables constant

NOTE 36 Capital Management

(a) Risk management

The Risk Management policy includes identification of element of risks, including those which in the opinion of Board may lead to Company not meeting its financial objectives. The risk management process has been established across the Company and design to identify, access and frame a response to threat that affect the achievement of its objecticves. Further it is embedded across all the major functions and revolve around the goals and objectives of the Company.

Maintaining optimal capital to debt is one such measure to ensure healthy returns to the shareholders. Company envisages maintaining gearing ratio of maximum 7 times to the total equity, the Company monitors the ratio as below:

Particulars	31st March, 2023	31st March, 2022
Net debt (total borrowings, less cash and cash equivalents)	17,345.60	12,007.88
Total Equity (as shown in the balance sheet)	2,758.11	1,863.64
Net debt to equity ratio	**6.29**	**6.44**

(b) Externally Imposed Capital Restrictions

1. As per RBI requirements, the Capital Adequacy Ratio should be a minimum of 15%, not meeting RBI requirements will lead to the cancellation of NBFC licenses issued by RBI.
2. As per various lending arrangements with banks, TOL (Total Outside Liability) to TNW (Tangible Net Worth) ratio should be less than 8.5 times, not meeting the said requirements may lead to higher interest rates.
3. Shareholding of the promoter shall not be less than 51% without prior approval from lenders.

The Company has complied with these covenants throughout the reporting period.

(All amounts in ₹ crore unless otherwise stated)

NOTE 37 Leases

a) Lease Disclosures pertaining to Right-to-use Asset

Particulars	31st March, 2023	31st March, 2022
Building		
Gross Block		
Opening/(On transition to IND-AS 116)	18.12	18.68
Revaluation due to change in future lease rentals	-	-
Additions during the year	17.29	6.49
(Deletions during the year)	-	-
Closing Balance during the year	35.41	25.17
Amortisation		
Additions	-	-
Amortisation for the year	6.68	7.05
Closing Balance during the year	**28.73**	**18.12**

b) The Company has offices across the country with varied lease period. The lease term considered for arriving at the Right to use Asset and Lease 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, 2023	31st March, 2022
Finance charges		
Interest expense	2.08	1.99
Depreciation		
Amortisation of Right to use Asset	6.68	7.05
Other expenses		
Rent expenses		
Expense relating to short-term leases (included in other expenses)	17.75	11.65
Expense relating to leases of low-value assets that are not short-term leases (included in other expenses)	-	-
Expense relating to variable lease payments not included in the measurement of lease liabilities	-	-
Total	**26.51**	**20.69**

d) Additional Disclosures in Cash Flow Statement

Particulars	31st March, 2023	31st March, 2022
Cash flow financing activities		
Principal repayments related to lease liabilities	6.11	6.56
Interest payments related to lease liabilities	2.12	1.99

(All amounts in ₹ crore unless otherwise stated)

38. Related Party Disclosure

Disclosure in respect of Related Parties and their relationship where transaction exists:

Nature of Relationship	Parties Name
Reporting Enterprise	TVS Credit Services Limited
Holding Company	TVS Motor Company Limited Sundaram-Clayton Limited (holding company of TVS Motor Company Limited)
Ultimate Holding Company	TV Sundram Iyengar & Sons Private Limited (up to 4th February, 2022) TVS Holdings Private Limited (with effect from 4th February, 2022)
Subsidiaries	TVS Housing Finance Private Limited Harita ARC Private Limited Harita Two Wheeler Mall Private Limited TVS Micro Finance Private Limited (up to 3rd September, 2021) Harita Collection Services Private Limited (up to 3rd September, 2021) TVS Commodity Financial Solutions Private Limited (up to 9th February, 2022)
Fellow Subsidiary	TVS Motor Services Limited Sundaram Auto Components Limited TVS Automobile Solutions Private Limited
Associate of Holding Company	Emerald Haven Realty Limited Emerald Haven Development Limited Drive X Mobility Millennial Solutions Private Limited
Subsidiary of Holding Company's Associate Company	Scienaptic Systems Private Limited
Key Managerial Personnel	G Venkatraman, Director and Chief Executive Officer (up to 31st August, 2022) Ashish Sapra, Chief Executive Officer (from 1st September, 2022) V Gopalakrishnan, Chief Financial Officer (up to 26th July, 2022) Roopa Sampath Kumar, Chief Financial Officer (from 27th July, 2022) Ashwin J, Company Secretary (up to 15th March, 2022) Anand Vasudev, Company Secretary (from 26th July, 2022)

Transactions with related parties and balance outstanding as at the end of the year:

S.No.	Name of the Related Party	Nature of Transactions	31st March, 2023	31st March, 2022
1	TVS Motor Services Limited	Advance received	41.33	41.33
		Unwinding of advance	3.24	6.23
		Balance outstanding [Dr/(Cr)]	0.00	38.10
2	TVS Motor Company Limited	Contribution towards Equity Share Capital	27.03	6.17
		Contribution towards Security Premium	472.97	93.83
		Services rendered	14.58	9.03
		Availing of services	10.25	8.34
		Balance outstanding [Dr/(Cr)]	1.57	(2.80)
3	Sundaram-Clayton Limited	Loan recovered	0.08	0.10
		Interest received	0.01	0.02
		Availing of services	2.41	3.92
		Balance outstanding [Dr/(Cr)]	(0.02)	(0.48)

(All amounts in ₹ crore unless otherwise stated)

38. Related Party Disclosure (Contd.)

S.No.	Name of the Related Party	Nature of Transactions	31st March, 2023	31st March, 2022
4	Sundaram Auto Components Limited	Loan recovered	0.04	0.10
		Interest received	0.00	0.01
		Balance outstanding [Dr/(Cr)]	-	0.04
5	Scienaptic Systems Private Limited	Availing of services	3.03	-
		Balance outstanding [Dr/(Cr)]	(0.45)	-
6	Drive X Mobility Millennial Solutions Private Limited	Services rendered	0.14	-
		Sale of fixed assets	0.52	
		Balance outstanding [Dr/(Cr)]	0.44	-
7	Emerald Haven Realty Limited	Loan disbursed	3.00	-
		Loan recovered	3.00	-
		Interest received	0.06	-
		Balance outstanding [Dr/(Cr)]	-	-
8	Emerald Haven Development Limited	Loan disbursed	14.00	-
		Loan recovered	14.00	-
		Interest received	0.32	-
		Balance outstanding [Dr/(Cr)]	-	-

Remuneration to Key Managerial Personnel

Particulars	2022-23	2021-22
Short Term Benefits	9.07	6.13
Post Retirement Benefits	0.18	0.18

The Company maintains Gratuity Fund with Life Insurance Corporation of India (LIC). Post retirement benefits do not include yearly preimum paid by the Company to maintain the fund. The LIC has paid ₹0.66 crore to Mr. G Venkatraman, Director and Chief Executive Officer (up to 31st August, 2022) during FY 2022-23 towards gratuity.

The Company has not granted any Loans or Advances in the nature of loans to Promoters, Directors, Key Managerial Personnel, and the related parties, either severally or jointly with any other person, which are (a) Repayable on demand; or (b) Without specifying any terms or period of repayment.

(All amounts in ₹ crore unless otherwise stated)

38. Related Party Disclosure (Contd.)

Related Party disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22:

Related Party Balance outstanding:

Related Party Items	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint Ventures		KMP*		Relatives of KMP*		Others		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Borrowings:														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits:														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits:														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances:														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	0.63	38.70	0.63	38.70
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	52.19	80.31	52.19	80.31
Investments:														
Outstanding at the year end	-	-	12.01	12.01	-	-	-	-	-	-	-	-	12.01	12.01
Maximum outstanding during the year	-	-	12.01	12.01	-	-	-	-	-	-	-	-	12.01	12.01

Related Party Transactions During the Year:

Related Party Items	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint Ventures		KMP*		Relatives of KMP*		Others		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-	0.52	-	0.52	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	0.01	0.02	-	-	-	-	-	-	-	-	0.38	0.01	0.39	0.03
Unwinding of advance	-	-	-	-	-	-	-	-	-	-	3.24	6.23	3.24	6.23
Services rendered	14.58	9.03	-	-	-	-	-	-	-	-	0.14	-	14.72	9.03
Availing of services	12.66	12.27	-	-	-	-	-	-	-	-	3.03	-	15.69	12.27

* There is no transaction with directors and relatives of directors.

(All amounts in ₹ crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023

1. Capital Commitments

Description	31st March, 2023	31st March, 2022
Estimated amount of contracts remaining to be executed on Capital Account not provided for	13.55	0.78

2. Other Commitments

Description	31st March, 2023	31st March, 2022
Undrawn Loans sanctioned to borrowers	43.58	48.33

3. Contingent Liabilities not provided for

Claims against the Company not acknowledged as debts.

Description	31st March, 2023	31st March, 2022
Disputed Service Tax Demand inclusive of Penalty – Commissioner order/Additional Commissioner appealed against by Company during previous years (Pre-deposit of ₹0.38 crore)	8.34	7.70
Legal cases filed by borrowers against the Company	4.04	1.48

The Company's pending litigations comprise of claims against the Company and proceedings pending with Statutory Authorities. The future cash flows on the above items are determinable only on receipt of decisions/ 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 a Business Transfer Agreement (BTA) entered into with TVS Finance and Services Limited (TVSFS) on 21st April, 2010, the Company acquired the retail finance business of TVSFS as a going concern along with the related assets (comprising fixed assets, receivables, loans and advances and bank balances) of ₹50.75 crore and liabilities (comprising borrowings from Banks and Institution, current liabilities and provisions) of ₹298.75 crore TVSFS issued Unsecured Redeemable Bonds to the Company, for the excess of liabilities over assets of ₹248 crore The bonds are redeemable between the 7th and 12th year from the date of allotment. The said bonds have been purchased by TVS Motor Services Limited (TVSMS), the Holding Company, during 2010-11 at book value and the same is repayable by TVSMS in 6 years. The TVSMS has fully paid the advance to the Company and there is no outstanding as at 31st March, 2023.

6. Pursuant to Para 2 of general instructions for the preparation of financial statements of a NBFC as mentioned in Division III of Schedule III of The Companies Act, 2013, the current and non-current classification has not been provided.

7. Exceptional items of ₹5 crore represents the contribution made by the Company towards COVID-related expenses for the year ended 31st March, 2022.

8. Segment Reporting

There is no separate reportable segment as per IND-AS 108 on 'Operating Segments' for the Company since it is primarily engaged in the business of financing.

9. The Company has a process, whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year-end, Company has reviewed and ensured that adequate provisions as required under any law/ accounting standard for material foreseeable losses on such long-term contracts have been made in the books of accounts.

10. The Company has no transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

(All amounts in ₹ crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

11. The Company is in compliance with the number of layers prescribed under Clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

12. There have been no events after the repoting date that require disclosure in the Financial Statements.

13. Prior period figures have been regrouped, wherever necessary, to conform to the current period presentation.

14. Disclosure of ratios:

S.No.	Particulars	31st March, 2023	31st March, 2022
a.	Current Ratio	NA	NA
b.	Total Borrowings	18,870.77	12,964.11
	Shareholders' Equity	2,758.11	1,863.64
	Debt-Equity Ratio	6.84	6.96
	[total borrowings/shareholders' equity]		
c.	Debt Service Coverage Ratio	NA	NA
d.	Return on Equity Ratio	16.82%	7.04%
e.	Inventory Turnover Ratio	NA	NA
f.	Trade Receivable Turnover Ratio	NA	NA
g.	Trade Payable Turnover Ratio	NA	NA
h.	Net Capital Turnover Ratio	NA	NA
i.	Net Profit Ratio	9.34%	4.38%
j.	Return on Capital Employed Ratio	NA	NA
k.	Return on Investment Ratio	NA	NA
l.	Capital to Risk-weighted Assets Ratio (CRAR) (Calculated as per RBI guidelines)	18.75%	18.64%
m.	Tier I CRAR (Calculated as per RBI guidelines)	12.17%	12.31%
n.	Tier II CRAR (Calculated as per RBI guidelines)*	6.59%	6.34%
o.	Liquidity Coverage Ratio (LCR) (Calculated as per RBI guidelines)#	184%	133%

* The Company has issued Subordinated Debenture of ₹600 crore during FY 2022-23
# The LCR is more than regulatory requirement

Notes:

i. Certain ratios/line items marked with the remark "N/A" are not applicable since the Company is a Non-Banking Financial Company registered with the Reserve Bank of India

ii. Return on Equity Ratio = Profit after tax/Average Networth

iii. Net profit ratio (%) = Profit after Tax/Total Income

15. No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

16. No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

17. There is no "undisclosed income" which has been reported by the Company during the assessment.

(All amounts in ₹ crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

18. The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

19.1 Schedule to the Balance Sheet of a Non-Deposit taking Non-Banking Financial Company (as required in terms of Annex II as amended from time to time of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016)

S.No.	Description	Amount Outstanding	Amount Overdue
		as at 31st March, 2023	
	Liabilities		
(1)	**Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:**		
A	Debentures		
	- Secured	1,276.76	-
	- Unsecured (other than falling within the meaning of public deposits)	-	-
B	Deferred Credits	-	-
C	Term Loans (including Sub-Ordinated Debt)	16,346.03	-
D	Inter-Corporate Loans and Borrowings	-	-
E	Commercial Paper	1,397.19	-
F	Other Loans:		
	i. Cash Credit & WCDL	5.56	-
	ii. Securitised Trust Borrowing	-	-
	Total	**19,025.54**	-

S.No.	Description	Amount Outstanding	Amount Overdue
		as at 31st March, 2022	
	Liabilities		
(1)	**Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:**		
A	Debentures		
	- Secured	449.02	-
	- Unsecured (other than falling within the meaning of public deposits)	-	-
B	Deferred Credits	-	-
C	Term Loans (including Sub-Ordinated Debt)	10,778.41	-
D	Inter-Corporate Loans and Borrowings	-	-
E	Commercial Paper	1,795.29	-
F	Other Loans:		
	i. Cash Credit & WCDL	11.08	-
	ii. Securitised Trust Borrowing	-	-
	Total	**13,033.80**	-

(All amounts in ₹ crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

S.No.	Description	Amount Outstanding as at 31st March, 2023	Amount Outstanding as at 31st March, 2022
	Assets		
(2)	**Break-up of Loans and Advances including bills receivable (other than those included in (4) below) :**		
(a)	Secured	15,893.44	11,212.16
(b)	Unsecured considered good	5,361.71	3,190.81
(3)	**Break-up of Leased Assets and Stock on Hire and other Assets counting towards AFC activities:**		
	(i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on Hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed assets	-	-
	(iii) Other Loan counting towards AFC activities:		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
	Total	**21,255.15**	**14,402.97**

S.No.	Description	Amount Outstanding	Amount Overdue
		as at 31st March, 2023	
(4)	**Current Investments:**		
	1. Quoted:		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
	2. Unquoted:		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
	Long-term Investments:		
	1. Quoted:		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-

(All amounts in ₹ crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

S.No.	Description	Amount Outstanding	Amount Overdue
		as at 31st March, 2023	
	2. Unquoted:		
	(i) Shares: (a) Equity	12.01	12.01
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Pass-through Certificates - Securitisation)	-	-
	Total	**12.01**	12.01

(5)	Borrower group-wise classification of assets financed as in (2) and (3) above			
	Category	Amount (Net of provisions for Non-performing assets)		
		Secured	Unsecured	Total
	1. Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	0.63	-	0.63
	(c) Other related parties	-	-	-
	2. Other than related parties	15,650.76	5,246.27	20,897.03
	Total	**15,651.39**	**5,246.27**	**20,897.66**

(6)	Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)		
	Category	Market Value / Breakup or Fair Value of NAV	Book Value (Net of Provisions)
1	Related parties		
	(a) Subsidiaries	12.01	12.01
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
2	Other than related parties	-	-
	Total	**12.01**	**12.01**

(7)	Other Information	Amount
(i)	Gross Non-performing assets	
	(a) Related Parties	-
	(b) Other than related parties	910.02
(ii)	Net Non-performing assets	
	(a) Related Parties	-
	(b) Other than related parties	552.53
(iii)	Assets acquired in satisfaction of debt	-

(All amounts in ₹ crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

19.2 Disclosures required in terms of Annexure XIV of the RBI Master Direction DNBR. PD. 008/03.10.119/2016-17 dated 1st September, 2016 (Updated as on 22nd February, 2019) "Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

(A) Capital Adequacy Ratio

Description	2022-23	2021-22
Tier I Capital	2,589.42	1,780.70
Tier II Capital	1,402.31	916.80
Total Capital	**3,991.73**	**2,697.50**
Total Risk Weighted Assets	**21,284.10**	**14,469.18**
Amount of Subordinated Debt as Tier II Capital (Discounted Value)	1,139.20	829.00
Capital Ratios		
Tier I Capital as a Percentage of Total Risk Weighted Assets (%)	12.17%	12.31%
Tier II Capital as a Percentage of Total Risk Weighted Assets (%)	6.59%	6.34%
Total (%)	**18.75%**	**18.64%**
Amount of Perpetual debt raised and qualifying as Tier I capital during the year	-	-
Amount of Subordinated debt raised and qualifying as Tier II capital during the year	600.00	449.00

(B) Investment

S.No.	Description	2022-23	2021-22
1.	**Value of Investments**		
	i) Gross Value of Investments		
	a) In India	12.01	12.01
	b) Outside India	-	-
	ii) Provision for Depreciation		
	a) In India	-	-
	b) Outside India	-	-
	iii) Net Value of Investments		
	a) In India	12.01	12.01
	b) Outside India	-	-
2.	**Movement of Provisions held towards depreciation on Investments**		
	i) Opening Balance	-	-
	ii) Add: Provisions made during the year	-	-
	iii) Less: Write off/write back of excess provisions during the year	-	-
	iv) Closing Balance	-	-

(C) Derivative

The Company has fully hedged all its foreign currency borrowing at the time of drawal of each loan.

(All amounts in ₹ crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

(D) Exposure to Real Estate Sector, both Direct and Indirect

Description	2022-23	2021-22
(i) Direct Exposure		
(a) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	3.38	4.21
(b) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office building, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc.).	8.31	6.83
(c) Investments in Mortgage Backed Securities (MBS) and other Securitised exposures-		
a. Residential	-	-
b. Commercial Real Estate	-	-
(ii) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFC's)	-	-

(E) Exposure to Capital Market

S.No.	Description	2022-23	2021-22
i	Direct Investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt.	-	-
ii	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures and units of equity-oriented mutual funds.	-	-
iii	Advances for any other purpose where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as a primary security.	-	-
iv	Advances for any other purpose to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/ convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances.	-	-
v	Secured and unsecured advances to stock brokers and guarantees issued on behalf of stock brokers and market makers.	-	-
vi	Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.	-	-
vii	Bridge loans to companies against expected equity flows/issues.	-	-
viii	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
ix	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
x	Financing to stockbrokers for margin trading	-	-
xi	All exposures to Alternative Investment Funds (i) Category I (ii) Category II (iii) Category III	-	-

(All amounts in ₹ crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

(F) Disclosure on Sectoral Exposures

S.No.	Sector	2022-23			2021-22		
		Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPA	% of Gross NPA	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPA	% of Gross NPA
1	Agriculture and Allied Activities	5,727.06	460.43	8.04%	3,849.62	234.37	6.09%
2	Industry						
	i. MSME	293.13	4.44	1.51%	442.54	12.15	2.74%
	ii. Other	444.30	23.21	5.22%	83.68	3.67	4.38%
	Total	**737.43**	**27.65**	**3.75%**	**526.21**	**15.82**	**3.01%**
3	Services	-	-	-	-	-	-
4	Personal Loans	3,576.58	79.33	2.22%	1,620.50	20.36	1.26%
5	Others						
	i. Vehicles	9,714.04	305.59	3.15%	7,276.64	241.60	3.32%
	ii. Consumer Durable	1,217.36	22.87	1.88%	892.21	3.86	0.43%
	iii. Advance to Dealers	282.69	14.15	5.00%	237.78	12.98	5.46%
	Total	**11,214.09**	**342.61**	**3.06%**	**8,406.63**	**258.44**	**3.07%**

(G) Disclosure on Intra-Group Exposures

Description	2022-23	2021-22
Total amount of intra-group exposures	0.63	0.59
Total amount of top 20 intra-group exposures	0.63	0.59
Percentage of intra-group exposures to total exposure of the NBFC on borrower/customers	0.00%	0.00%

The above disclosure in note 39.2.C to 39.2.G also covers disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22.

(H) Asset Liability Management Maturity Pattern of certain items of Assets and Liabilities

As at 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	2,077.05	168.63
Investments	-	-	-	-	-	-	-	-	-	12.01
Borrowings	0.16	-	180.16	719.82	1,441.78	1,201.71	4,738.43	7,424.56	1,348.88	200.00
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	377.90	343.80	893.57	-	-
Grand Total	**581.56**	**387.60**	**595.45**	**1,777.48**	**2,661.72**	**3,864.90**	**9,191.19**	**17,277.18**	**3,425.93**	**380.64**

(All amounts in ₹ crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

As at 31st March, 2022										
Time Bucket	1 to7 days	8 to 14 days	15 days to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years
Deposits	-	-	-	-	-	-	6.00	-	-	-
Advances	401.75	267.84	286.97	823.86	941.62	1,727.76	3,085.52	6,067.93	791.81	7.91
Investments	-	-	-	-	-	-	-	-	-	12.01
Borrowings	-	270.17	747.97	730.64	875.79	672.59	3,061.07	3,478.83	408.37	548.86
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	189.38	189.38	303.02	-	1,488.04	-	-
Grand Total	**401.75**	**538.01**	**1,034.94**	**1,743.88**	**2,006.79**	**2,703.37**	**6,152.59**	**11,034.80**	**1,200.18**	**568.78**

(I) Category-wise classification of frauds reported during the year vide DNBS.PPD.01/66.15.001/2016-17 dtd 29th September, 2016

There were 42 cases of frauds amounting to ₹ 3.13 crore reported during the year. (Previous year 33 cases amounting to ₹ 2.92 crore).

19.3 Disclosure-relating Securitisation

(a) Outstanding amount of Securitised assets of as per books of SPVs

S.No.	Description	2022-23	2021-22
1.	No. of SPVs sponsored by the NBFC for securitisation transactions	-	-
2.	Total amount of securitised assets as per books of the SPVs sponsored by NBFC's	-	-
3.	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet:		
	a) Off-balance sheet exposures		
	- First loss	-	-
	- Others	-	-
	b) On-balance sheet exposures		
	- First loss (cash collateral term deposits with banks)	-	-
	- Second Loss	-	-
	- Others	-	-
4.	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	- First loss	-	-
	- Loss	-	-
	ii) Exposure to third-party securitisations		
	- First loss	-	-
	- Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	- First loss	-	-
	- Others	-	-
	ii) Exposure to third-party securitisations		
	- First loss	-	-
	- Others	-	-

(All amounts in ₹ crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

(b) The value of "excess interest spread receivable" and "unrealised gain" on securitisation transactions undertaken in terms of guidelines on securitisation transaction issued by Reserve Bank of India on 21st August, 2012 are given below:

S.No.	Description	2022-23		2021-22	
		Non-Current	Current	Non-Current	Current
1	Excess Interest Spread Receivable	-	-	-	-
2	Unrealised gain on Securitisation Transactions	-	-	-	-

(c) Details of Financial Assets sold to Securitisation/Reconstruction Company for Asset Reconstruction

Description	2022-23	2021-22
No. of Accounts	-	-
Aggregate value (net of Provisions) of accounts sold to SC/RC	-	-
Aggregate Consideration	-	-
Additional Consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate Gain/Loss over net book value	-	-

(d) Details of Assignment Transactions undertaken by NBFCs

Description	2022-23	2021-22
No. of Accounts	-	-
Aggregate value (net of Provisions) of accounts sold	-	-
Aggregate Consideration	-	-
Additional Consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate Gain/Loss over net book value	-	-

19.4 (a) Disclosure pursuant to Reserve Bank of India notification DNBR (PD) CC. No. 0029/03.10.001/2014-15 dated 10th April, 2015

S.No.	Movement of NPA	2022-23	2021-22
(I)	**Net NPA to Net advances (%)**	**2.64%**	**1.85%**
(II)	**Movement of Gross NPA***		
	a. Opening Balance	528.99	567.10
	b. Additions during the year	872.67	527.95
	c. Reductions during the year	259.36	267.52
	d. Write off during the year	232.28	298.54
	e. Closing Balance	910.02	528.99
(III)	**Movement of Net NPA**		
	a. Opening Balance	261.38	383.70
	b. Additions during the year	612.54	335.18
	c. Reductions during the year	89.11	158.96
	d. Write off during the year	232.28	298.54
	e. Closing Balance	552.53	261.38
(IV)	**Movement of Provision for NPAs****		
	a. Opening Balance	267.62	183.40
	b. Provisions made during the year	260.12	192.77
	c. Reductions/Write off during the year	170.25	108.55
	d. Closing Balance	357.49	267.61

(All amounts in ₹ crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

The Reserve Bank of India (RBI) vide its circular no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22, dated 12th November, 2021 on "Prudential Norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances - Clarifications", had clarified/harmonised certain aspects of extant regulatory guidelines with a view to ensuring uniformity in the implementation of IRACP norms across all lending institutions. The Company has since taken necessary steps to implement the provisions of this circular under IRACP norms for regulatory purposes. The aforementioned circular has no impact on the financial results for the quarter and year ended 31st March, 2023, as the Company continues to prepare financial statements in accordance with Indian Accounting Standards ('IND-AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and the RBI circular dated 13th March, 2020 on "Implementation of Indian Accounting Standards.

* NPA figures includes provision on assets taken over from Chennai Business Consulting Services Limited (erstwhile TVS Finance and Services Limited) vide BTA dated 21st April, 2010.

** NPA figures mentioned above includes Restructured contracts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019.

(b) Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated 6th August, 2020 and RBI/2021- 22/31/DOR.STR.REC.11/21.04.048/2021-22 dated 5th May, 2021 are given below:

	(A)	(B)	(C)	(D)	(E)
Type of Borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year	Of (A), amount paid by borrowers during the half-year	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of this half-year (A)
Personal Loans	88.07	8.29	1.13	30.86	47.79
Corporate persons	4.72	-	-	2.06	2.66
Of which, MSMEs	4.72	-	-	2.06	2.66
Others	-	-	-	-	-
Total	**92.79**	**8.29**	**1.13**	**32.92**	**50.45**

(c) Disclosure on restructured accounts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019

Particulars		Amount
Restructured loans as on 1st April, 2022	Amount Outstanding	94.62
	Provision thereon	52.07
Fresh restructuring during the year	Amount Outstanding	-
	Provision thereon	-
Reductions during the year	Amount Outstanding	35.94
	Provision thereon	25.69
Write-off of restructured accounts during the year	Amount Outstanding	20.94
	Provision thereon	11.10
Restructured loans as on 31st March, 2023	Amount Outstanding	37.74
	Provision thereon	15.28

(All amounts in ₹ crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

(d) Provisions and Contingencies

Break-up of 'Provisions and Contingencies' shown under the Head Expenditure in Statement of Profit and Loss

Description	31st March, 2023	31st March, 2022
Provision for Depreciation on Investments	-	-
Provision/Impairment allowance towards NPA (Net)	89.88	84.21
Provision/Impairment allowance towards Standard Assets	231.52	14.78
Provision/Impairment allowance on trade receivables & Other Financial Assets	0.02	7.85
Provision made towards Income Tax	197.78	64.84
Other Provision and Contingencies	-	-
Total	**519.20**	**171.68**

19.5 Disclosure as required by DOR (NBFC).CC.PD.No.109/22.10.106/2019-20
Comparison between ECL as per books and RBI provision as at 31st March, 2023

Asset Classification as per RBI Norms	Asset classification as per IND-AS 109	Gross Carrying Amount as per IND-AS 109	Loss Allowances (Provisions) as required under IND-AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between IND-AS 109 provisions and IRACP norms
Performing Assets						
Standard	Stage 1	19,639.93	263.11	19,376.82	78.56	184.55
	Stage 2	705.20	89.46	615.74	5.98	83.48
Subtotal		**20,345.13**	**352.57**	**19,992.56**	**84.54**	**268.03**
Non-Performing Assets (NPA)						
Substandard	Stage 3	761.05	267.74	493.31	124.71	143.03
Doubtful - up to 1 year	Stage 3	110.84	51.78	59.06	39.10	12.68
1 to 3 years	Stage 3	9.94	9.82	0.12	7.29	2.53
More than 3 years	Stage 3	2.71	2.67	0.04	2.29	0.38
Subtotal for doubtful		**123.49**	**64.27**	**59.22**	**48.68**	**15.59**
Loss	Stage 3	25.48	25.48	-	25.48	-
Subtotal for NPA		**910.02**	**357.49**	**552.53**	**198.87**	**158.62**
Total	**Stage 1**	**19,639.93**	**263.11**	**19,376.82**	**78.56**	**184.55**
	Stage 2	**705.20**	**89.46**	**615.74**	**5.98**	**83.48**
	Stage 3 *	**910.02**	**357.49**	**552.53**	**198.87**	**158.62**
	Total	**21,255.15**	**710.06**	**20,545.09**	**283.41**	**426.65**

* Includes restructured contracts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019 irrespective of days past due on the reporting date, and Includes contracts vide circular RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 dated 12th November, 2021 even though days past due on reporting date is less than 91.

(All amounts in ₹ crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

As at 31st March, 2022

Asset Classification as per RBI Norms	Asset classifi-cation as per IND-AS 109	Gross Carrying Amount as per IND-AS 109	Loss Allowances (Provisions) as required under IND-AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between IND-AS 109 provisions and IRACP norms
Performing Assets						
Standard	Stage 1	12,776.84	87.80	12,689.03	51.11	36.69
	Stage 2	1,097.14	33.25	1,063.89	21.25	11.99
Subtotal		**13,873.97**	**121.05**	**13,752.92**	**72.36**	**48.68**
Non-Performing Assets (NPA)						
Substandard	Stage 3	351.07	158.91	192.17	68.29	90.61
Doubtful - up to 1 year	Stage 3	142.57	73.35	69.21	36.58	36.77
1 to 3 years	Stage 3	7.45	7.45	-	3.00	4.45
More than 3 years	Stage 3	2.42	2.42	-	1.38	1.04
Subtotal for doubtful		**152.44**	**83.22**	**69.21**	**40.96**	**42.26**
Loss	Stage 3	25.48	25.48	-	25.48	-
Subtotal for NPA		**528.99**	**267.61**	**261.38**	**134.73**	**132.87**
Total	**Stage 1**	**12,776.83**	**87.80**	**12,689.03**	**51.11**	**36.69**
	Stage 2	**1,097.14**	**33.25**	**1,063.89**	**21.25**	**11.99**
	Stage 3	**528.99**	**267.61**	**261.38**	**134.73**	**132.87**
	Total	**14,402.97**	**388.66**	**14,014.30**	**207.09**	**181.55**

In terms of the above notification on the implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an Impairment reserve for any shortfall in Impairment allowances under IND-AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including a provision on standard assets). The impairment allowances under IND-AS 109 made by the Company exceed the total provision required under IRACP (including standard asset provisioning), as at 31st March, 2023 and as at 31st March, 2022 and accordingly, no amount is required to be transferred to Impairment Reserve.

19.6 Concentration of Advances, Exposures & NPAs (Stage 3 Assets)

(a) Concentration of Advances

Description	2022-23	2021-22
Total Advances to twenty largest borrowers	126.91	131.36
Percentage of Advances to twenty largest borrowers to Total Advances	0.60%	0.91%

(b) Concentration of Exposures

Description	2022-23	2021-22
Total Exposures to twenty largest borrowers/customers	126.91	131.36
Percentage of Exposures to twenty largest borrowers to Total Advances	0.60%	0.91%

(c) Concentration of NPAs

Description	2022-23	2021-22
Total Exposure to Top Four NPA Accounts	2.29	4.18

(All amounts in ₹ crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

19.7 a. Summary information on complaints received by the NBFCs from customers

Description	2022-23	2021-22
No. of complaints pending at the beginning of the year	7	43
No. of complaints received during the year	4,490	3,733
No. of complaints disposed during the year	4,341	3,769
of which No. of complaints rejected by the NBFC	27	-
No. of complaints pending at the end of the year	156	7

b. Maintainable complaints received by the NBFCs from offices of Ombudsman

Description	2022-23	2021-22
No. of complaints received by the NBFC from the office of Ombudsman	222	-
No. of complaints resolved in favour of the NBFC by office of Ombudsman	215	-
No. of complaints resolved after passing of awards by office of Ombudsman against the NBFC	-	-
No. of complaints resolved through conciliation/mediation/advisories issued by office of Ombudsman	7	-
Number of awards unimplemented within the stipulated time (other than those appealed)	-	-

c. Details of awards unimplemented within the stipulated time

Description	2022-23	2021-22
No. of awards unimplemented within the stipulated time (other than those appealed)	-	-

d. Top five grounds of complaints received by the NBFCs from customers

Grounds of Complaints	No. of Complaints pending at the beginning of the Year	No. of Complaints received during the Year	% Increase/ Decrease in the no. of Complaints received over the previous year	No. of Complaints pending at the end of the Year	No. of Complaints pending beyond 30 Days
2022-23					
(a) Charges Waiver	1	509	83%	8	2
(b) Executive Behaviour problem	-	500	108%	19	-
(c) Loan Cancellation	1	350	100%	20	1
(d) Stop Promotional SMS/Calls	-	338	135%	9	-
(e) Loan Application Cancellation Request	-	306	100%	6	-
(f) Others	5	2,487	132%	87	7
2021-22					
(a) Charges Waiver	7	610	265%	1	-
(b) Executive Behaviour problem	6	465	85%	-	-
(c) Loan settlement	-	345	100%	-	-
(d) Stop Promotional SMS/Calls	-	251	1091%	-	-
(e) CIBIL Issue	5	184	418%	-	-
(f) Others	25	1,878	137%	6	-

The above disclosure in note 39.19.7 also covers disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22.

(All amounts in ₹ crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

19.8 Details of non-performing financial assets purchased/sold

Description	2022-23	2021-22
No. of Accounts	-	-
Aggregate Outstanding	-	-
Aggregate Consideration Received	-	-

19.9 Registration under Other Regulators

S.No.	Regulator	Registration No.
1	Ministry of Company Affairs	CIN:U65920TN2008PLC069758
2	Reserve Bank of India	Certificate of Registration dt 13/04/2010 No. 07-00783

19.10 Disclosure of penalties imposed by RBI and other regulators

No penalties have been imposed by RBI and other regulators during FY 2022-23 and FY 2021-22.

19.11 Details of financing of parent company products

During the year, the Company has financed 5,71,390 nos. of two-wheelers and 57 nos. of three-wheelers of TVS Motor Company Limited as against 4,76,643 nos. of two-wheelers and Nil nos. of three-wheelers in the previous year.

19.12 Ratings assigned by Credit Rating Agencies

Description	2022-23	2021-22
Commercial Paper/Short Term Loans	CRISIL A1+/ ICRA A1+	CRISIL A1+/ICRA A1+
Cash Credit/ Working Capital Demand Loans	CRISIL AA	CRISIL AA-/BWR AA
Long Term Loans	CRISIL AA / ICRA AA	CRISIL AA-/ ICRA AA- / BWR AA
Non-Convertible Debentures - Long Term	CRISIL AA	CRISIL AA-
Perpetual Debt (Tier I Capital)	CRISIL AA- / ICRA AA-	CRISIL A+/BWR AA-
Subordinated Debt (Tier II Capital)	CRISIL AA / BWR AA	CRISIL AA-/BWR AA

19.13 Directors' Sitting Fees and Commission

S.No.	Name of the Director	Nature	2022-23	2021-22
1	Mr. Venu Srinivasan	Sitting Fees*	-	0.01
		Commission	-	-
2	Mr. Sudarshan Venu	Sitting Fees	0.01	0.01
		Commission	-	-
3	Mr. K.N. Radhakrishnan	Sitting Fees	0.02	0.02
		Commission	-	-
4	Mr V. Srinivasa Rangan	Sitting Fees	0.02	0.02
		Commission	0.16	0.13
5	Ms. Sasikala Varadhachari	Sitting Fees	-	0.01
		Commission	-	0.04
6	Mr. Balasubramanyam Sriram	Sitting Fees	0.02	0.01
		Commission	0.16	0.13
7	Mr. R. Gopalan	Sitting Fees	0.02	0.01
		Commission	0.16	0.13
8	Ms. Kalpana Unadkat	Sitting Fees	0.02	0.01
		Commission	0.16	0.09
	Total		**0.75**	**0.62**

* The amounts mentioned are below the rounding off norms of the Company.

(All amounts in ₹ crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

19.14 Details of Single Borrower Limits (SBL)/Group Borrower Limits (GBL) exceeded

The Company has not exceeded the Single Borrower Limit and Group Borrowers Limit as set by Reserve Bank of India for the year ended 31st March, 2023.

19.15 Advance against Intangible Securities

The Company has not given any loans against intangible securities.

19.16 Related Party Transactions

Refer Note 38 to IND-AS financial statements.

19.17 Derivatives

1. Forward Rate Agreement/Interest Rate Swap

S.No.	Description	2022-23	2021-22
(i)	Notional principal of swap agreements	1,473.21	2,108.05
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii)	Collateral required by the NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swaps	-	-
(v)	Fair value of the swap books	1,644.07	2,172.11

2. Exchange Traded Interest Rate (IR) Derivatives

S.No.	Description	Amount
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	-
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31st March, 2023 (instrument-wise)	-
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not " highly effective" (instrument-wise)	-
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-

3. Disclosure on Risk Exposure in Derivatives

Towards the foreign currency loan availed, the Company has taken forward cover to hedge the foreign current risks and cross currency interest rate swap.

S.No.	Description	31st March, 2023	31st March, 2022
i)	Outstanding Derivatives		
	For Hedging (Currency/Interest Rate Derivatives)	1,644.07	2,172.11
ii)	Marked to Market Positions		
	a) Asset (+)	170.86	64.06
	b) Liability (-)	-	-
iii)	Credit Exposure	1,473.21	2,108.05
iv)	Unhedged Exposures	-	-

19.18 Overseas assets (for those with JV and Subsidiaries abroad)

There are no overseas assets owned by the Company during the year ended 31st March, 2023 and 31st March, 2022.

19.19 Drawdown from Reserves

No draw down from reserves existed for the year ended 31st March, 2023 and 31st March, 2022.

(All amounts in ₹ crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

19.20 Off balance sheet SPV sponsored

There are no SPVs which are required to be consolidated by the Company during the year ended 31st March, 2023 and 31st March, 2022.

19.21 There are no prior period items accounted during the year.

19.22 There are no circumstances in which revenue recognition postponed pending the resolution of significant uncertainties.

19.23 Disclosures as required for liquidity risk as required by Circular DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 4th November, 2019

(i) Funding Concentration based on significant counterparty (both deposits and borrowings)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Number of significant counter parties*	22	25
Amount (₹ In crore)	17,110.12	12,169.87
Percentage of funding concentration to total deposits	NA	NA
Percentage of funding concentration to total liabilities**	85.59%	89.51%

* Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4th November, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

** Total Liabilities has been computed as Total Assets less Equity Share Capital less Reserves & Surplus and computed basis extant regulatory ALM guidelines.

(ii) Top 20 large deposits (amount in ₹ crore and % of total deposits) - NA

(iii) Top 10 borrowings (amount in ₹ crore and % of total borrowings)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Total amount of top 10 borrowings	5,458.75	4,360.57
Percentage of amount of top 10 borrowings to total borrowings	28.93%	33.64%

(iv) Funding concentration based on significant instrument/product*

Particulars	As at 31st March, 2023	Percentage of Total Liabilities	As at 31st March, 2022	Percentage of Total Liabilities
Term Loans from Banks	10,243.50	51.24%	6,069.73	44.64%
External Commercial Borrowings	1,615.27	8.08%	2,169.82	15.96%
Sub-ordinated Debts	1,644.92	8.23%	1,193.48	8.78%
Term Loan from Financial Institution	200.00	1.00%	-	0.00%
Commercial Paper	1,382.04	6.91%	1,788.69	13.15%
Non-Convertible Debentures	1,225.00	6.13%	424.99	3.13%
Working Capital Demand Loan	2,460.00	12.31%	1,204.00	8.85%

* Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4th November, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

(All amounts in ₹ crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

(v) Stock Ratios

S.No.	Particulars	As at 31st March, 2023	As at 31st March, 2022
1.	Commercial papers as a % of total public funds	7.32%	13.80%
2.	Commercial papers as a % of total liabilities	6.91%	13.15%
3.	Commercial papers as a % of total assets	6.07%	11.57%
4.	Non-convertible debentures (original maturity of less than one year) as a % of total public funds	NA	3.28%
5.	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	NA	3.13%
6.	Non-convertible debentures (original maturity of less than one year) as a % of total assets	NA	2.75%
7.	Other short-term Liabilities as a % of total public funds	46.29%	41.75%
8.	Other short-term Liabilities as a % of total liabilities	43.70%	39.81%
9.	Other short-term Liabilities as a % of total assets	38.40%	35.01%

Other Short-term Liabilities is computed as current maturities of long-term debt, short-term bank borrowings including outstanding CC/WCDL and other short-term liabilities has been considered, but excludes commercial paper and Non-convertible debentures (original maturity of less than one year).

Public funds are as defined in Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.

(vi) Institutional set-up for Liquidity Risk Management

The Company constituted an Asset Liability Management Committee as a guideline issued by RBI to NBFCs. ALCO consists of members having the requisite skill set and expertise in the business and sector of the Company. ALCO monitors asset-liability mismatches to ensure that there are no excessive imbalances on either side of the balance sheet and also reviews the Asset Liability Management strategy. The borrowing strategy of the Company has always been in tandem with assets composition with appropriate consideration for mitigation of interest rate and liquidity risk. The Asset Liability Committee constantly reviews and monitors the funding mix and ensures the optimum mix of funds based on the cash flow requirements, and market conditions and keeping the interest rate view in consideration. The Company has put in place robust processes to monitor and manage liquidity risks. ALCO supervises the liquidity management of the Company at regular intervals.

The Company has taken various initiatives to raise funds at a cost commensurate with its rating by way of a diversified mix of borrowings with respect to the source, type of instrument, tenure, and nature of security. The Company has raised subordinated debt (Tier II) to the extent of ₹600 crore with participation from Assets Management Companies and maiden investment by leading Insurance Companies during the year ended 31st March, 2023.

(vii) Disclosure on Liquidity Coverage Ratio (LCR)

The Liquidity Coverage Ratio (LCR) is a key compliance requirement for NBFCs. Its objective is to ensure short-term resilience of the liquidity risk profile of the NBFCs by way of maintenance of adequate High-Quality Liquid Assets (HQLA) to survive a significant financial/economic stress scenario lasting for thirty days period. The Company is maintaining adequate liquidity to manage its commitments. Additionally, the Company has unutilised sanctioned lines of credit from banks to meet liquidity needs.

In line with RBI regulations, the cash outflows and inflows have been stressed by 115% and 75% of their respective original values for computing LCR. The key drivers on the inflow side are the expected collections from the performing assets of the company and on the outflow side the scheduled maturities of borrowings. The High Quality Liquid Assets are entirely held in the assets, without any haircut. The LCR has been consistently maintained above 100% through the year which is well over the regulatory threshold of 70% (60% up to 30th November, 2022).

(All amounts in ₹ crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

S.No.	Particulars	Q1 FY23		Q2 FY23		Q3 FY23		Q4 FY23	
		Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)	Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)	Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)	Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)
	High Quality Liquid Assets								
1	Total High Quality Liquid Assets (HQLA)	677.18	677.18	1,259.10	1,259.10	1,572.94	1,572.94	1,635.07	1,635.07
	Cash Outflows								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding **(iii)**	593.41	682.42	619.57	712.50	619.57	712.50	766.67	881.67
4	Secured wholesale funding **(iv)**	390.63	449.22	573.76	659.82	803.16	923.63	680.80	782.92
5	Additional requirements, of which	-	-	-	-	-	-	-	-
i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	243.41	279.92	253.11	291.08	333.17	383.15	296.82	341.34
7	Other contingent funding obligations	46.29	53.24	46.29	53.24	46.29	53.24	46.29	53.23
8	**TOTAL CASH OUTFLOWS**	**1,273.74**	**1,464.80**	**1,492.73**	**1,716.64**	**1,802.19**	**2,072.52**	**1,790.58**	**2,059.17**
	Cash Inflows								
9	Secured lending	974.71	731.03	985.26	738.95	1,011.13	758.35	1,147.13	860.35
10	Inflows from fully performing exposures	338.52	253.89	340.33	255.25	345.44	259.08	394.17	295.63
11	Other cash inflows	12.00	9.00	13.99	10.49	18.18	13.64	18.36	13.77
12	**TOTAL CASH INFLOWS**	**1,325.23**	**993.92**	**1,339.58**	**1,004.68**	**1,374.76**	**1,031.07**	**1,559.66**	**1,169.75**
			Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value
	TOTAL HQLA		**677.18**		**1,259.10**		**1,572.94**		**1,635.07**
	TOTAL NET CASH OUTFLOWS (Weighted value of Total Cash Outflows – Minimum of (Weighted value of Total Cash Inflows, 75% of Weighted value of Total Cash Outflows))		**470.88**		**711.96**		**1,041.45**		**889.42**
	LIQUIDITY COVERAGE RATIO (%)		**144%**		**177%**		**151%**		**184%**

(All amounts in ₹ crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

S.No.	High Quality Liquid Assets (HQLA)	Q2 FY23		Q2 FY23		Q3 FY23		Q4 FY23	
		Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)	Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)	Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)	Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)
1	Assets to be included as HQLA without any haircut	677.18	677.18	1,259.10	1,259.10	1,572.94	1,572.94	1,635.07	1,635.07
2	Assets to be considered for HQLA with a minimum haircut of 15%	-	-	-	-	-	-	-	-
3	Assets to be considered for HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-
4	Approved securities held as per the provisions of section 45 IB of RBI Act	-	-	-	-	-	-	-	-
	Total HQLA	677.18	677.18	1,259.10	1,259.10	1,572.94	1,572.94	1,635.07	1,635.07

(i) Unweighted values calculated as outstanding balances maturing within one month (for inflows and outflows).

(ii) Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow (75%) and outflow (115%).

(iii) Unsecured wholesale funding includes cash outflow on account of Commercial Paper and other unsecured borrowing repayments.

(iv) Secured wholesale funding includes all Secured borrowing repayments.

19.24 Summary of total borrowings, receivables and provision

Category-wise breakup	2022-23	2021-22
Secured:		
Term Loan from Banks	12,058.77	8,244.47
Working Capital Demand Loan	2,195.16	1,197.62
Non-Convertible Debentures	1,225.00	424.99
Securitised Trust Borrowing	-	-
Unsecured:		
Term Loan from Banks	-	-
Working Capital Demand Loan	265.00	15.00
Commercial Paper	1,382.04	1,788.69
Subordinated Debts	1,644.92	1,193.48
Perpetual Debt	99.88	99.86
Total	**18,870.77**	**12,964.11**

(All amounts in ₹ crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

Total Loans

Description	2022-23	2021-22
Category-wise breakup		
Secured Loans	15,893.44	11,212.16
Unsecured Loans	5,361.71	3,190.81
Total Loans	**21,255.15**	**14,402.97**
Less: Impairment Allowance	710.06	388.66
Net Loans	**20,545.09**	**14,014.31**

Total Assets Provisions

Description	31st March, 2023	31st March, 2022
Provision/Impairment allowance towards NPA	357.49	267.61
Provision/Impairment allowance towards Standard Assets	352.57	121.05
Provision/Impairment allowance for Trade Receivables and other Financial Assets	29.88	29.25
Total	**739.94**	**417.91**

20. Disclosure pursuant to Para 5 of the Annex XVII of the Master Direction on NBFC-NDSI 2016

Particulars	31st March, 2023	31st March, 2022
Fund raised through PDI during the year	-	-
Outstanding at the end of the FY	99.88	99.86
Percentage of PDI to Tier I capital	3.9%	5.6%
FY in which interest for PDI Not Paid	NA	NA

21. Disclosure pursuant to RBI/2022-23/29 DOR.CRE.REC.No.25/03.10.001/2022-23:

Loans to Directors, Senior Officers and relatives of Directors:

Particulars	31st March, 2023	31st March, 2022
Directors and their relatives	-	-
Entities associated with directors and their relatives	7.00	-
Senior Officers and their relatives	-	-

The above notification is applicable w.e.f. 01st October, 2022 and the transactions have been disclosed accordingly.

(All amounts in ₹ crore unless otherwise stated)

39. Additional Notes forming part of Standalone Financial Statements for the year ended 31st March, 2023 (Contd.)

22. Disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22:

The Statutory Auditors have not expressed any modified opinion on the financial statement for the year ended 31st March, 2023.

As per our report of even date

For Sundaram & Srinivasan
Chartered Accountants
ICAI Regn No. FRN 004207S

S. Usha
Partner
Membership No. 211785

For CNGSN & Associates LLP
Chartered Accountants
ICAI Regn No. FRN 004915S

C.N. Gangadaran
Partner
Membership No. 011205

Place : Chennai
Date : 3rd May, 2023

For and on behalf of the Board of Directors of
TVS Credit Services Limited

Sudarshan Venu
Chairman
DIN-03601690

Ashish Sapra
Chief Executive Officer

Roopa Sampath Kumar
Chief Financial Officer

Anand Vasudev
Company Secretary

Place : Chennai
Date : 3rd May, 2023

To the Members of TVS Credit Services Limited

Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of TVS Credit Services Limited ("the Parent"/"the Holding Company") and its three subsidiaries (the Parent/Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2023 and the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year ended 31st March, 2023, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2023 and their consolidated profit, and their consolidated cash flows for the year ended 31st March, 2023.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements Section of our Report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI), together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matter Section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of the most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our Report.

Key Audit Matter	How our Audit addressed the Key Matter
Impairment Loss Allowance Management's judgements in the calculation of impairment allowances have a significant impact on the financial statements. The estimates regarding impairment allowances are complex and require a significant degree of judgement, which increased with the implementation of the Expected Credit Loss ("ECL") approach as required by IND-AS 109 relating to "Financial instruments". Management is required to determine the expected credit loss that may occur over either a 12-month period or the remaining life of an asset, depending on the categorisation of the individual asset. The key areas of judgement include: 1. Categorisation of loans in Stage I, II and III based on the identification of: (a) Exposures with a significant increase in credit risk since their origination, and (b) Individually impaired/default exposures.	• We obtained an understanding of Management's assessment of the impairment of loans and advances, including the IND-AS 109 implementation process, internal rating model, impairment allowance policy and ECL modelling methodology. • We assessed the design and implementation and tested the operating effectiveness of controls over the modelling process, including governance over monitoring of the model and approval of key assumptions. • We also verified the key judgements and assumptions relating to the macroeconomic scenarios, including the impact of the COVID-19 pandemic and the associated probability weights. • We also assessed the approach of the Group for categorisation of the loans in various stages, reflecting the inherent risk in the respective loans.

Key Audit Matter	How our Audit Addressed the Key Matter
2. Techniques used to determine Loss Given Default ('LGD') and Probability of Default ('PD') to calculate an ECL based on experience. 3. The impact of different future macroeconomic conditions in the determination of ECL. These judgements required the models to be reassessed, including the impact of the COVID-19 pandemic, to measure the ECL. Management has made several interpretations and assumptions when designing and implementing models that are compliant with the standard. The accuracy of data flows, and the implementation of related controls is critical for the integrity of the estimated impairment provisions. Given the significance of judgements and the high complexity related particularly to the calculation of ECL, we considered this area as a key audit matter.	• For a sample of financial assets, we tested the correctness of Staging, the reasonableness of PD, and the accuracy of LGD and ECL computation. • We have also verified the compliance of circulars issued by the Reserve Bank of India from time to time during the year on this subject. As a result of the above audit procedures, no material differences were noted. We confirm the adequacy of disclosures made in the financial statements.
IT Systems and Controls The Group's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, Any control lapses, validation failures, incorrect input data and wrong extraction of data may result in the financial accounting and reporting records being misstated.	We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, programme development and computer operations. We tested the design and operating effectiveness of key controls over user access management which includes granting access rights, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties. We have 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 is traced from their financial statements audited by the other auditor.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's/Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent/Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent/Holding Company has an adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the entity included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) Planning the scope of our audit work and in, evaluating the results of our work; and (ii) To evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent/Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

Other Matter

a) We did not audit the financial statements/financial information of three subsidiaries, whose financial statements/financial information reflect total assets of ₹14.77 crore as of 31st March, 2023, total revenues of ₹0.73 crore and net cash inflows amounting to ₹0.53 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 Sub-Section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the Report of the other auditor.

b) Our opinion on the consolidated financial statements above and our Report on Other Legal and Regulatory Requirements below is not modified in respect of the above matter with respect to our reliance on the work done and the Report of the other auditor and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our Audit and on the consideration of the reports of other auditor on the separate financial statements of the subsidiaries referred to in the Other Matter Section above, we report, to the extent applicable that:

a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our Audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the accounting Standards specified under Section 133 of the Act.

e) On the basis of the written representations received from the Directors of the Parent/ Holding Company as on 31st March, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its Subsidiaries, none of the Directors of the Group, is disqualified as on 31st March, 2023 from being appointed as a Director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the Auditors' Reports of the Parent/Holding Company and Subsidiaries. Our Report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over the financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended,

   The managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i) The Group has disclosed the impact of pending litigations on its financial position in its financial statements in Note no. 38.

   ii) The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The derivate contracts being in the nature of the hedge contracts, the Group does not anticipate any material losses from the same.

   iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Subsidiaries incorporated in India.

   iv) a) The respective Managements of the Company and its Subsidiaries, which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that and to their auditors, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   b) The respective Managements of the Company and its Subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that and their auditors, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   v) The Group has not declared or paid any dividend during the year.

   vi) With respect to Rule 11(g) of Companies (Audit & Auditors) Rules, 2014 on maintenance of audit trail, transaction log and edit log in the accounting software, the reporting requirement to report on the said clause does not arise since the compliance requirement for the Group (as per proviso to Rule 3 of Companies (Accounts) Rules, 2014) becomes applicable only with effect from 1st April, 2023.

for **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No. 004207S

S. Usha
Partner
Membership No. 211785

Date: 03rd May, 2023
Place: Chennai

UDIN: 23211785BGWCVN9982

for **CNGSN & Associates** LLP
Chartered Accountants
Firm Regn. No. 004915S

C.N. Gangadaran
Partner
Membership No. 011205

Date: 03rd May, 2023
Place: Chennai

UDIN: 23011205BGPUTV2716

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements Section of our Report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our Audit of the consolidated financial statements of TVS Credit Services Limited as of and for the year ended 31st March, 2023, we have audited the internal financial controls over financial reporting of TVS Credit (hereinafter referred to as "Parent") its three Subsidiaries, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent Company and its Subsidiaries, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over the financial reporting of the Parent and its Subsidiaries, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiaries, which is incorporated in India, in terms of their Report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its Subsidiaries, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Parent which is a Company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2023, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

The Internal Financial Control Over Financial Reporting for the Subsidiaries in the Group is not applicable since the Company's turnover as per last audited financial statements is less than ₹50 Cr and its borrowings from banks and financial institutions at any time during the year is less than ₹25 Cr, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the Company, and the operating effectiveness of such controls vide notification dated 13th June, 2017.

Our opinion is not modified in respect of the above matter.

for **Sundaram & Srinivasan**
Chartered Accountants
Firm Regn. No. 004207S

S. Usha
Partner
Membership No. 211785

Date: 03rd May, 2023
Place: Chennai

UDIN: 23211785BGWCVN9982

for **CNGSN & Associates** LLP
Chartered Accountants
Firm Regn. No. 004915S

C.N. Gangadaran
Partner
Membership No. 011205

Date: 03rd May, 2023
Place: Chennai

UDIN: 23011205BGPUTV2716

CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2023

(All amounts in ₹ crore unless otherwise stated)

	Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
	ASSETS			
1	**Financial Assets**			
(a)	Cash and Cash Equivalents	2	1,539.93	970.46
(b)	Bank Balances other than (a) above	3	5.72	6.00
(c)	Derivative Financial Instruments	4	170.86	64.06
(d)	Receivables			
	i) Trade Receivables	5	64.36	37.90
(e)	Loans	6	20,545.09	14,014.31
(f)	Other Financial Assets	7	22.82	58.44
	Total		**22,348.78**	**15,151.17**
2	**Non-Financial Assets**			
(a)	Current Tax Assets (Net)	8	-	7.10
(b)	Deferred Tax Assets (Net)	9	213.45	140.23
(c)	Investment Property	10	85.16	85.16
(d)	Property, Plant and Equipment	11	29.25	20.22
(e)	Right-to-use Assets	11	28.73	18.12
(f)	Other Intangible Assets	11	1.95	1.35
(g)	Other Non-Financial Assets	12	45.33	39.81
	Total		**403.87**	**311.99**
	Total Assets		**22,752.65**	**15,463.16**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial Liabilities**			
(a)	Payables			
	I. Trade Payables			
	i) Total outstanding dues of micro enterprises and small enterprises	13	19.13	3.55
	ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	13	616.56	331.10
(b)	Debt Securities	14	2,607.04	2,213.68
(c)	Borrowings other than Debt Securities	15	14,518.93	9,457.10
(d)	Subordinated Liabilities	16	1,744.80	1,293.34
(e)	Other Financial Liabilities	17	391.68	230.71
	Total		**19,898.14**	**13,529.48**
2	**Non-Financial Liabilities**			
(a)	Current Tax Liabilities (Net)	8	9.59	-
(b)	Provisions	18	52.67	38.34
(c)	Other Non-Financial Liabilities	19	31.39	29.54
	Total		**93.65**	**67.88**
3	**Equity**			
(a)	Equity Share Capital	20	228.22	201.20
(b)	Other Equity	21	2,532.64	1,664.60
	Total		**2,760.86**	**1,865.80**
	Total Liabilities and Equity		**22,752.65**	**15,463.16**
Significant Accounting Policies forming part of financial statements		**1**		
Additional Notes forming part of financial statements		**38**		

As per our report of even date

For Sundaram & Srinivasan
Chartered Accountants
ICAI Regn No. FRN 004207S

S. Usha
Partner
Membership No. 211785

For CNGSN & Associates LLP
Chartered Accountants
ICAI Regn No. FRN 004915S

C.N. Gangadaran
Partner
Membership No. 011205

Place : Chennai
Date : 3rd May, 2023

For and on behalf of the Board of Directors of
TVS Credit Services Limited

Sudarshan Venu
Chairman
DIN-03601690

Ashish Sapra
Chief Executive Officer

Roopa Sampath Kumar
Chief Financial Officer

Anand Vasudev
Company Secretary

Place : Chennai
Date : 3rd May, 2023

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

(All amounts in ₹ crore unless otherwise stated)

	Particulars	Note No.	Year ended 31st March, 2023	Year ended 31st March, 2022
	Revenue from Operations			
i)	Interest Income	22	3,755.51	2,446.60
ii)	Fee and Commission Income	23	400.84	300.52
I)	**Total Revenue from Operations**		**4,156.35**	**2,747.12**
II)	Other Income	24	4.70	8.94
III)	**Total Income (I + II)**		**4,161.05**	**2,756.06**
	Expenses			
i)	Finance Costs	25	1,168.28	742.93
ii)	Fees and Commission Expenses		281.02	247.72
iii)	Impairment of Financial Instruments	26	629.14	554.15
iv)	Employee Benefit Expenses	27	1,039.51	711.78
v)	Depreciation, Amortisation and Impairment		21.43	19.12
vi)	Other Expenses	28	509.60	323.51
IV)	**Total Expenses**		**3,648.98**	**2,599.21**
V)	Profit/(Loss) before exceptional items and tax		**512.07**	**156.85**
VI)	Exceptional Items		-	5.00
VII)	**Profit/(Loss) before tax**		**512.07**	**151.85**
VIII)	Tax Expenses	29		
	Current Tax		197.96	65.01
	Deferred Tax		(75.17)	(34.36)
IX)	**Profit/(Loss) for the year**		**389.28**	**121.20**
X)	Other Comprehensive Income	30		
A.	Items that will not be reclassified to Profit or Loss - Itemwise			
	Remeasurement of the defined benefit plans		(0.96)	(1.67)
	Income Tax relating to these items		0.24	0.42
B.	Items that will be reclassified to Profit or Loss - Itemwise			
	Fair value change on cash flow hedge		8.71	40.71
	Income Tax relating to these items		(2.19)	(10.25)
	Other Comprehensive Income (A+B)		**5.80**	**29.21**
XI)	Total comprehensive Income for the year (Comprising Profit/(Loss) and other comprehensive income for the year)		**395.08**	**150.41**
XII)	Earnings Per Share	32		
	Basic (₹)		18.75	6.20
	Diluted (₹)		18.75	6.20
Significant Accounting Policies forming part of financial statements		**1**		
Additional Notes forming part of financial statements		**38**		

As per our report of even date

For Sundaram & Srinivasan
Chartered Accountants
ICAI Regn No. FRN 004207S

S. Usha
Partner
Membership No. 211785

Place : Chennai
Date : 3rd May, 2023

For CNGSN & Associates LLP
Chartered Accountants
ICAI Regn No. FRN 004915S

C.N. Gangadaran
Partner
Membership No. 011205

For and on behalf of the Board of Directors of
TVS Credit Services Limited

Sudarshan Venu
Chairman
DIN-03601690

Ashish Sapra
Chief Executive Officer

Roopa Sampath Kumar
Chief Financial Officer

Anand Vasudev
Company Secretary

Place : Chennai
Date : 3rd May, 2023

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2023

(All amounts in ₹ crore unless otherwise stated)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Cash Flow from Operating Activity		
Profit Before Income Tax	512.07	151.85
Adjusted For:-		
Depreciation and Amortisation Expense	21.43	19.12
Impairment of Financial Assets	321.42	106.83
(Profit)/Loss on disposal of Property, Plant and Equipment	(0.71)	(0.14)
Finance Charges	1,168.28	742.93
Unwinding of discount on Security Deposits	(3.92)	(6.80)
Remeasurement of defined benefit plans	(0.96)	(1.67)
Cash generated from Operations before Working Capital Changes	**1,505.54**	**860.27**
Change in Operating Assets and Liabilities		
(Increase)/Decrease in Trade Receivables	(26.49)	(13.43)
(Increase)/Decrease in Loans	(6,852.18)	(2,958.35)
(Increase)/Decrease in Other Financial Assets	39.53	38.28
(Increase)/Decrease in Other Non-Financial Assets	(5.52)	(12.83)
Increase/(Decrease) in Trade Payables	301.04	105.26
Increase/(Decrease) in Other Financial Liabilities	64.73	29.86
Increase/(Decrease) in Other Non-Financial Liabilities	16.15	10.50
Financing Charges paid	(1,081.67)	(728.56)
Cash used in Operations	**(5,526.80)**	**(2,517.15)**
Income Taxes paid	(181.27)	(54.85)
Net cash outflow from Operating Activities	**(5,708.07)**	**(2,572.00)**
Cash Flow from Investing Activities		
Payments for Property, Plant and Equipment and Investment Property	(25.11)	(13.10)
Proceeds from Sale of Property, Plant and Equipment and Investment Property	1.47	0.05
Decrease in Deposits with Bank	0.28	(5.13)
Net cash outflow from Investing Activities	**(23.36)**	**(18.18)**
Cash Flows from Financing Activities		
Proceeds from Issue of Shares	500.00	150.00
Proceeds from Issue/(Repayment) of Debt Securities (net)	393.36	1,042.83
Proceeds/(Repayment) of Borrowings other than debt securities (net)	4,972.77	1,507.21
Proceeds/(Repayment) of Subordinated Liabilities (net)	451.46	350.55
Payments of Lease Liabilities	(8.23)	(8.55)
Net Cash Inflow from Financing Activities	**6,309.36**	**3,042.04**
Net Increase in Cash & Cash Equivalents	**577.93**	**451.86**
Cash and cash equivalents at the beginning of the financial year	**961.84**	**509.98**
Cash and Cash Equivalents at end of the year	**1,539.77**	**961.84**

As per our report of even date

For Sundaram & Srinivasan
Chartered Accountants
ICAI Regn No. FRN 004207S

S. Usha
Partner
Membership No. 211785

For CNGSN & Associates LLP
Chartered Accountants
ICAI Regn No. FRN 004915S

C.N. Gangadaran
Partner
Membership No. 011205

Place : Chennai
Date : 3rd May, 2023

For and on behalf of the Board of Directors of
TVS Credit Services Limited

Sudarshan Venu
Chairman
DIN-03601690

Ashish Sapra
Chief Executive Officer

Roopa Sampath Kumar
Chief Financial Officer

Anand Vasudev
Company Secretary

Place : Chennai
Date : 3rd May, 2023

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

(All amounts in ₹ crore unless otherwise stated)

1. Equity Share Capital

	Notes	Amounts
Balance as at 01st April, 2021		**191.94**
Changes in equity share capital during the year	21	9.26
Balance as at 31st March, 2022		**201.20**
Changes in equity share capital during the year	21	27.03
Balance as at 31st March, 2023		**228.22**

2. Other Equity

		Reserves and Surplus				
	Notes	Securities Premium Account	Statutory Reserve	Retained Earnings	Other Reserves - Hedge Reserve	Total
Balance as at 01st April, 2021		**722.64**	**140.15**	**528.31**	**(17.66)**	**1,373.44**
Change in Accounting Policy						
Profit for the Year	21	-	-	121.20	-	121.20
Other Comprehensive Income	21	-	-	(1.25)	30.46	29.21
Transaction in the Capacity as Owners						
Transfer to Statutory Reserve	21	-	24.15	(24.15)	-	-
Issue of Equity Shares	21	140.74	-	-	-	140.74
Balance as at 31st March, 2022		**863.38**	**164.30**	**624.11**	**12.80**	**1,664.59**
Profit for the Year	21	-	-	389.28	-	389.28
Other Comprehensive Income	21	-	-	(0.72)	6.52	5.80
Transaction in the Capacity as Owners						
Transfer to Statutory Reserve	21	-	77.73	(77.73)	-	-
Issue of Equity Shares	21	472.97	-	-	-	472.97
Balance as at 31st March, 2023		**1,336.35**	**242.03**	**934.94**	**19.32**	**2,532.64**

As per our report of even date

For Sundaram & Srinivasan
Chartered Accountants
ICAI Regn No. FRN 004207S

S. Usha
Partner
Membership No. 211785

For CNGSN & Associates LLP
Chartered Accountants
ICAI Regn No. FRN 004915S

C.N. Gangadaran
Partner
Membership No. 011205

Place : Chennai
Date : 3rd May, 2023

For and on behalf of the Board of Directors of
TVS Credit Services Limited

Sudarshan Venu
Chairman
DIN-03601690

Ashish Sapra
Chief Executive Officer

Roopa Sampath Kumar
Chief Financial Officer

Anand Vasudev
Company Secretary

Place : Chennai
Date : 3rd May, 2023

(All amounts in ₹ crore unless otherwise stated)

1 Significant Accounting Policies forming part of Financial Statements

COMPANY BACKGROUND

TVS Credit Services Limited ('the Company') (CIN U65920TN2008PLC069758) is a public limited company incorporated and domiciled in India. The registered office is located at "Chaitanya", No. 12 Khader Nawaz Khan Road, Nungambakkam, Chennai – 600006, Tamil Nadu, India. The Company with its subsidiaries is collectively referred to as a Group.

The Company received a Certificate of Registration (No. N-07-00783) dated 13th April, 2010 from the Reserve Bank of India (RBI) and commenced Non-Banking Financial activity thereon. The Company is a Systemically Important Non-Deposit taking Non-Banking Finance Company, as defined under Section 45-IA of the Reserve Bank of India (RBI) Act, 1934. The Company is engaged in providing Automobile Finance, Consumer Durable Loans, and Small Business Loans. The Company is categorised as "NBFC - Investment and Credit Company (NBFC-ICC)" vide RBI circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated 22nd February, 2019. Effective 01st October, 2022, the Company has been categorised as NBFC-Middle Layer under the RBI Scale Based Regulation dated 22nd October, 2021.

SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of Accounts

The financial results of the Company have been prepared in accordance with Indian Accounting Standards (IND-AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with [Companies (Indian Accounting Standards) Rules, 2015] as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other accounting principles generally accepted in India.

The financial statements have been prepared in accordance with Division III of Schedule III of Companies Act 2013 notified by MCA on 11th October, 2018. Further, the Company follows application guidance, clarifications, circulars, and directions issued by the Reserve Bank of India (RBI) for Non-Banking Financial Companies (NBFC) or other regulators, as and when they are issued and applicable.

Principles of Consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together items of assets, liabilities, equity, income, and expenses. Intercompany transactions, balances, and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. The accounting policies of subsidiaries are consistent with the policies adopted by the Group.

Non-controlling interests (if any) in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity, and balance sheet, respectively.

The subsidiary companies considered in consolidated financial statements are:

S.No.	Name of the Subsidiary	Proportion of Ownership (Interest/Voting Power -%)		Reporting Date
		2021-22	2020-21	
1	Harita ARC Services Private Limited	100%	100%	31st March, 2023
2	TVS Housing Finance Private Limited	100%	100%	31st March, 2023
3	Harita Two Wheeler Mall Private Limited	100%	100%	31st March, 2023

All the subsidiaries are incorporated in India.

b. Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the following:

(a) Certain financial assets and liabilities (including derivative instruments) are measured at fair value as stated in notes;

(b) Defined benefit plans – plan assets measured at fair value.

(All amounts in ₹ crore unless otherwise stated)

c. Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items that are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

d. Significant Estimates and Judgements

The areas involving critical estimates are:

(a) Determining inputs into the ECL measurement model - (Refer Note 33)

(b) Estimation of defined benefit obligation - (Refer Note 32)

The areas involving critical judgements are:

(a) Classification of financial assets: Assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI (Solely Payments of Principal and Interest) on the principal amount outstanding

(b) Derecognition of financial assets and securitisation

(c) Categorisation of loan portfolios

e. Property, Plant and Equipment (PPE)

Items of property, plant, and equipment are stated at the cost of acquisition or construction less accumulated depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All repairs and maintenance are charged to the statement of profit or loss during the reporting period in which they are incurred.

Property, plant, and equipment are derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included under other income/expenses in the Statement of Profit and Loss when the asset is derecognised.

f. Depreciation

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. The useful life estimated by the Company is in line with the useful life prescribed under Part C of Schedule II of the Companies Act, 2013 except in the case of mobile phones (office equipment), on which depreciation is considered as 2 years based on the technical evaluation and leased vehicles (Vehicles) have been depreciated over the lease period.

Depreciation on PPE individually costing ₹5,000/- or less is provided 100% in the year of acquisition.

An asset's carrying amount is written down immediately to its estimated recoverable amount, if the asset's carrying amount is greater than its estimated recoverable amount. Gain and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss.

Depreciation on fixed assets added/disposed of during the year is calculated on pro-rata basis with reference to the date of addition/disposal.

g. Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as an investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

(All amounts in ₹ crore unless otherwise stated)

h. Intangible Assets

Intangible assets acquired are recorded at their acquisition cost and are amortised on straight-line basis over its useful life. Software is amortised over 3 years period or the licence period whichever is lower on straight-line basis.

i. Financial Assets and Financial Liabilities

1) Classification

The Company classifies its financial assets in the following categories, those to be measured subsequently at

(a) Amortised cost,

(b) Fair value through other comprehensive income (FVOCI), and

(c) Fair value through profit or loss (FVTPL).

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Business Model Assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because it reflects the best way the business is managed, and information is provided to the management.

Assessment of whether contractual Cash Flows are solely payments of principal and interest (SPPI)

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Financial Liabilities

The Company classifies its financial liabilities, other than fully hedged foreign currency loans, financial guarantees, and loan commitments, as measured at amortised cost or fair value through profit or loss.

2) Measurement

At initial recognition, the Company measures financial assets that are not at FVTPL at its fair value plus/(minus), transaction costs/origination Income that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Debt Instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Company classifies its debt instruments.

i Amortised Cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

(All amounts in ₹ crore unless otherwise stated)

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call, and similar options), but does not consider the expected credit losses.

ii. Fair Value through Other Comprehensive Income (FVOCI):

A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. Fair Value through Profit or Loss (FVTPL):

Assets that do not meet the criteria for amortised cost or Fair Value through Other Comprehensive Income (FVOCI) are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

iv. Investment in Subsidiaries:

Investments in Subsidiary and Associate are measured at cost as per IND-AS 27 – Separate Financial Statements.

3) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

A) Interest Income:

(1) Interest income is recognised using the Effective Interest Rate (EIR) method for all financial assets measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to its gross carrying amount. The calculation of the effective interest rate includes transaction costs and transaction income that is directly attributable to the acquisition of a financial asset.

(2) Income by way of additional interest on account of delayed payment by the customers is recognised on realisation basis, due to uncertainty in collection.

B) Dividend Income:

Dividend income is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

C) Fees and Commission Income:

(1) Fees and commission income that are not integral part of the effective interest rate on the financial asset are recognised as the performance obligations are performed and there is no significant financing component of the consideration.

(2) Incomes in the nature of bounce and related charges are recognised on realisation, due to uncertainty in collection.

(3) The Company recognises revenue from contracts with customers based on five-step model as set out in IND-AS 115, Revenue from Contracts with Customers to determine when to recognise revenue and at what amount. Revenue is measured based on the consideration specified in the contract with a customer. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

D) Other Income:

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

(All amounts in ₹ crore unless otherwise stated)

4) Impairment of Financial Assets

The Company recognises loss allowance for Expected Credit Loss "ECL" on the following financials instruments that are not measured at FVTPL:

i. Loans

ii. Trade Receivables and Other Financial Assets

i. Loans

Expected credit losses are measured through a loss allowance at an amount equal to:

1) The 12-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) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the expected life of the financial instrument).

Both Life Time ECLs (LTECL) and 12 months ECLs are calculated on collective basis.

The assessment of whether Lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company categorises loan assets into stages based on the Days Past Due status:

Stage	Past due	ECL
Stage 1	Up to 30 Days Past Due	12-Month ECL
Stage 2	31-90 Days Past Due	Life-time ECL
Stage 3	More than 90 Days Past Due	Life-time ECL

Measurement of ECL

ECL is a probability-weighted estimate of credit losses. They are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive);
- Financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.

ii. Trade Receivables and Other Financial Assets

The Company follows a 'simplified approach' for recognition of impairment loss allowance on trade receivable and other financial assets. The application of simplified approach does not require the Company to track changes in credit risk and calculated on a case-by-case approach, taking into consideration different recovery scenarios.

Presentation of Allowance for ECL in the Statement of Financial Position

Loss allowances for ECL are presented in the statement of financial position for financial assets measured at amortised cost as a deduction from the gross carrying amount of the assets.

Collateral Repossessed:

The Company does the regular repossession of collateral provided against the loans in case of default in agreed payments. The Company generally sells the asset repossessed to recover the underlying loan and does not use it for internal operation. As per the Company's accounting policy, collateral repossessed is not recorded on the balance sheet.

Write-Off:

Loans are written off when there is no reasonable expectation of recovering in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level. Financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(All amounts in ₹ crore unless otherwise stated)

5) Derecognition of Financial Assets and Financial Liabilities

A financial asset is derecognised only when:

- The Company has transferred the contractual rights to receive cash flows from the financial asset or the Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.
- Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.
- Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised, if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.
- On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) The consideration received (including any new asset obtained less any new liability assumed) and (ii) Any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

A financial liability is derecognised when its contractual obligations are discharged or cancelled, or expires.

6) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Company designates derivatives taken on External Commercial Borrowings (ECB) as Cashflow Hedges (hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions).

The Company documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions.

The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 33. Movements in the hedging reserve in Shareholders' equity are shown in Note 21.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the “other comprehensive income”. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

7) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

j. Trade and other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured. They are recognised initially at their fair value and subsequently measured at amortised cost.

k. Cash and Cash Equivalents

For the purpose of presentation in the statement of Cash flows, Cash and Cash equivalents includes cash on hand, deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and positive balance in bank cash credit. Bank cash credit with negative balances are shown within borrowings in the balance sheet.

(All amounts in ₹ crore unless otherwise stated)

l. Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted on substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(i) Deferred income tax provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

(ii) Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

m. Employee Benefits

(a) Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(b) The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employees up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

(c) Post-Employment Obligation:

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees, pension plan for its senior managers; and
- Defined contribution plans such as provident fund.

(i) Pension and Gratuity Obligation:

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefits expense in the statement of profit and loss.

(All amounts in ₹ crore unless otherwise stated)

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(ii) Provident Fund:

Contributions to Provident Fund made to Regional Provident Fund Commissioner in respect of Employees' Provident Fund based on the statutory provisions are charged to Statement of Profit and Loss on accrual basis.

n. Functional Currency

(a) Functional and presentation currencies:

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). i.e., in Indian rupees (INR), and all values are rounded off to the nearest lakh except where otherwise indicated.

(b) Transactions and balances:

- Foreign currency transactions are translated into functional currency using exchange rates at the date of transaction.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognised in profit or loss.

o. Borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of the borrowings, using the effective interest rate method. Fees paid on the established loan facilities are recognised as the transaction cost of the loan, to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gain/(loss).

p. Borrowings Cost

Borrowing costs are expensed in the period in which they are incurred.

q. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of the transactions of non-cash nature.

r. Earnings Per Share

The basic earnings per share is computed by dividing the net profit/loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share, only potential equity shares that are dilutive and that reduce profit per share are included.

s. Impairment of Non-Financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less the costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels

(All amounts in ₹ crore unless otherwise stated)

for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

t. Lease

The Company evaluates each contract or arrangement, and whether it qualifies as lease as defined under IND-AS 116. The Company as a lessee, assesses, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract involves:

(a) The use of an identified asset,

(b) The right to obtain substantially all the economic benefits from use of the identified asset,

(c) The right to direct the use of the identified asset.

The Company at the inception of the lease contract recognises a Right-of-Use (RoU) asset at cost and a corresponding lease liability, except for leases with a term of less than twelve months (short term) and low-value assets.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter lease term or useful life of right-of-use assets.

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date.

The lease payments are discounted using the incremental borrowing rate.

For short-term leases and low-value assets (assets of less than ₹500,000 in value), the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Group relied on its assessment made by applying IND-AS 17.

Lease payments have been classified as cash flow used in financing activities.

u. Segment Reporting

There is no separate reportable segment as per IND-AS 108 on 'Operating Segments' in respect of the Company.

v. Provisions

A provision is recorded when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

w. Contingent Liabilities

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or (b) The amount of the obligation cannot be measured with sufficient reliability are considered as contingent liabilities. Show cause notices are not considered Contingent Liabilities unless converted into demand.

x. Equity

Equity shares are classified as equity. Distributions to holders of an equity instrument are recognised by the entity directly in equity. Transaction costs of an equity transaction shall be accounted for as a deduction from equity.

(All amounts in ₹ crore unless otherwise stated)

NOTE 2 Cash and Cash Equivalents

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Cash on hand*	2.49	5.69
b)	Balance with banks		
	- Current accounts	1,522.84	950.78
	- Deposits	14.60	13.99
	Total	**1,539.93**	**970.46**

* Represents cash collected from borrowers as on Balance Sheet date subsequently deposited with Bank.

Cash and Cash Equivalents for the purpose of Cash Flow Statement

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Cash and Cash equivalents as shown above	1,539.93	970.46
b)	Less: Overdrafts utilised	0.16	8.62
	(Grouped under Borrowings (other than debt securities) - Note 15)		
	Total	**1,539.77**	**961.84**

NOTE 3 Bank Balance other than Cash and Cash equivalents*

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Bank Balance other than Cash and Cash equivalents	5.72	6.00
	Total	**5.72**	**6.00**

* Balance maintained in Fixed Deposits as Cash Collateral towards Cash Credit (CC) facilities.

NOTE 4 Derivative Financial Instruments

S.No.	Description	As at 31st March, 2023		
		Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
a)	Other Derivatives - Cross Currency Swap Derivatives designated as cash flow hedges	1,473.21	170.86	-
	Total	**1,473.21**	**170.86**	**-**
S.No.	**Description**	**As at 31st March, 2022**		
		Notional Amounts	**Fair Value - Assets**	**Fair Value - Liabilities**
b)	Other Derivatives - Cross Currency Swap Derivatives designated as cash flow hedges	2,108.05	64.06	-
	Total	**2,108.05**	**64.06**	**-**

The Company has a Board-approved policy for entering into derivative transactions. Derivative transactions comprises Cross Currency Interest Rate Swaps (CCIRS). The Company undertakes such transactions for hedging interest/foreign exchange risk on borrowings. The Asset Liability Management Committee periodically monitors and reviews the risks involved.

The notional amount for CCIRS represents underlying foreign currency borrowings for which the Company has entered to hedge the variable interest rate and foreign exchange risks.

(All amounts in ₹ crore unless otherwise stated)

NOTE 5 Trade Receivables

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31st March, 2023					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
i.	Undisputed Trade Receivables – considered good	64.36	-	-	-	-	64.36
ii.	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii.	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
iv.	Disputed Trade Receivables – considered good	-	-	-	-	-	-
v.	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
vi.	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	Total	**64.36**	**-**	**-**	**-**	**-**	**64.36**

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31st March, 2022					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
i.	Undisputed Trade Receivables – considered good	37.90	-	-	-	-	37.90
ii.	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii.	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
iv.	Disputed Trade Receivables – considered good	-	-	-	-	-	-
v.	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
vi.	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	Total	**37.90**	**-**	**-**	**-**	**-**	**37.90**

NOTE 6 Loans

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
		Amortised Cost	
a)	Term Loans		
	i) Automobile Financing	15,449.23	11,143.54
	ii) Consumer Lending	4,793.90	2,519.56
	iii) Small Business Lending	1,012.02	739.87
	Total Loans - Gross	**21,255.15**	**14,402.97**
b)	Less: Impairment Loss Allowance	710.06	388.66
c)	**Total Loans - Net (a) - (b)**	**20,545.09**	**14,014.31**
	Nature		
a)	Secured by Tangible Assets	15,893.44	11,212.16
b)	Unsecured Loans	5,361.71	3,190.81
c)	**Total Gross (a) + (b)**	**21,255.15**	**14,402.97**
d)	Less: Impairment Loss Allowance	710.06	388.66
e)	**Total - Net (c) - (d)**	**20,545.09**	**14,014.31**

(All amounts in ₹ crore unless otherwise stated)

NOTE 6 Loans (Contd.)

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
i)	Loans in India		
	Public Sector	-	-
	Others	21,255.15	14,402.97
	Total Gross	**21,255.15**	**14,402.97**
	Less: Impairment Loss Allowance	710.06	388.66
	Total - Net	**20,545.09**	**14,014.31**
ii)	Loans Outside India	-	-
iii)	**Total Loans (i) +(ii)**	**20,545.09**	**14,014.31**

a. Secured indicates loans secured, wholly or partly, by way of hypothecation of automobile assets and/or equitable mortgage of property and/or equipment.

b. The stock of loan (automobile finance) includes 6,958 nos. repossessed vehicles as at the Balance Sheet date. (31st March, 2022: 11,926 nos.).

c. The term loans include loans given to related parties (refer Note 37) and these loans which have been granted to related parties are specified with terms or periods of repayment. These loans have been classified under the Stage 1 category at the various reporting periods and related impairment provision as per the Company's accounting policy has been created.

d. There is no divergence in asset classification and provisioning in the financial statement in the previous year assessed by RBI.

NOTE 7 Other Financial Assets

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Employees Related Receivables	7.97	4.85
b)	Security Deposit for Leased Premises	9.65	8.27
c)	Advances to Related Parties	-	38.10
d)	Other Financial Assets - Non Related Parties	9.74	10.24
e)	Deposit with Service Providers	5.19	6.39
	Total Gross (A)	32.55	67.85
	Less: Allowance for Impairment Loss (B)	9.73	9.41
	Total (A)-(B)	**22.82**	**58.44**

NOTE 8 Current Tax Assets

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Opening Balance	7.10	17.26
b)	Add: Taxes Paid	181.27	54.85
c)	Less: Taxes Payable	(197.96)	(65.01)
	Total	**(9.59)**	**7.10**

(All amounts in ₹ crore unless otherwise stated)

NOTE 9 Deferred Tax Assets/(Liabilities)

The balance comprises temporary differences attributable to:

S.No.	Description	As at 31st March, 2021	Charge/ (Credit) to profit and loss	Charge/ (Credit) to OCI	As at 31st March, 2022	Charge/ (Credit) to profit and loss	Charge/ (Credit) to OCI	As at 31st March, 2023
	Deferred Tax Assets/(Liabilities) on account of:							
a)	Impairment allowance for financial instruments	78.31	22.81	-	101.12	74.04	-	175.16
b)	Difference between depreciation as per Books of Account and the Income Tax Act, 1961	5.07	0.17	-	5.24	(0.40)	-	4.84
c)	Provision for Compensated Absences and Gratuity	5.55	1.50	0.15	7.20	3.17	1.44	11.81
d)	Provision for Pension	2.93	0.26	0.28	3.47	0.19	(1.20)	2.46
e)	Expenses Disallowed under Section 40 (a) (ia)	6.10	4.47	-	10.57	11.93	-	22.50
f)	Impact of effective interest rate adjustment on Financial Assets	8.56	9.12	-	17.68	(12.78)	-	4.90
g)	Impact of unwinding the advances to related parties	2.38	(1.57)	-	0.81	(0.81)	-	0.00
h)	Mark-to-market on derivatives	5.94	-	(10.25)	(4.30)	-	(2.20)	(6.50)
i)	Impact of effective interest rate adjustment on Financial Liabilities	-	(2.52)	-	(2.52)	(0.30)	-	(2.82)
j)	Impact of Lease Accounting as per IND-AS 116	0.84	0.12	-	0.96	0.14	-	1.10
	Total Deferred Tax Assets/(Liabilities)	**115.69**	**34.36**	**(9.82)**	**140.23**	**75.18**	**(1.96)**	**213.45**

NOTE 10 Investment Property

Description	Land	Building	Total
Year ended 31st March, 2023			
Gross carrying amount as of 1st April, 2022	85.16	-	85.16
Additions	-	-	-
Sub-total	**85.16**	**-**	**85.16**
Disposals	-	-	-
Closing gross carrying amount (A)	**85.16**	**-**	**85.16**
Depreciation and Amortisation	-	-	-
Opening Accumulated Depreciation	-	-	-
Depreciation/Amortisation charge during the year	-	-	-
Sub-total	**-**	**-**	**-**
Disposals	-	-	-
Closing Accumulated Depreciation and Amortisation (B)	**-**	**-**	**-**
Net carrying value as at 31st March, 2023 (A)-(B)	**85.16**	**-**	**85.16**
Net carrying value as at 31st March, 2022	**85.16**	**-**	**85.16**

(All amounts in ₹ crore unless otherwise stated)

NOTE 10 Investment Property (Contd.)

Description	Land	Building	Total
Year ended 31st March, 2022			
Gross carrying amount as of 1st April, 2021	85.16	0.00	85.16
Additions	-	-	-
Sub-total	**85.16**	**0.00**	**85.16**
Disposals	-	-	-
Closing gross carrying amount (A)	**85.16**	**0.00**	**85.16**
Depreciation and Amortisation	-	-	-
Opening Accumulated Depreciation	-	-	-
Depreciation/Amortisation charge during the year	-	-	-
Sub-total	-	-	-
Disposals	-	-	-
Closing accumulated depreciation and amortisation (B)	-	-	-
Net carrying value as at 31st March, 2021 (A)-(B)	**85.16**	**0.00**	**85.16**

(i) Fair value

	As at 31st March, 2023	As at 31st March, 2022
Investment Properties	451.09	451.09

a) The fair value of the investment property is based on the independent valuation obtained by the Company.

b) The title deed of the investment property is in the name of the Company.

NOTE 11 Property, Plant and Equipment and Intangible Assets

Description	Property, Plant and Equipment					Right-to-use Asset	Intangible Assets (Computer Software)
	Computer	Furniture & fixtures	Office equipment	Vehicles	Total		
Year ended 31st March, 2023							
Gross carrying amount as on 31st March, 2022	32.74	12.56	14.59	1.17	61.06	39.57	16.18
Additions	17.89	0.84	2.61	1.57	22.91	17.29	2.19
Adjustment due to revaluation and acquisitions through business combinations	-	-	-	-	-	-	-
Sub-total	**50.63**	**13.40**	**17.20**	**2.74**	**83.97**	**56.86**	**18.37**
Disposals	7.53	0.14	1.75	1.25	10.67	-	-
Closing gross carrying amount (A)	**43.10**	**13.26**	**15.45**	**1.49**	**73.30**	**56.86**	**18.37**
Depreciation and Amortisation	-	-	-	-	-	-	-
Opening accumulated depreciation	22.35	8.56	9.77	0.16	40.84	21.45	14.82
Depreciation/Amortisation charge during the year	8.50	1.34	2.80	0.49	13.13	6.68	1.60
Sub-Total	**30.85**	**9.90**	**12.57**	**0.65**	**53.97**	**28.13**	**16.42**
Disposals	7.53	0.13	1.70	0.55	9.91	-	-
Closing accumulated depreciation and amortisation (B)	**23.32**	**9.77**	**10.87**	**0.10**	**44.06**	**28.13**	**16.42**
Net carrying value as at 31st March, 2023 (A)-(B)	**19.78**	**3.49**	**4.58**	**1.39**	**29.24**	**28.73**	**1.95**
Net carrying value as at 31st March, 2022	**10.39**	**4.00**	**4.82**	**1.01**	**20.22**	**18.12**	**1.36**

(All amounts in ₹ crore unless otherwise stated)

NOTE 11 Property, Plant and Equipment and Intangible assets (Contd.)

Description	Property, Plant and Equipment					Right-to-use Asset	Intangible Assets (Computer Software)
	Computer	Furniture & fixtures	Office equipment	Vehicles	Total		
Year ended 31st March, 2022							
Gross Carrying Amount as on 31st March, 2021	23.41	11.87	13.08	0.02	48.38	33.08	16.08
Additions	9.38	0.83	1.64	1.15	13.00	6.49	0.10
Adjustment due to revaluation and acquisitions through business combinations	-	-	-	-	-	-	-
Sub-total	**32.79**	**12.70**	**14.72**	**1.17**	**61.38**	**39.57**	**16.18**
Disposals	0.05	0.14	0.13	-	0.32	-	-
Closing gross carrying amount (A)	**32.74**	**12.56**	**14.59**	**1.17**	**61.06**	**39.57**	**16.18**
Depreciation and Amortisation							
Opening accumulated depreciation	16.85	7.30	7.69	0.01	31.85	14.40	12.04
Depreciation/Amortisation charge during the year	5.54	1.38	2.21	0.15	9.28	7.05	2.78
Sub-Total	**22.39**	**8.68**	**9.90**	**0.16**	**41.13**	**21.45**	**14.82**
Disposals	0.04	0.12	0.13	-	0.29	-	-
Closing accumulated depreciation and amortisation (B)	**22.35**	**8.56**	**9.77**	**0.16**	**40.84**	**21.45**	**14.82**
Net carrying value as at 31st March, 2022 (A)-(B)	**10.39**	**4.00**	**4.82**	**1.01**	**20.22**	**18.12**	**1.36**

There are no proceedings that have been initiated or pending against the Company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1998 and rules made there under.

NOTE 12 Other Non-Financial Assets

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Dealer Commission Advance	0.55	0.17
b)	Prepaid Expenses	27.37	24.11
c)	Vendor Advance	9.24	9.30
d)	Balance with GST / Service Tax Department	5.86	3.42
e)	Gratuity	2.31	2.81
	Total	**45.33**	**39.81**

NOTE 13 Trade Payables

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
(a)	Total outstanding dues of micro enterprises and small enterprises	19.13	3.55
(b)	Total outstanding dues of creditors other than micro enterprises and small enterprises	616.56	331.10
	Total	**635.69**	**334.65**

(All amounts in ₹ crore unless otherwise stated)

NOTE 13 Trade Payables (Contd.)

NOTE 13.1 Trade Payables (Ageing Schedule)

The following schedules reflect ageing of trade payables with respect to the date of transactions:

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31st March, 2023				
		<1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed dues - MSME*	19.13	-	-	-	19.13
(ii)	Undisputed dues - Others	616.52	-	0.04	-	616.56
(iii)	Disputed dues - MSME*	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-
	Total	**635.65**	**-**	**0.04**	**-**	**635.69**

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31st March, 2022				
		<1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed dues - MSME*	3.55	-	-	-	3.55
(ii)	Undisputed dues - Others	325.13	1.15	0.03	4.79	331.10
(iii)	Disputed dues - MSME*	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-
	Total	**328.68**	**1.15**	**0.03**	**4.79**	**334.65**

* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information received by the management. The entire closing balance represents the principal amount payable to these enterprises. There are no interests due or outstanding on the same.

Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2nd October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. On the basis of the information and records available with management and confirmation sought from suppliers on registration with specified authority under MSMED, the principal amount, interest accrued and remaining unpaid and interest paid during the year to such enterprise is Nil.

Particulars	As at 31st March, 2023	As at 31st March, 2022
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting period		
- Principal	-	-
- Interest	-	-
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

(All amounts in ₹ crore unless otherwise stated)

NOTE 14 Debt Securities

Description	As at 31st March, 2023	As at 31st March, 2022
At Amortised Cost		
Commercial Paper (Unsecured)	1,382.04	1,788.69
Non-Convertible Debentures (Secured)	1,225.00	424.99
Total (A)	**2,607.04**	**2,213.68**
Debt Securities in India	2,607.04	2,213.68
Debt Securities outside India	-	-
Total (B)	**2,607.04**	**2,213.68**

NOTE 15 Borrowings (Other Than Debt Securities)

Description	As at 31st March, 2023	As at 31st March, 2022
At Amortised Cost		
(a) Term Loans (Secured)		
i) From Banks	10,243.50	6,069.73
ii) From other Parties	200.00	4.93
iii) External Commercial Borrowings	1,615.27	2,169.82
(b) Loans Repayable on Demand		
i) Cash Credit from Banks (Secured)	0.16	8.62
ii) Working Capital Demand Loan (Secured)	2,195.00	1,189.00
iii) Working Capital Demand Loan (Unsecured)	265.00	15.00
Total (A)	**14,518.93**	**9,457.10**
Borrowings in India	12,903.66	7,287.28
Borrowings outside India	1,615.27	2,169.82
Total (B)	**14,518.93**	**9,457.10**

NOTE 16 Subordinated Liabilities

Description	As at 31st March, 2023	As at 31st March, 2022
At Amortised Cost - Unsecured		
(a) Perpetual Debt Instruments to the extent that do not qualify as equity	99.88	99.86
(b) Other Subordinated Liabilities		
(i) From Banks	100.00	199.98
(ii) From Others	1,544.92	993.50
Total (A)	**1,744.80**	**1,293.34**
Subordinated Liabilities in India	1,744.80	1,293.34
Subordinated Liabilities outside India	-	-
Total (B)	**1,744.80**	**1,293.34**

a. Refer Annexure for the terms of the debt securities, borrowings and subordinated liabilities.
b. The Company has utilised the borrowed funds for the purposes for which the fund is obtained.
c. The Company has not been declared a wilful defaulter by any Bank or Financial Institution or other lenders.
d. There are no charges or satisfaction yet to be registered with ROC beyond the statutory time period.
e. There is no unhedged foreign currency exposures.
f. The Company has not breached any covenant of loan availed or debt securities issued.

(All amounts in ₹ crore unless otherwise stated)

Annexure

Institution	Amount Outstanding as on 31st March, 2023	Type of Security	Interest Rate	Total Instalment	No. of Instalments Remaining	Frequency	Repayable From	Repayable To
Debt Securities								
Commercial Paper	396.25	Unsecured	7.75%	1	1	Bullet	16/05/2023	16/05/2023
Commercial Paper	345.18	Unsecured	8.27%	1	1	Bullet	02/06/2023	02/06/2023
Commercial Paper	147.93	Unsecured	8.27%	1	1	Bullet	02/06/2023	02/06/2023
Commercial Paper	246.39	Unsecured	8.27%	1	1	Bullet	05/06/2023	05/06/2023
Commercial Paper	246.28	Unsecured	8.27%	1	1	Bullet	07/06/2023	07/06/2023
Non-Convertible Debentures	500.00	Secured	8.30%	2	2	Bullet	14/08/2025	12/09/2025
Non-Convertible Debentures	120.00	Secured	8.30%	2	2	Bullet	14/08/2025	12/09/2025
Non-Convertible Debentures	100.00	Secured	8.30%	2	2	Bullet	14/08/2025	12/09/2025
Non-Convertible Debentures	80.00	Secured	8.30%	2	2	Bullet	14/08/2025	12/09/2025
Non-Convertible Debentures	300.00	Secured	8.15%	2	2	Bullet	19/09/2024	18/10/2024
Non-Convertible Debentures	75.00	Secured	8.15%	2	2	Bullet	19/09/2024	18/10/2024
Non-Convertible Debentures	50.00	Secured	8.15%	2	2	Bullet	19/09/2024	18/10/2024
	2,607.03							
Loan repayable on demand	2,195.16	Secured	7.40% - 8.10%	Repayable on demand				
	265.00	Unsecured						
	2,460.16							
Term Loan								
Bank	74.99	Secured	8.40%	8.00	3.00	Quaterly	18/02/2022	18/11/2023
Bank	149.98	Secured	7.85%	8.00	4.00	Quarterly	29/06/2022	29/03/2024
Bank	187.47	Secured	6.30%	8.00	6.00	Quarterly	21/12/2022	30/09/2024
Bank	250.00	Secured	6.30%	8.00	8.00	Quarterly	31/05/2023	28/02/2025
Bank	499.92	Secured	7.00%	10.00	10.00	Quarterly	30/04/2023	30/07/2025
Bank	698.56	Secured	7.59%	10.00	10.00	Quaterly	01/07/2023	01/10/2025
Bank	416.63	Secured	7.70%	12.00	10.00	Quarterly	26/11/2022	26/08/2025
Bank	149.91	Secured	7.90%	12.00	6.00	Quarterly	30/09/2024	31/12/2025
Bank	249.84	Secured	7.80%	10.00	10.00	Quaterly	31/07/2023	31/10/2025
Bank	166.53	Secured	8.00%	12.00	8.00	Quarterly	25/09/2022	25/03/2025
Bank	200.00	Secured	7.00%	1.00	1.00	Bullet	27/10/2024	27/10/2024
Bank	24.99	Secured	7.25%	10.00	1.00	Quarterly	04/08/2022	04/05/2023
Bank	199.97	Secured	8.00%	1.00	1.00	Bullet	01/05/2024	01/05/2024
Bank	150.00	Secured	8.76%	1.00	1.00	Bullet	25/10/2024	25/10/2024
Bank	50.00	Secured	8.76%	6.00	2.00	Half Yearly	12/08/2022	01/02/2024
Bank	300.00	Secured	7.25%	4.00	4.00	Quarterly	20/11/2023	20/05/2025
Bank	41.67	Secured	8.40%	36.00	5.00	Monthly	21/09/2020	21/08/2023
Bank	50.00	Secured	8.57%	36.00	9.00	Monthly	31/01/2021	31/12/2023
Bank	208.31	Secured	7.75%	36.00	15.00	Monthly	25/07/2021	24/06/2024
Bank	250.00	Secured	7.50%	36.00	18.00	Monthly	28/10/2021	27/09/2024
Bank	145.80	Secured	8.37%	36.00	21.00	Monthly	31/01/2022	30/12/2024
Bank	337.76	Secured	5.60%	37.00	25.00	Monthly	30/04/2022	29/04/2025
Bank	567.53	Secured	6.35%	37.00	28.00	Monthly	29/07/2022	28/07/2025
Bank	457.58	Secured	7.25%	12.00	11.00	Quaterly	23/03/2023	21/01/2026
Bank	91.74	Secured	7.60%	37.00	34.00	Monthly	02/02/2023	21/01/2026
Bank	60.00	Secured	7.75%	12.00	12.00	Quaterly	20/05/2023	21/03/2026
Bank	87.57	Secured	7.75%	37.00	36.00	Monthly	20/03/2023	21/03/2026
Bank	374.18	Secured	7.25%	12.00	12.00	Quaterly	30/06/2023	28/04/2026
Bank	120.00	Secured	8.50%	10.00	6.00	Quarterly	29/04/2022	29/07/2024
Bank	120.00	Secured	8.50%	10.00	6.00	Quarterly	13/05/2022	13/08/2024

(All amounts in ₹ crore unless otherwise stated)

Institution	Amount Outstanding as on 31st March, 2023	Type of Security	Interest Rate	Total Instalment	No. of Instalments Remaining	Frequency	Repayable From	Repayable To
Bank	249.95	Secured	7.50%	1.00	1.00	Bullet	30/09/2025	30/09/2025
Bank	499.91	Secured	7.65%	10.00	10.00	Quarterly	02/06/2023	02/09/2025
Bank	100.00	Secured	7.75%	10.00	10.00	Quarterly	29/06/2023	29/09/2025
Bank	399.91	Secured	7.75%	10.00	10.00	Quarterly	01/07/2023	01/10/2025
Bank	180.00	Secured	7.00%	10.00	9.00	Quarterly	31/01/2023	30/04/2025
Bank	33.32	Secured	8.50%	36.00	12.00	Monthly	30/04/2021	30/03/2024
Bank	199.91	Secured	8.03%	10.00	10.00	Quarterly	30/06/2023	30/09/2025
Bank	300.00	Secured	8.03%	10.00	10.00	Quarterly	31/07/2023	31/10/2025
Bank	499.90	Secured	8.10%	10.00	10.00	Quarterly	30/09/2023	30/12/2025
Bank	249.86	Secured	7.60%	8.00	8.00	Quarterly	23/06/2023	23/03/2025
Bank	250.00	Secured	7.60%	8.00	8.00	Quarterly	20/07/2023	20/04/2025
Bank	499.82	Secured	7.50%	12.00	12.00	Quarterly	10/05/2023	10/02/2026
Bank	99.98	Secured	8.75%	10.00	4.00	Quarterly	19/12/2021	19/03/2024
Others	200.00	Secured	7.60%	5.00	5.00	Quarterly	05/05/2023	30/06/2024
Bank-ECB	410.43	Secured	6.94%	1.00	1.00	Bullet	13/07/2023	13/07/2023
Bank-ECB	385.94	Secured	6.94%	1.00	1.00	Bullet	19/10/2023	19/10/2023
Bank-ECB	818.90	Secured	6.92%	1.00	1.00	Bullet	02/12/2024	02/12/2024
	12,058.77							
Subordinated Liabilities								
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	35.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	35.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	30.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	200.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	50.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	64.20	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	34.57	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	49.39	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	128.40	Unsecured	9.40%	1	1	Bullet	26/08/2026	26/08/2026
Others	19.76	Unsecured	9.40%	1	1	Bullet	26/08/2026	26/08/2026
Others	95.00	Unsecured	9.50%	1	1	Bullet	18/01/2028	18/01/2028
Others	80.00	Unsecured	9.50%	1	1	Bullet	31/01/2028	31/01/2028
Others	115.00	Unsecured	9.50%	1	1	Bullet	31/01/2028	31/01/2028
Others	110.00	Unsecured	9.50%	1	1	Bullet	31/01/2028	31/01/2028
Others	50.00	Unsecured	9.35%	1	1	Bullet	29/08/2028	29/08/2028
Others	50.00	Unsecured	9.35%	1	1	Bullet	29/08/2028	29/08/2028
Others	50.00	Unsecured	9.35%	1	1	Bullet	29/08/2028	29/08/2028
Others	50.00	Unsecured	9.35%	1	1	Bullet	29/08/2028	29/08/2028
Others	100.00	Unsecured	10.00%	1	1	Bullet	01/07/2026	01/07/2026
Total	**1,644.92**							
Subordinated Liabilities Total	**1,744.80**							

(All amounts in ₹ crore unless otherwise stated)

Institution	Amount Outstanding as on 31st March, 2022	Type of Security	Interest Rate	Total Instalment	No. of Instalments Remaining	Frequency	Repayable From	Repayable To
Debt Securities								
Commercial Paper	299.28	Unsecured	4.41%	1	1	Bullet	21/04/2022	21/04/2022
Commercial Paper	199.43	Unsecured	4.41%	1	1	Bullet	25/04/2022	25/04/2022
Commercial Paper	199.40	Unsecured	4.41%	1	1	Bullet	26/04/2022	26/04/2022
Commercial Paper	49.85	Unsecured	4.41%	1	1	Bullet	26/04/2022	26/04/2022
Commercial Paper	298.15	Unsecured	4.65%	1	1	Bullet	20/05/2022	20/05/2022
Commercial Paper	148.98	Unsecured	4.65%	1	1	Bullet	25/05/2022	25/05/2022
Commercial Paper	247.48	Unsecured	4.90%	1	1	Bullet	16/06/2022	16/06/2022
Commercial Paper	148.37	Unsecured	4.90%	1	1	Bullet	22/06/2022	22/06/2022
Commercial Paper	98.91	Unsecured	4.90%	1	1	Bullet	22/06/2022	22/06/2022
Commercial Paper	49.42	Unsecured	4.90%	1	1	Bullet	28/06/2022	28/06/2022
Commercial Paper	49.42	Unsecured	4.90%	1	1	Bullet	28/06/2022	28/06/2022
Non-Convertible Debentures	300.00	Secured	8.35%	1	1	Bullet	22/03/2023	22/03/2023
Non-Convertible Debentures	25.00	Secured	8.35%	1	1	Bullet	22/03/2023	22/03/2023
Non-Convertible Debentures	99.99	Secured	7.40%	1	1	Bullet	08/04/2022	08/04/2022
	2,213.68							
Loan repayable on demand	1,197.62	Secured	5.80% - 7.85%	Repayable on demand				
	15.00	Unsecured						
	1,212.62							
Term Loan								
Bank	199.98	Secured	7.35%	1.00	1.00	Bullet	19/11/2022	19/11/2022
Bank	97.50	Secured	6.30%	8.00	6.00	Quarterly	24/12/2021	24/09/2023
Bank	174.98	Secured	5.90%	8.00	7.00	Quarterly	18/02/2022	18/11/2023
Bank	299.96	Secured	5.60%	8.00	8.00	Quarterly	29/06/2022	29/03/2024
Bank	249.96	Secured	6.30%	8.00	8.00	Quarterly	21/12/2022	21/09/2024
Bank	250.00	Secured	6.30%	8.00	8.00	Quarterly	31/05/2023	28/02/2025
Bank	83.32	Secured	7.40%	11.00	4.00	Quarterly	06/08/2020	06/02/2023
Bank	249.95	Secured	7.45%	12.00	10.00	Quarterly	31/12/2021	24/09/2024
Bank	22.50	Secured	6.90%	10.00	3.00	Quarterly	15/07/2020	15/10/2022
Bank	79.98	Secured	6.90%	10.00	4.00	Quarterly	24/11/2020	24/02/2023
Bank	50.00	Secured	7.90%	4.00	2.00	Half yearly	18/06/2021	18/12/2022
Bank	41.66	Secured	5.17%	36.00	5.00	Monthly	30/09/2019	30/08/2022
Bank	33.33	Secured	6.28%	36.00	6.00	Monthly	30/10/2019	29/09/2022
Bank	166.67	Secured	5.85%	36.00	12.00	Monthly	19/04/2020	19/03/2023
Bank	141.67	Secured	5.90%	36.00	17.00	Monthly	21/09/2020	21/08/2023
Bank	116.67	Secured	5.29%	36.00	21.00	Monthly	31/01/2021	31/12/2023
Bank	374.96	Secured	5.25%	36.00	27.00	Monthly	25/07/2021	24/06/2024
Bank	416.67	Secured	5.00%	36.00	30.00	Monthly	28/10/2021	28/09/2024
Bank	229.17	Secured	5.29%	36.00	33.00	Monthly	31/01/2022	31/12/2024
Bank	499.89	Secured	5.60%	37.00	37.00	Monthly	30/04/2022	30/04/2025
Bank	249.78	Secured	6.10%	8.00	8.00	Quarterly	28/06/2023	28/03/2025
Bank	150.00	Secured	6.95%	1.00	1.00	Bullet	25/10/2024	25/10/2024
Bank	100.00	Secured	7.40%	6.00	4.00	Half yearly	12/08/2021	01/02/2024
Bank	249.77	Secured	6.80%	12.00	12.00	Quarterly	25/06/2022	25/03/2025
Bank	99.93	Secured	7.35%	10.00	4.00	Quarterly	20/12/2020	20/03/2023
Bank	124.94	Secured	7.25%	10.00	5.00	Quarterly	04/02/2021	04/05/2023
Bank	39.99	Secured	7.25%	10.00	4.00	Quarterly	31/12/2020	30/03/2023
Bank	199.96	Secured	7.30%	10.00	8.00	Quarterly	19/12/2021	19/03/2024
Bank	66.63	Secured	7.40%	36.00	24.00	Monthly	30/04/2021	30/03/2024
Bank	200.00	Secured	6.95%	10.00	10.00	Quarterly	29/04/2022	29/07/2024
Bank	200.00	Secured	6.95%	10.00	10.00	Quarterly	13/05/2022	13/08/2024

(All amounts in ₹ crore unless otherwise stated)

Institution	Amount Outstanding as on 31st March, 2022	Type of Security	Interest Rate	Total Instalment	No. of Instalments Remaining	Frequency	Repayable From	Repayable To
Bank	189.38	Secured	8.57%	1.00	1.00	Bullet	31/05/2022	31/05/2022
Bank	189.38	Secured	8.57%	1.00	1.00	Bullet	10/06/2022	10/06/2022
Bank	151.51	Secured	8.06%	1.00	1.00	Bullet	26/08/2022	26/08/2022
Bank	151.51	Secured	8.06%	1.00	1.00	Bullet	16/09/2022	16/09/2022
Bank	59.99	Secured	7.35%	10.00	2.00	Quarterly	20/05/2020	20/08/2022
Bank	200.00	Secured	7.00%	1.00	1.00	Bullet	27/10/2024	27/10/2024
Bank	199.94	Secured	6.45%	1.00	1.00	Bullet	24/05/2024	24/05/2024
Others	4.93	Secured	6.43%	10.00	1.00	Quarterly	10/03/2020	10/06/2022
Bank	378.07	Secured	6.94%	1.00	1.00	Bullet	13/07/2023	13/07/2023
Bank	356.04	Secured	6.94%	1.00	1.00	Bullet	19/10/2023	19/10/2023
Bank	753.93	Secured	6.92%	1.00	1.00	Bullet	02/12/2024	02/12/2024
Bank	150.00	Secured	6.10%	1.00	1.00	Bullet	23/09/2022	23/09/2022
	8,244.48							
Subordinated Liabilities								
Perpetual Debt	99.86	Unsecured	11.50%	1	1	Bullet	25/11/2027	25/11/2027
Other Subordinated Liabilities:								
Bank	49.99	Unsecured	8.60%	1	1	Bullet	29/05/2023	29/05/2023
Bank	50.00	Unsecured	8.94%	1	1	Bullet	24/07/2023	24/07/2023
Bank	25.00	Unsecured	9.70%	1	1	Bullet	01/09/2022	01/09/2022
Bank	24.99	Unsecured	9.70%	1	1	Bullet	01/09/2022	01/09/2022
Others	99.30	Unsecured	10.90%	1	1	Bullet	07/08/2024	07/08/2024
Others	112.91	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	34.36	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	99.00	Unsecured	8.85%	1	1	Bullet	02/06/2027	02/06/2027
Others	35.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	35.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	30.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	200.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	50.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	50.00	Unsecured	10.02%	1	1	Bullet	28/04/2022	28/04/2022
Others	147.93	Unsecured	9.40%	1	1	Bullet	26/08/2026	26/08/2026
Others	50.00	Unsecured	11.25%	1	1	Bullet	01/05/2022	01/05/2022
Others	100.00	Unsecured	10.00%	1	1	Bullet	01/07/2026	01/07/2026
Total	**1,193.48**							
Subordinated Liabilities Total	**1,293.34**							

Details of Security

i. Non-Convertible Debentures of ₹1,225.00 crore inclusive of Current and Non-Current Dues (Previous Year: ₹424.99 crore as on 31st March, 2022) are fully secured by an exclusive floating charge against hypothecation of receivables under the financing activity of the Company.

ii. Term Loan received from Banks and Other Parties of ₹12,058.77 crore inclusive of Current and Non-Current Dues (Previous Year: ₹8,244.47 crore as on 31st March, 2022) is fully secured by an exclusive floating charge against hypothecation of receivables under the financing activity of the Company.

iii. Working Capital Demand Loan and Cash Credit of ₹2,195.16 crore (Previous Year: ₹1,197.62 crore as at 31st March, 2022) is fully secured by an exclusive floating charge against hypothecation of receivables under the financing activity of the Company.

External Commercial Borrowings

During the previous year, the Company had raised funds in the overseas market amounting to ₹751.50 crore (equivalent to USD 100 million) under External Commercial Borrowings (ECB) accessed through an automatic route after receiving the Loan Registration Number from RBI as per ECB Master Directions. These are unlisted instruments, for a total duration of 3 years and the loan has been fully hedged. The net proceeds from the issue of these ECB were applied for the purpose of on-lending, in accordance with the directions issued by the RBI.

(All amounts in ₹ crore unless otherwise stated)

NOTE 17 Other Financial Liabilities

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Interest Accrued But Not Due	154.78	69.69
b)	Employee Related Liabilities	139.40	57.69
c)	Security Deposit	64.39	81.37
d)	Lease Liability (refer Note 36)	33.11	21.96
	Total	**391.68**	**230.71**

NOTE 18 Provisions

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Pension	9.78	13.80
b)	Compensated Absences	42.89	24.54
	Total	**52.67**	**38.34**

NOTE 19 Other Non-Financial Liabilities

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	Statutory Dues	31.39	29.54
	Total	**31.39**	**29.54**

NOTE 20 Equity Share Capital

S.No.	Description	As at 31st March, 2023	As at 31st March, 2022
a)	**Authorised Share Capital:**		
	250,000,000 Equity Shares of ₹10 each	250.00	250.00
	(Previous Year 250,000,000 Equity Shares)		
		250.00	**250.00**
b)	**Issued, Subscribed and Fully Paid-up Share Capital:**		
	228,223,926 number of Equity Shares of ₹10 each	228.22	201.20
	(Previous year 201,196,900 Equity Shares of ₹10 each)		
c)	**Par Value per Share**	₹10 each	₹10 each
d)	**Number of Equity Shares at the beginning of the year**	201,196,900	191,937,700
	Changes in Equity Share Capital due to prior period errors	-	-
	Restated number of Equity Shares at the beginning of the year	201,196,900	191,937,700
	Add: Preferential Allotment made during the year	27,027,026	9,259,200
	Number of Equity Shares at the end of the year	228,223,926	201,196,900
e)	**Equity Shares held by Holding Companies**		
	Particulars	**No. of Shares**	**No. of Shares**
	Holding Company - TVS Motor Company Limited	195,424,754	168,397,728
	Sundaram-Clayton Limited (Holding Company of TVS Motor Company Limited)	5,266,650	2,180,250

(All amounts in ₹ crore unless otherwise stated)

NOTE 20 Equity Share Capital (Contd.)

f) Number of shares held by Shareholders more than 5% of total shares as at the end of the year

Name of the Shareholders	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares	% of Holding	No. of Shares	% of Holding
TVS Motor Company Limited	195,424,754	85.63%	168,397,728	83.70%
Lucas-TVS Limited	11,337,297	4.97%	11,337,297	5.63%

g) Shares held by Promoters at the end of year

S.No.	Promoter Name	No. of Shares	% of Total Shares	% change during the year
1	TVS Motor Company Limited	195,424,754	85.63%	1.93%
2	Sundaram-Clayton Limited	5,266,650	2.31%	1.22%
3	TVS Motor Services Limited	1,090,125	0.48%	-0.06%

NOTE 21 Other Equity

Description	As at 31st March, 2023	As at 31st March, 2022
a) Securities Premium Reserves	1,336.35	863.38
b) Statutory Reserve	242.03	164.30
c) Retained Earnings	934.94	624.12
d) Other Reserves	19.32	12.80
Total Reserves and Surplus	**2,532.64**	**1,664.60**

a) Securities Premium Reserves	As at 31st March, 2023	As at 31st March, 2022
Opening balance	863.38	722.64
Additions during the year	472.97	140.74
Deductions/Adjustments during the year	-	-
Closing balance	**1,336.35**	**863.38**

b) Statutory Reserve	As at 31st March, 2023	As at 31st March, 2022
Opening balance	164.30	140.15
Transfer from retained earnings	77.73	24.15
Deductions/Adjustments during the year	-	-
Closing balance	**242.03**	**164.30**

c) Retained Earnings	As at 31st March, 2023	As at 31st March, 2022
Opening balance	624.11	528.31
Net profit for the year	389.27	121.20
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation net-off tax	(0.72)	(1.25)
Transfer to Statutory Reserve	(77.73)	(24.15)
Closing balance	**934.94**	**624.11**

d) Other Reserves - Hedge Reserve	As at 31st March, 2023	As at 31st March, 2022
Opening balance	12.80	(17.66)
Add: Change in fair value of hedging instruments, net of tax for the year	6.52	30.46
Closing balance	**19.32**	**12.80**

(All amounts in ₹ crore unless otherwise stated)

NOTE 21 Other Equity (Contd.)

Securities Premium

The reserve represents premium on issue of shares. It will be utilised in accordance with the provisions of the Companies Act, 2013.

Statutory Reserves:

According to Section 45 - IC of the Reserve Bank of India Act, 1934, the Company transfers a sum not less than 20% of its net profit every year as disclosed in the statement of Profit and Loss and before declaration of any dividend to the Statutory reserves.

Retained Earnings:

Represents Company's cumulative undistributed earnings since its inception. This is available for distribution to Shareholders through dividends/capitalisation.

NOTE 22 Interest Income

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
On Financial assets measured at amortised cost:		
Interest on Loans	3,736.84	2,444.16
Interest on Deposits with Bank	18.67	2.44
Total	**3,755.51**	**2,446.60**

NOTE 23 Fees and Commission Income

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
Fee-based Income	316.42	255.86
Service Income	84.42	44.66
Total	**400.84**	**300.52**

NOTE 24 Other Income

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
Unwinding of discount on security deposits and receivable for investments	3.92	6.80
Other Non-Operating Income	0.78	0.23
Interest on Income Tax Refund	-	1.91
Total	**4.70**	**8.94**

NOTE 25 Finance Costs

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
On Financial Liabilities measured at amortised cost		
Interest Cost		
- Interest on Borrowings (other than Debt Securities)	826.56	547.34
- Interest on Debt Securities	191.67	85.47
- Interest on Subordinated Liabilities	141.51	102.12
- Interest on Lease Liabilities	2.08	1.99
Other Finance Charges	6.46	6.01
Total	**1,168.28**	**742.93**

(All amounts in ₹ crore unless otherwise stated)

NOTE 26 Impairment of Financial Instruments

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
On Financial Instruments measured at Amortised Cost		
Bad Debts Written-off (net)	136.26	231.29
Net Loss on Sale of Repossessed Assets	171.46	216.03
Impairment Provision on Loans	321.40	98.98
Impairment Provision on Trade Receivables and Other Financial Assets	0.02	7.85
Total	**629.14**	**554.15**

NOTE 27 Employee Benefit Expenses

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
Salaries and Wages	922.69	638.95
Contribution to Provident and Other Funds	49.21	40.92
Staff Welfare	67.61	31.91
Total	**1,039.51**	**711.78**

NOTE 28 Other Expenses

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
Travelling and Conveyance	124.21	91.45
Communication Costs	152.60	91.45
Rent, Taxes and Energy Costs (Refer Note 36C)	33.03	25.48
Repairs & Maintenance	14.51	12.30
Insurance Expenses	0.69	0.51
Legal and Prof Charges	149.36	81.82
Auditors Fees and Expenses*	0.65	0.53
Directors Sitting Fees & Commission Expenses	0.71	0.73
Corporate Social Responsibility**	5.00	3.50
Donation	2.83	-
Printing and Stationery	9.95	5.81
Others	16.06	9.93
Total	**509.60**	**323.51**

*__Auditors Fees and Expenses__

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
Statutory Audit	0.38	0.24
Tax Audit	0.08	0.07
Certification	0.04	0.15
Reimbursement of Expenses	0.15	0.07
Auditors Fees and Expenses	**0.65**	**0.53**

(All amounts in ₹ crore unless otherwise stated)

NOTE 28 Other Expenses (Contd.)

**** Expenditure incurred on Corporate Social Responsibility activities:**

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
(i) Amount required to be spent by the Company during the year	5.00	3.42
(ii) Amount of expenditure incurred	5.00	3.50
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	NA	NA
(vi) Nature of CSR activities	-	-
a. Expenses incurred through Trusts	5.00	3.50
Total	**5.00**	**3.50**

NOTE 29 Income Tax Expenses

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
(a) Income tax expense		
Current tax on profits for the year	197.96	65.01
Tax profits relating to prior period	-	-
Total current tax expense	**197.96**	**65.01**
Deferred tax		
Decrease/(increase) in deferred tax assets	(75.17)	(34.36)
(Decrease)/increase in deferred tax liabilities	-	-
Total deferred tax expense/(benefit)	**(75.17)**	**(34.36)**
Income tax expense for the year	**122.79**	**30.65**
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	512.07	151.85
Tax at the Indian tax rate of 25.168% (previous year – 25.168%)	128.88	38.22
Tax effect of amounts which are permanent differences in nature in calculation of taxable income	(6.08)	(7.57)
Income tax expense	**122.80**	**30.65**

NOTE 30 Other Comprehensive Income

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans	(0.96)	(1.67)
Income tax relating to these items	0.24	0.42
Items that will be reclassified to profit or loss		
Fair value change on cash flow hedge	8.71	40.71
Income tax relating to these items	(2.19)	(10.25)
Other Comprehensive Income	**5.80**	**29.21**

(All amounts in ₹ crore unless otherwise stated)

NOTE 31 Earnings Per Share

Description	Year ended 31st March, 2023	Year ended 31st March, 2022
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Company	18.75	6.20
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the Company	18.75	6.20
(c) Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Profit attributable to equity holders of the Company used in calculating basis earnings per share	389.28	121.20
Diluted earnings per share		
Profit attributable to equity holders of the Company used in calculating diluted earnings per share	389.28	121.20
(d) Weighted average number of equity shares used as the denominator in calculating basic earnings per share	207,631,553	195,548,365
(e) Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	207,631,553	195,548,365

NOTE 32 Employee Benefit Obligations

Defined Benefit Obligation

The Company provides gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised fund in India.

The Company operates a defined benefit pension plan, which provides benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

Particulars	Gratuity			Pension			Compensated Absences		
	Present Value of Obligation	Fair Value of Plan Assets	Total	Present Value of Obligation	Fair Value of Plan Assets	Total	Present Value of Obligation	Fair Value of Plan Assets	Total
As on 1st April, 2021	**22.13**	**(20.33)**	**1.80**	**11.68**	**-**	**11.68**	**20.27**	**-**	**20.27**
Current service cost	3.66	-	3.66	-	-	-	-	-	-
Interest expense/(income)	1.25	(1.32)	(0.06)	0.76	-	0.76	1.04	-	1.04
Total amount recognised in profit or loss	**4.91**	**(1.32)**	**3.60**	**0.76**	**-**	**0.76**	**1.04**	**-**	**1.04**
Remeasurements									
Return on plan assets, excluding amounts included in interest expense/ (income)	-	(0.79)	(0.79)	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	(0.26)	-	(0.26)	(0.29)	-	(0.29)	(0.18)	-	(0.18)
Experience (gains)/losses	1.36	-	1.36	1.65	-	1.65	5.55	-	5.55
Total amount recognised in other comprehensive (income)/losses	**1.10**	**(0.79)**	**0.31**	**1.36**	**-**	**1.36**	**5.37**	**-**	**5.37**
Employer contributions	-	(8.52)	(8.52)	-	-	-	(2.14)	-	(2.14)
Benefit payments	(0.40)	0.40	(0.00)	-	-	-	-	-	-
As on 31st March, 2022	**27.74**	**(30.56)**	**(2.81)**	**13.80**	**-**	**13.80**	**24.54**	**-**	**24.54**

(All amounts in ₹ crore unless otherwise stated)

NOTE 32 Employee Benefit Obligations (Contd.)

Particulars	Gratuity			Pension			Compensated Absences		
	Present Value of Obligation	Fair Value of Plan Assets	Total	Present Value of Obligation	Fair Value of Plan Assets	Total	Present Value of Obligation	Fair Value of Plan Assets	Total
As on 1st April, 2022	**27.74**	**(30.56)**	**(2.81)**	**13.80**	**-**	**13.80**	**24.54**	**-**	**24.54**
Current service cost	4.52	-	4.52	-	-	-	-	-	-
Interest expense/(income)	1.99	(2.16)	(0.18)	0.75	-	0.75	2.10	-	2.10
Total amount recognised in profit or loss	**6.51**	**(2.16)**	**4.34**	**0.75**	**-**	**0.75**	**2.10**	**-**	**2.10**
Remeasurements									
Return on plan assets, excluding amounts included in interest expense/(income)	-	2.59	2.59	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	(1.29)	-	(1.29)	(1.72)	-	(1.72)	(1.15)	-	(1.15)
Experience (gains)/losses	4.43	-	4.43	(3.06)	-	(3.06)	17.39	-	17.39
Total amount recognised in other comprehensive (income)/losses	**3.14**	**2.59**	**5.73**	**(4.78)**	**-**	**(4.78)**	**16.24**	**-**	**16.24**
Employer contributions	-	(9.57)	(9.57)	-	-	-	-	-	-
Benefit payments	(3.54)	3.54	-	-	-	-	-	-	-
As on 31st March, 2023	**33.85**	**(36.16)**	**(2.31)**	**9.77**	**-**	**9.77**	**42.88**	**-**	**42.88**

Details	Gratuity		Pension		Compensated Absences	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
Discount Rate	7.11%	5.36%	7.13%	6.13%	7.10%	5.17%
Salary Growth Rate	6.00%	6.00%	5.50%	5.50%	6.00%	6.00%
Attrition Rate	36.00%	36.00%	0.00%	0.00%	36.00%	36.00%
Retirement Age	58	58	60	60	58	58
Mortality inclusive of provision for disability	100% of Indian Assured Lives Mortality (IALM)					

(i) Sensitivity Analysis

FY 2022-23

Particulars	Gratuity			Pension			Compensated Absences		
	Change in Assump-tion	Due to increase in Assump-tion	Due to decrease in Assump-tion	Change in Assump-tion	Due to increase in Assump-tion	Due to decrease in Assump-tion	Change in Assump-tion	Due to increase in Assump-tion	Due to decrease in Assump-tion
Discount Rate	0.50%	33.45	34.23	1.00%	8.69	11.07	0.50%	42.46	43.34
Salary Growth Rate	0.50%	34.22	33.46	1.00%	11.13	8.63	0.50%	43.34	42.46
Mortality	5.00%	33.84	33.84	5.00%	9.71	9.85	5.00%	42.89	42.89

FY 2021-22

Particulars	Gratuity			Pension			Compensated Absences		
	Change in Assump-tion	Due to increase in Assump-tion	Due to decrease in Assump-tion	Change in Assump-tion	Due to increase in Assump-tion	Due to decrease in Assump-tion	Change in Assump-tion	Due to increase in Assump-tion	Due to decrease in Assump-tion
Discount Rate	0.50%	27.41	28.09	1.00%	12.05	15.91	0.50%	24.28	24.81
Salary Growth Rate	0.50%	28.08	27.41	1.00%	15.99	11.97	0.50%	24.81	24.28
Mortality	5.00%	27.74	27.74	5.00%	13.69	13.91	5.00%	24.54	24.54

(All amounts in ₹ crore unless otherwise stated)

NOTE 32 Employee Benefit Obligations (Contd.)

(ii) The following payments are expected contributions to the defined benefit plan in future years:

Particulars	
Within the next 12 months (next annual reporting period)	11.01
Between 2 and 5 years	22.77
Beyond 5 years	5.92
Total	**39.70**

(iii) Risk Exposure:

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yield.

Changes in Bond Yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

(iv) Defined Contribution Plans:

The Company's contribution to defined contribution plan viz., provident fund, of ₹30.41 crore (31st March, 2022: ₹25.99 crore) has been recognised in the Statement of Profit and Loss. There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated 28th February, 2019 on components/allowances paid to employees that need to be taken into account while computing an employer's contribution to provident fund under the EPF Act. The Company is in the process of evaluating the method of computation of its PF contribution in relation to the above judgement and would record any further effect in its financial statements, upon receiving further clarification on the subject.

NOTE 33 Fair Value Measurements

Financial assets and financial liabilities measured at amortised cost, including their levels in the fair value hierarchy:

Particulars	Carrying Amount		Fair Value Hierarchy	Fair Value	
	31st March, 2023	31st March, 2022		31st March, 2023	31st March, 2022
Financial Assets:					
Cash and Cash equivalents	1,539.93	970.46	Level 3	1,539.93	970.46
Other Bank Balances	5.72	6.00	Level 3	5.72	6.00
Trade Receivables	64.36	37.90	Level 3	64.36	37.90
Loans	20,545.09	14,014.31	Level 3	20,545.09	14,014.31
Other Financial Assets					
Employees Related Receivables	7.97	4.85	Level 3	7.97	4.85
Security Deposit for Leased Premises	9.65	8.27	Level 3	9.65	8.27
Advances to Related Parties	-	38.10	Level 3	-	38.75
Other Financial Assets Non-Related Parties	0.01	0.83	Level 3	0.01	0.83
Deposit with Service Providers	5.19	6.39	Level 3	5.19	6.39
Total	**22,177.92**	**15,087.11**		**22,177.92**	**15,087.76**

(All amounts in ₹ crore unless otherwise stated)

NOTE 33 Fair Value Measurements (Contd.)

Particulars	Carrying Amount		Fair Value Hierarchy	Fair Value	
	31st March, 2023	31st March, 2022		31st March, 2023	31st March, 2022
Financial Liabilities:					
Trade Payables	635.69	334.65	Level 3	635.69	334.65
Debt Securities	2,607.04	2,213.68	Level 3	2,607.04	2,213.68
Borrowings other than Debt Securities	14,518.93	9,457.10	Level 3	14,518.93	9,457.10
Subordinated Liabilities	1,744.80	1,293.34	Level 3	1,744.80	1,293.34
Other Financial Liabilities	391.68	230.71	Level 3	391.68	230.71
Total	**19,898.14**	**13,529.48**		**19,898.14**	**13,529.48**

Financial Assets and Liabilities measured at fair value (Level 2)

Particulars	31st March, 2023	31st March, 2022
Financial Assets		
Derivative Financial Instruments	170.86	64.06
Total Financial Assets	**170.86**	**64.06**
Financial Liabilities		
Derivative Financial Instruments	-	-
Total Financial Liabilities	**-**	**-**

There were no transfers between any levels during the year.

(i) Fair value hierarchy

IND-AS 113, 'Fair Value Measurement' requires classification of the valuation method of financial instruments measured at fair value in the Statement of Balance Sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 reasurements). Fair value of derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. The three levels of the fair-value-hierarchy under IND-AS 113 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes publicly traded derivatives and mutual funds that have a quoted price. The quoted market price used for financial assets held by the Company is the current bid price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

(ii) Valuation Technique used to determine Fair Value

Specific valuation techniques used to value financial instruments include:

- The Management assessed that Cash and Cash equivalents, bank balance other than Cash and Cash equivalents, receivable, other financial assets, payables, and other financial liabilities approximate their carrying amount largely due to short-term maturities of these instruments. The fair value of the investments has been considered as the carrying value of these investments since these investments have been made in the subsidiaries of the Company.
- The majority of borrowings are floating rate borrowings, the carrying value is representative of the fair value.
- The fair values for advance to related parties and rent advance were calculated based on cash flows discounted using a current lending rate. They are classified as Level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.
- The fair value of forward foreign exchange contracts and cross currency interest rate swaps (CCIRS) is determined using forward exchange rates at the balance sheet date.

(All amounts in ₹ crore unless otherwise stated)

NOTE 34 Financial Risk Management

The Company's financial assets include loans and advances, investments, and cash and cash equivalents that derive directly from its operations. The Company's financial liabilities comprise mainly borrowings from banks, debentures, and commercial papers.

The Company is exposed to various risks such as Credit risk, Liquidity risk, Foreign Currency risks, and Interest Rate risks.

The Board of Directors have the overall responsibility for the establishment of governance and oversight in relation to the Company's risk management framework. The Board of Directors have established Committees such as the Risk Management Committee and Asset Liability Committee for developing and monitoring the Company's risk management policies and treasury policies. The Committees 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 benchmark limits, and controls, and to monitor risks and adherence to limits from time to time. The Risk Management Committee oversees how management monitors compliance with the risk management policies and procedures and other governance frameworks and reviews the adequacy of the risk management framework in relation to the various risks faced by the Company from time to time.

(A) Credit Risk

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored to determine the significant increase in credit risk. The Company monitors the credit assessment on a portfolio basis and assesses all credit exposures in excess of designated limits. The Company does a risk grading based on the creditworthiness of the borrowers. All these factors are taken into consideration for the computation of Expected Credit Loss (ECL).

Loans

The following table sets out information about credit quality of retail loan assets measured at amortised cost based on Number of Days Past Due information. The amount represents the gross carrying value of assets as on each reporting date.

Particulars	31st March, 2023	31st March, 2022
Gross Carrying value of Loans		
Stage-1 (Up to 30 Days)	19,691.90	12,776.84
Stage-2 (31-90 Days)#	989.54	1,097.14
Stage-3 (More than 90 Days)*	573.71	528.99
Total Gross carrying value as on year end	**21,255.15**	**14,402.97**

Includes restructured contracts under one time resolution framework vide RBI circular dated 6th August, 2020 and RBI/2 021- 22/31/ DOR.STR.REC.11 /21.04.048/2021-22 dated 5th May, 2021 even though days past due is less than and equal to 30 days on the reporting date.

* Includes restructured contracts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR. No.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019 irrespective of days past due on the reporting date.

Other financial assets

Credit risk with respect to other financial assets is extremely low except for "Other Financial Assets - Non-Related Parties". Based on the credit assessment, the historical trend of low default is expected to continue. No provision for ECL has been created for Other Financial Assets except full provision on "Other Financial Assets - Non-Related Parties".

Credit quality

The Company has a comprehensive framework for monitoring the credit quality of its retail and other loans based on Days Past Due monitoring. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery is taken through follow-ups and legal recourse.

Inputs considered in the ECL model

In assessing the impairment of loans assets under ECL model, the loan assets have been segmented into three stages.

(All amounts in ₹ crore unless otherwise stated)

NOTE 34 Financial Risk Management (Contd.)

The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages relate to the recognition of expected credit losses and the calculation and presentation of interest revenue.

The Company categorises loan assets into stages based on the Days Past Due status:

— Stage 1: Up to 30 Days Past Due

— Stage 2: 31-90 Days Past Due

— Stage 3: More than 90 Days Past Due

Assumptions considered in the ECL model

The Company has made the following assumptions in the ECL Model:

— "Loss Given Default" (LGD) is common for all three stages and is based on loss in past portfolios. Actual cash flows are discounted with the average rate for arriving loss rate. EIR has been taken as the discount rate for all loans.

Estimation Technique

The Company has applied the following estimation technique in its ECL model:

— "Probability of Default" (PD) is applied in Stage 1 and Stage 2 on a portfolio basis and for Stage 3 PD is 100%.

— Probability of default for Stage 1 loan assets is calculated as an average of the historical trend from Stage 1 to Stage 3 in the next 12 months.

— Probability of default for Stage 2 loan assets is calculated based on the lifetime PD as the average of the historical trend from Stage 2 to Stage 3 for the remaining tenure.

— Loss given default is calculated based on discounted actual cash flow on the past portfolio in default along with reversals.

There is no change in estimation techniques or significant assumptions during the reporting period.

The Company considers a broad range of forward-looking information with reference to external forecasts of economic parameters such as GDP growth, Government borrowing, private consumption expenditure, policy interest rates, etc., as considered relevant so as to determine the impact of macroeconomic factors on the Company's ECL estimates. The internal estimates of PD, and LGD rates used in the ECL model may not always capture all the characteristics of the market/external environment as at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably..

Assessment of Significant Increase in Credit Risk

When determining whether the risk of default has increased significantly since initial recognition, the Company considers both quantitative and qualitative information and analysis based on the business's historical experience, including forward-looking information. The Company considers reasonable and supportable information that is relevant and available without undue cost and effort.

The financial services business uses the number of days past due to classify a financial instrument in low credit risk category and to determine significant increase in credit risk in retail. As a backstop, the financial services business considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due.

In accordance with the Board-approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated 27th March, 2020 and 17th April, 2020 relating to 'COVID-19 – Regulatory Package', the Company has offered a moratorium up to six months on the payment of instalments falling due between 1st March, 2020 and 31st August, 2020 to all eligible borrowers. The Company has extended the One-Time Resolution framework for COVID-19-related stress to eligible customers as per applicable RBI guidelines and as per the policy of the Company. The Company has classified all restructured accounts done under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019 in Stage 3 and with regard to restructured contracts done under one-time resolution framework vide RBI circular dated 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, the Company's assessments of impairment loss allowance on its loans are subject to a number of management judgements and estimates. Since the Company's impairment loss allowance estimates are inherently uncertain, actual results may differ from these estimates.

(All amounts in ₹ crore unless otherwise stated)

NOTE 34 Financial Risk Management (Contd.)

Definition of Default

The Company considers a financial instrument is in default when the borrower becomes 90 days past due on its contractual payments. The Company considers loans under default as 'credit impaired' and classified as Stage-3 except for restructured contracts as disclosed above.

Impairment Loss

The expected credit loss allowance provision is determined as follows:

	Stage 1	Stage 2	Stage 3	Grand Total
Gross Balance as at 31st March, 2023	**19,691.90**	**989.54**	**573.71**	**21,255.15**
Expected Credit Loss	264.74	138.78	306.54	710.06
Expected Credit Loss Rate	1.34%	14.02%	53.43%	3.34%
Net of Impairment Provision	19,427.16	850.76	267.17	20,545.09

	Stage 1	Stage 2	Stage 3	Grand Total
Gross Balance as at 31st March, 2022	**12,776.84**	**1,097.14**	**528.99**	**14,402.97**
Expected Credit Loss	87.80	33.25	267.61	388.66
Expected Credit Loss Rate	0.69%	3.03%	50.59%	2.70%
Net of Impairment Provision	12,689.04	1,063.89	261.38	14,014.31

Reconciliation of Expected Credit Loss

Particulars	Stage 1	Stage 2	Stage 3	Grand Total
Balance as at 1st April, 2021	**81.90**	**42.34**	**165.43**	289.67
Transfer from Stage 1	(29.74)	18.52	11.22	-
Transfer from Stage 2	2.12	(12.60)	10.48	-
Transfer from Stage 3	4.64	2.41	(7.05)	-
Loans that have derecognised during the period	(21.70)	(19.63)	(90.95)	(132.28)
New Loans originated during the year	60.76	2.65	17.14	80.55
Net Remeasurement of Loss Allowance	(10.17)	(0.44)	161.34	150.73
Balance as at 31st March, 2022	**87.81**	**33.25**	**267.61**	**388.67**
Transfer from Stage 1	(6.38)	3.96	2.42	-
Transfer from Stage 2	2.16	(8.41)	6.25	-
Transfer from Stage 3	11.64	2.96	(14.60)	-
Loan that have derecognised during the period	(22.10)	(9.86)	(141.35)	(173.31)
New Loans originated during the year	118.95	46.44	48.07	213.46
Net Remeasurement of Loss Allowance	72.66	70.44	138.14	281.24
Balance as at 31st March, 2023	**264.74**	**138.78**	**306.54**	**710.06**

Concentration of Credit Risk

The business manages concentration of risk primarily by geographical region. The following details show the geographical concentrations of the loans at the year end:

Particulars	31st March, 2023	31st March, 2022
Carrying value		
Concentration by geographical region in India		
South	8,470.99	5,619.31
West	5,917.79	3,870.72
East	3,307.58	2,517.92
North	3,558.79	2,395.02
Total Loans as at reporting period	**21,255.15**	**14,402.97**

(All amounts in ₹ crore unless otherwise stated)

NOTE 34 Financial Risk Management (Contd.)

(B) Liquidity Risk

Liquidity risk is a risk that an entity will encounter difficulty in meeting financial obligations.

As per Company's policy, management ensures the availability of sufficient funds either through 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, and other operational expenses. The Company is continuously getting good support from Bankers and Financial Institutions at the time of need.

i. Financing Arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	31st March, 2023	31st March, 2022
Floating rate		
Expiring within one year (bank overdraft and other facilities)	2,440	1,215
Expiring beyond one year (bank loans)	-	-
	2,440	**1,215**

The bank cash credit and other facilities may be drawn at any time and may be terminated by the bank without notice.

ii. Maturities of Financial Liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

a. All non-derivative financial liabilities, and

b. Net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities based on contractual undiscounted payments as at the balance sheet date.

Particulars	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total
As at 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**

(All amounts in ₹ crore unless otherwise stated)

NOTE 34 Financial Risk Management (Contd.)

Particulars	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total
As at 31st March, 2022						
Financial Assets:						
Cash and Cash Equivalents	970.46	-	-	-	-	970.46
Fixed Deposits	-	-	6.00	-	-	6.00
Derivative Financial Instruments	20.82	14.92	-	28.32	-	64.06
Trade Receivables	9.41	8.61	19.88	-	-	37.90
Loans	3,163.57	2,263.33	3,962.84	8,267.58	10.02	17,667.34
Other Financial Assets	1.42	7.42	44.51	5.09	-	58.44
Total	**4,165.68**	**2,294.28**	**4,033.23**	**8,300.99**	**10.02**	**18,804.20**
Financial Liabilities:						
Borrowings	3,192.51	1,129.72	3,314.25	6,032.30	566.63	14,235.41
Security Deposit	43.70	29.13	5.26	3.28	-	81.37
Trade Payables	149.05	75.24	98.70	11.66	-	334.65
Other Financial Liabilities	72.39	2.32	57.53	19.23	0.37	151.83
Total	**3,457.65**	**1,236.41**	**3,475.74**	**6,066.47**	**567.00**	**14,803.27**

(a) Foreign Currency Risk Exposure:

Foreign exchange risk arises on financial instruments being denominated in a currency that is not the functional currency of the entity. The Company is exposed to foreign exchange risk due to continuous fluctuation in the foreign currency (USD) of the loan originated. The Company has entered into cross currency swaps (CCS)/forward contracts/ Interest rate swaps to fully hedge all foreign currency exchange risk on the principal and interest amount payable on borrowings.

	31st March, 2023	31st March, 2022
Financial Liabilities		
Variable Foreign Currency Borrowings (USD 197 million) (PY USD 287 million)	1,473.21	2,108.05
Derivative Liabilities		
Hedged through forward contracts and CCS	1,473.21	2,108.05
Net Exposure to Foreign Currency Risk (Liabilities)	-	-

(b) Sensitivity Analysis:

The Company has hedged all its foreign currency exposures by entering into CCS/Forwards contracts, it shall not be subject to any sensitivity on settlement due to foreign currency fluctuation due to the movements in foreign exchanges i.e. USD. Forward Contracts & Cross Currency Swaps are to buy USD for Hedging Foreign Currency Loans. The Company shall not maintain as per IND-AS 109 to be considered a Foreign Currency Loan.

Impact on Profit After Tax		
USD Sensitivity	**31st March, 2023**	**31st March, 2022**
INR/USD Increases by 5%	-	-
INR/USD Decreases by 5%	-	-

(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 31st March, 2023 and 31st March, 2022, the Company's borrowings at variable rate were mainly denominated in INR.

The Company's floating rate borrowings are carried at amortised cost. For NBFC business, a loan is the major source for running the business. In India, loans are generally available at a Floating rate of Interest. And there are no such options available to obtain a swap option for floating rate Interest linked to the respective bank MCLR with Fixed Interest. Hence, except for foreign currency loans, other loans are not hedged.

(All amounts in ₹ crore unless otherwise stated)

NOTE 34 Financial Risk Management (Contd.)

(a) Interest Rate Risk Exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31st March, 2023	31st March, 2022
Variable rate borrowings	8,211.28	6,232.48
Total borrowings	**18,870.77**	**12,964.11**

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

Particulars	31st March, 2023		
	Weighted Average Interest Rate	Balance	% of Total Loans
Cash credits, bank loans etc.	7.88%	8,211.28	43.51%

Particulars	31st March, 2022		
	Weighted Average Interest Rate	Balance	% of Total Loans
Cash credits, bank loans etc.	6.53%	6,232.48	48.07%

An analysis by maturities is provided in note 34 B (ii) above.

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expenses from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

Impact on Profit After Tax		
Particulars	**31st March, 2023**	**31st March, 2022**
Interest rates – increase by 50 basis points (50 bps) *	30.72	23.32
Interest rates – decrease by 50 basis points (50 bps) *	(30.72)	(23.32)

* Holding all other variables constant

NOTE 35 Capital Management

(a) Risk Management

The Risk Management policy includes the identification of elements of risks, including those which in the opinion of the Board may lead to the Company not meeting its financial objectives. The risk management process has been established across the Company and is designed to identify, access, and frame a response to threats that affect the achievement of its objectives. Further, it is embedded across all the major functions and revolves around the goals and objectives of the Company.

Maintaining optimal capital to debt is one such measure to ensure healthy returns to the Shareholders. Company envisages maintaining gearing ratio of maximum 7 times to the total equity, the Company monitors the ratio as below:

Particulars	31st March, 2023	31st March, 2022
Net Debt (total borrowings, less cash and cash equivalents)	17,330.84	11,993.65
Total Equity (as shown in the balance sheet)	2,760.86	1,865.80
Net Debt to Equity Ratio	**6.28**	**6.43**

(b) Externally Imposed Capital Restrictions

1) As per RBI requirements, Capital Adequacy Ratio should be minimum 15%, not meeting RBI requirements will lead 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 36 Leases

a Lease Disclosures pertaining to Right to use Asset

Particulars	31st March, 2023	31st March, 2022
Building		
Gross Block		
Opening/(On transition to IND-AS 116)	18.12	18.68
Revaluation due to change in future lease rentals	-	-
Additions during the year	17.29	6.49
(Deletions during the year)	-	-
Closing Balance during the year	35.41	25.17
Amortisation		
Additions	-	-
Amortisation for the year	6.68	7.05
Closing Balance during the year	**28.73**	**18.12**

b The Company has offices across the country with varied lease periods. The lease term considered for arriving at the Right to use Assets and Lease liabilities is based on the non-cancellable period of the respective agreements.

c Company has exercised the option of short-term leases and low value asset exemption.

Lease Disclosures pertaining to Statement of Profit & Loss

Particulars	31st March, 2023	31st March, 2022
Finance charges		
Interest expense	2.08	1.99
Depreciation		
Amortisation of Right to use Assets	6.68	**7.05**
Other expenses		
Rent expenses		
Expense relating to short-term leases (included in other expenses)	17.75	11.65
Expense relating to leases of low-value assets that are not short-term leases (included in other expenses)	-	-
Expense relating to variable lease payments not included in the measurement of lease liabilities	-	-
Total	**26.51**	**20.69**

d Additional Disclosures in Cash Flow Statement

Particulars	31st March, 2023	31st March, 2022
Cash flow financing activities		
Principal repayments related to lease liabilities	6.11	6.56
Interest payments related to lease liabilities	2.12	1.99

(All amounts in ₹ crore unless otherwise stated)

37. Related Party Disclosure

Disclosure in respect of Related Parties and their relationship where transaction exists:

Nature of Relationship	Parties Name
Reporting Enterprise	TVS Credit Services Limited
Holding Company	TVS Motor Company Limited Sundaram-Clayton Limited (holding company of TVS Motor Company Limited)
Ultimate Holding Company	TV Sundram Iyengar & Sons Private Limited (up to 4th February, 2022) TVS Holdings Private Limited (with effect from 4th February, 2022)
Subsidiaries	TVS Housing Finance Private Limited Harita ARC Private Limited Harita Two Wheeler Mall Private Limited TVS Micro Finance Private Limited (up to 3rd September, 2021) Harita Collection Services Private Limited (up to 3rd September, 2021) TVS Commodity Financial Solutions Private Limited (up to 9th February, 2022)
Fellow Subsidiary	TVS Motor Services Limited Sundaram Auto Components Limited TVS Automobile Solutions Private Limited
Associate of Holding Company	Emerald Haven Realty Limited Emerald Haven Development Limited Drive X Mobility Millennial Solutions Private Limited
Subsidiary of Holding Company's Associate Company	Scienaptic Systems Private Limited
Key Managerial Personnel	G Venkatraman, Director and Chief Executive Officer (up to 31st August, 2022) Ashish Sapra, Chief Executive Officer (from 1st September, 2022) V Gopalakrishnan, Chief Financial Officer (up to 26th July, 2022) Roopa Sampath Kumar, Chief Financial Officer (from 27th July, 2022) Ashwin J, Company Secretary (up to 15th March, 2022) Anand Vasudev, Company Secretary (from 26th July, 2022)

Transactions with related parties and balance outstanding as at the end of the year:

S.No.	Name of the Related Party	Nature of Transactions	31st March, 2023	31st March, 2022
1	TVS Motor Services Limited	Advance received	41.33	41.33
		Unwinding of advance	3.24	6.23
		Balance outstanding [Dr/(Cr)]	-	38.10
2	TVS Motor Company Limited	Contribution towards Equity Share Capital	27.03	6.17
		Contribution towards Security Premium	472.97	93.83
		Services rendered	14.58	9.03
		Availing of services	10.25	8.34
		Balance outstanding [Dr/(Cr)]	1.57	(2.80)
3	Sundaram-Clayton Limited	Loan recovered	0.08	0.10
		Interest received	0.01	0.02
		Availing of services	2.41	3.92
		Balance outstanding [Dr/(Cr)]	(0.02)	(0.48)

(All amounts in ₹ crore unless otherwise stated)

37. Related Party Disclosure (Contd.)

S.No.	Name of the Related Party	Nature of Transactions	31st March, 2023	31st March, 2022
4	Sundaram Auto Components Limited	Loan recovered	0.04	0.10
		Interest received	0.00	0.01
		Balance outstanding [Dr/(Cr)]	-	0.04
5	Scienaptic Systems Private Limited	Availing of services	3.03	-
		Balance outstanding [Dr/(Cr)]	(0.45)	-
6	Drive X Mobility Millennial Solutions Private Limited	Services rendered	0.14	-
		Sale of fixed assets	0.52	
		Balance outstanding [Dr/(Cr)]	0.44	-
7	Emerald Haven Realty Limited	Loan disbursed	3.00	-
		Loan recovered	3.00	-
		Interest received	0.06	-
		Balance outstanding [Dr/(Cr)]	-	-
8	Emerald Haven Development Limited	Loan disbursed	14.00	-
		Loan recovered	14.00	-
		Interest received	0.32	-
		Balance outstanding [Dr/(Cr)]	-	-

Remuneration to Key Managerial Personnel

Particulars	2022-23	2021-22
Short Term Benefits	9.07	6.13
Post Retirement Benefits	0.18	0.18

The Company maintains Gratuity Fund with the Life Insurance Corporation of India (LIC). Post-retirement benefits do not include yearly premiums paid by the Company to maintain the fund. The LIC has paid ₹0.66 crore to Mr. G Venkatraman, Director and Chief Executive Officer (up to 31st August, 2022) during FY 2022-23 towards gratuity.

The Company has not granted any Loans or Advances in the nature of loans to Promoters, Directors, Key Managerial Personnel, and the related parties, either severally or jointly with any other person, which are (a) Repayable on demand; or (b) Without specifying any terms or period of repayment.

(All amounts in ₹ crore unless otherwise stated)

37. Related Party Disclosure (Contd.)

Related Party disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/2021-22/112 DOR.CRE.REC.No.60/03.10.001/2021-22:

Related Party Balance outstanding:

Related Party Items	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint Ventures		KMP*		Relatives of KMP*		Others		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Borrowings:														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits:														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Placement of deposits:														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances:														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	0.63	38.70	0.63	38.70
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	52.19	80.31	52.19	80.31
Investments:														
Outstanding at the year end	-	-	12.01	12.01	-	-	-	-	-	-	-	-	12.01	12.01
Maximum outstanding during the year	-	-	12.01	12.01	-	-	-	-	-	-	-	-	12.01	12.01

Related Party Transactions During the Year:

Related Party Items	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint Ventures		KMP*		Relatives of KMP*		Others		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-	0.52	-	0.52	-
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	0.01	0.02	-	-	-	-	-	-	-	-	0.38	0.01	0.39	0.03
Unwinding of advance	-	-	-	-	-	-	-	-	-	-	3.24	6.23	3.24	6.23
Services rendered	14.58	9.03	-	-	-	-	-	-	-	-	0.14	-	14.72	9.03
Availing of services	12.66	12.27	-	-	-	-	-	-	-	-	3.03	-	15.69	12.27

* There is no transaction with directors and relatives of directors

(All amounts in ₹ crore unless otherwise stated)

38. Additional notes forming part of Consolidated Financial Statements for the year ended 31st March, 2023

1. Capital Commitments

Description	31st March, 2023	31st March, 2022
Estimated amount of contracts remaining to be executed on Capital Account not provided for	13.55	0.78

2. Other Commitments

Description	31st March, 2023	31st March, 2022
Undrawn Loans sanctioned to borrowers	43.58	48.33

3. Contingent Liabilities not provided for

Claims against the Company not acknowledged as debts.

Description	31st March, 2023	31st March, 2022
Disputed Service Tax Demand inclusive of Penalty – Commissioner order/Additional Commissioner appealed against by Company during previous years (Pre-deposit of ₹0.38 crore)	8.34	7.70
Legal cases filed by borrowers against the Company	4.04	1.48

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 a Business Transfer Agreement (BTA) entered into with TVS Finance and Services Limited (TVSFS) on 21st April, 2010, the Company acquired the retail finance business of TVSFS as a going concern along with the related assets (comprising fixed assets, receivables, loans and advances and Bank balances) of ₹50.75 crore and liabilities (comprising borrowings from Banks and Institution, current liabilities and provisions) of ₹298.75 crore TVSFS issued Unsecured Redeemable Bonds to the Company, for the excess of liabilities over assets of ₹248 crore The bonds are redeemable between the 7th and 12th year from the date of allotment. The said bonds have been purchased by TVS Motor Services Limited (TVSMS), the Holding Company, during 2010-11 at book value and the same is repayable by TVSMS in 6 years. The TVSMS has fully paid the advance to the Company and there is no outstanding as at 31st March, 2023.

5. Pursuant to Para 2 of general instructions for the preparation of financial statements of a NBFC as mentioned in Division III of Schedule III of The Companies Act, 2013, the current and non-current classification has not been provided.

6. The Company has no transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

7. The Company is in compliance with the number of layers prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on Number of Layers) Rules, 2017.

8. There have been no events after the repoting date that require disclosure in the Financial Statements.

9. Prior period figures have been regrouped, wherever necessary, to conform to the current period presentation.

10. No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

11. No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

12. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(All amounts in ₹ crore unless otherwise stated)

37. Additional notes forming part of Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

13. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 for the year ended 31st March, 2023

Name of the Entity	Net Assets		Share in Profit/(Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consolidated Net Assets	₹ in crore	As a % of Consolidated Profit/(Loss)	₹ in crore	As a % of Consolidated Other Comprehensive Income	₹ in crore	As a % of Consolidated Total Comprehensive Income	₹ in crore
Parent								
TVS Credit Services Limited	99.04%	2,758.11	99.86%	388.67	100.00%	5.80	99.86%	394.47
Subsidiaries								
TVS Housing Finance Private Limited	0.53%	14.76	0.14%	0.55	0.00%	-	0.14%	0.55
Haritha ARC Private Limited	0.00%	(0.01)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Harita Two Wheeler Mall Private Limited	0.00%	(0.01)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Inter Company Eliminations	0.43%	12.01	0.00%	-	0.00%	-	0.00%	-
Total	**100.00%**	**2,784.86**	**100.00%**	**389.22**	**100.00%**	**5.80**	**100.00%**	**395.02**

As per our report of even date

For Sundaram & Srinivasan
Chartered Accountants
ICAI Regn No. FRN 004207S

S. Usha
Partner
Membership No. 211785

For CNGSN & Associates LLP
Chartered Accountants
ICAI Regn No. FRN 004915S

C.N. Gangadaran
Partner
Membership No. 011205

Place : Chennai
Date : 3rd May, 2023

For and on behalf of the Board of Directors of
TVS Credit Services Limited

Sudarshan Venu
Chairman
DIN-03601690

Ashish Sapra
Chief Executive Officer

Roopa Sampath Kumar
Chief Financial Officer

Anand Vasudev
Company Secretary

Place : Chennai
Date : 3rd May, 2023

Directors' Report to the Shareholders

The directors present the Sixth Annual Report together with the Annual audited statement of accounts for the year ended 31st March 2023.

Financial Highlights

The Company is yet to commence its operations and the Company incurred an expense of Rs. 11,800/- towards regulatory compliance.

Dividend

The directors of the Company do not recommend any dividend for the period ended 31st March 2023.

Internal control systems

The Company has adequate internal control systems to ensure operational efficiency, accuracy and promptness in financial report and compliance of various laws and regulations. The internal control system is supported by the internal audit (IA) process. The IA department evaluates the efficacy and adequacy of Internal control system, its compliance with operating systems and policies of the Company and accounting procedures at all locations of the Company.

The Company has well-documented Standard Operating Procedures (SOPs), policies and procedures for various processes which are periodically reviewed.

Based on the report of IA function, process owners undertake corrective action in their respective areas. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

Risk Management

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified would be systematically addressed through mitigating actions on a continuous basis. These are being discussed at the meetings of the audit committee and the Board of directors of the Company.

As a process, the risks associated with the business are identified and prioritized based on Severity, Likelihood and Effectiveness of current detection. Such risks are reviewed by the senior management on a quarterly basis. Process owners are identified for each risk and matrix are developed for monitoring and reviewing the risk mitigation.

Directors' responsibility statement

Pursuant to the requirement of Section 134(3)(c) read with 134(5) of the Act, 2013 with respect to Director's Responsibility Statement, it is hereby stated that:

(a) in the preparation of the annual accounts for the period from 1st April 2022 to 31st March 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the Company for that period;

(c) the directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) 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.

Directors liable to retire by rotation

In terms of the provisions of Companies Act, 2013 both the existing directors, viz., Mr V Gopalakrishnan and Mr N Srinivasa Ramanujam, directors of the Company retire from the office at the ensuing annual general meeting and being eligible, offer themselves for re-appointment.

Number of board meetings held

During the period under review, the board met 5 times on 29th April 2022, 23rd June 2022, 28th September 2022, 21st December 2022 and 08th March 2023 and the gap between two meetings did not exceed one hundred and twenty days.

Statutory Auditors

On the recommendation of the Board of Directors of the Company, members of the Company appointed from M/s. Raghavan, Chaudhuri & Narayanan, Chartered Accountants as Statutory Auditors of the Company at the 4th Annual General Meeting of the Company for a term of 5 consecutive years pursuant to Section 139 of the Act, 2013, at such remuneration in addition to applicable taxes, out of pocket expenses, travelling and other expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors.

The Statutory Auditors will continue to hold office for the third year in the term of five consecutive years, from the conclusion of this Annual General Meeting.

The Company has obtained necessary certificate under Section 141 of the Act 2013 conveying their eligibility for being statutory auditors of the Company for the year 2023-24.

The Auditors' Reports for the financial year 2022-23 do not contain any qualifications, reservations and adverse remarks and the same is attached with the annual financial statements.

Disclosures

During the year, there were no transaction requiring disclosure or reporting in respect of matters relating to:

(a) details relating to deposits covered under Chapter V of the Act;

(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) raising of funds through preferential allotment or qualified institutions placement;

(e) significant or material order passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;

(f) pendency of any proceeding under the Insolvency and Bankruptcy Code, 2016 and instance of one-time settlement with any bank or financial institution.

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 the date of the report.

Details of material related party transactions:

During the year, there were no such transactions.

Employee's remuneration:

There are currently no employees in the Company, hence the requirement of attaching a statement under Section 197 of the Companies Act 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 containing the details of employee's remuneration is not applicable.

Details of loans / guarantees / investments made:

The disclosure under this head is not applicable as the Company has not extended any guarantee or loans to other companies as per Section 186 of the Act, 2013 for the period ended 31st March 2023.

Conservation of energy, technology absorption, foreign exchange earnings and outgo:

The provisions of Section 134(3)(m) of the Act 2013 and the rules made there-under relating to the information and details on conservation of energy, technology absorption do not apply to the Company, as the Company is not a manufacturing company.

Reporting of fraud:

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act 2013.

Maintenance of cost records:

Pursuant to Section 148(1) of the Companies Act, 2013 cost records are required to be maintained by specified class of Companies whose turnover exceeds 35 Crores during the immediately preceding financial year. Further, companies covered under Table B of Rule 3 to Companies (Cost Records and Audit) Rules, 2014 whose overall annual turnover exceeds 100 Crores are required to get its cost records audited.

The Company's operations do not fall under any of the activities requiring maintenance and subsequent audit of cost records.

Disclosure in terms of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company was not required to constitute an Internal Complaints Committee as required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 since there are no employees in the Company.

During the year under review, there were no cases filed pursuant to the provisions of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act 2013.

During the period under review, there was no foreign earning or expenditure in the Company.

Acknowledgement

The Directors gratefully acknowledge the continued support and co-operation received from the holding company viz., TVS Credit Services Limited. The directors thank the bankers for their continued support and assistance..

For and on behalf of the Board

Place : Chennai	V GOPALAKRISHNAN	N SRINIVASA RAMANUJAM
Date : 2nd May 2023	Director	Director
	DIN: 03291640	DIN: 07384809

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2023

To the Members of Harita ARC Private Limited

Report on the Audit of the Standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of Harita Arc Private Limited ("the Company"), having its registered office at "Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai-600 006, Tamil Nadu which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31st March 2023, and its loss, total comprehensive loss , its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Annual Report to the Shareholders but does not include the standalone financial statements and our auditor's report thereon. The Annual Report to the Shareholders is expected to be made available to us after the date of this Auditor's Report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the 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.

Management's Responsibilities for the Standalone 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 state of affairs (financial position), profit or loss (financial performance) changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the 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 Standards on Auditing 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 Standards on Auditing, we exercise professional judgment 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting 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, 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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the 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 purpose of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, 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 Ind AS specified under section 133 of the Act.

   (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 from being appointed as a director in terms of section 164(2) of the Act.

   (f) (a) Reporting on internal financial controls over financial reporting as on 31st March 2023 does not arise as per Notification GSR 583 E dated 13th June 2017, since the company doesn't satisfy the turnover and borrowings conditions of the above notification.

   (g) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act. In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors.

   (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) There are no pending litigations as at 31st March 2023;

      (ii) The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses as at 31 March 2023

      (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 (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;

      (a) The Management has represented, that, to the best of its knowledge and belief, 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.

      (b) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

      (v) The Company has not declared any dividends during the year.

      (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants
FRN: 007761S

UDIN	23027716BGYLSC2517

V. SATHYANARAYANAN
Partner
Membership No. 027716

Place : Bangalore
Date : 2nd May 2023

Annexure "A" to Independent Auditors' Report 31st March 2023

(Referred to in our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i (a to d) The Company does not own any property plant & equipment, Intangible assets & right to use assets. Accordingly, Clause 3(i)(a) to 3(i)(d);

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder;

ii. (a) The Company does not have any inventory. Accordingly, Clause 3(ii)(a) of the Order is not applicable to the company;

(b) No working capital limit more than five crore in aggregate, from banks or financial institutions based on security of current assets has been sanctioned during any point of the year. Accordingly, Clause 3(ii)(b) of the Order is not applicable to the company;

iii. The Company has not made investments and has not provided any Guarantee or security or granted any loans or advances in nature of loans secured or unsecured to companies, firms, Limited Liability Partnerships, or any other parties, during the year. Accordingly, the provision of clause 3(iii)(a) to 3 (iii)(f) of the order is not applicable;

iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loan or made investments and has not provided guarantees and securities which has application of the provisions of Section 185 and 186 of the Act. Accordingly, the provisions of Clause 3(iv) of the Order are not applicable to the Company.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence,reporting under clause 3(v) of the Order is not applicable;

vi. The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act. Therefore, the provisions of Clause (vi) of the Order are not applicable to the Company;

vii. In respect of statutory dues:

(a) According to the records of the Company, the Company does not have the liability to deposit statutory dues including Provident Fund, Employees' State Insurance, Custom duty, Income Tax, Goods and Service Tax and Cess and other material statutory dues with the appropriate authorities;

(b) According to the information and explanations given to us, there are no dues of Income Tax and Goods and Service Tax which have not been deposited on account of any dispute.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Section 43 of 1961);

ix. (a) The Company has not obtained any loans or borrowings from any lender during the year. Accordingly, the provisions of clause 3(ix)(a) of the Order are not applicable;

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority;

(c) The Company has not obtained term loan during the year. Accordingly, the provisions of clause 3(ix)(c) of the Order are not applicable;

(d) The Company has not raised any short-term funds during the year. Accordingly, the provisions of clause 3(ix)(d) of the Order are not applicable;

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that 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 any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable;

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable;

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable;

xi. (a) No fraud by the Company and 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 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report;

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year;

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable;

xiii. In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act;

xiv. In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013 and hence reporting under clause 3(xiv)(a) and clause 3(xiv)(b) of the Order is not applicable;

xv. In our opinion during the year the Company has not entered into any non-cash transactions withits Directors or persons connected with its directors and hence provisions of section 192 of theCompanies Act, 2013 are not applicable to the Company;

xvi. (a) (b) (c) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable;

(d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable;

xvii. The Company has incurred cash losses during the financial year and in immediately preceding financial year amounting to Rs.28,944 & Rs.30,654 covered by our audit;

xviii. There has been no resignation of the statutory auditors of the Company during the year;

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit reportindicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;

xx. The provision of section 135 of Companies Act, is not applicable to company and hence reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable;

For RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants
FRN: 007761S

UDIN	23027716BGYLSC2517

V. SATHYANARAYANAN
Partner
Membership No. 027716

Place : Bangalore
Date : 2nd May 2023

Balance Sheet as at 31st March 2023

(in Rs.)

All numbers are in hundreds unless otherwise stated

Particulars	Note No	As at 31st March 2023	As at 31st March 2022
ASSETS			
Current Assets			
Financial Assets			
Cash and Cash Equivalents	1	241	241
TOTAL ASSETS		**241**	**241**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	2	250	250
Other Equity	3	(1,367)	(1,249)
TOTAL EQUITY		**(1,117)**	**(999)**
LIABILITIES			
Current Liabilities			
Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables			
a) Total outstanding dues of creditors other than micro enterprises and small enterprises	4	118	118
b) Total outstanding dues of other than (ii) (a) above		-	-
(iii) Other Financial Liabilities	5	1,240	1,122
TOTAL LIABILITIES		**1,358**	**1,240**
TOTAL EQUITY AND LIABILITIES		**241**	**241**

As per our report annexed

V GOPALAKRISHNAN
Director

N SRINIVASA RAMANUJAM
Director

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn No.: 007761S

Chennai
Dated: 02nd May 2023

.

V. SATHYANARAYANAN
Partner
Membership No.: 027716

Statement of Profit and Loss for the year ended 31st March 2023

All numbers are in hundreds unless otherwise stated

(in Rs.)

Particulars	Note No	For the year ended 31st March 2023	For the year ended 31st March 2022
INCOME			
Revenue from operations		-	-
TOTAL INCOME			
EXPENSES			
Other expenses	6	118	289
TOTAL EXPENSE		118	289
Profit/(Loss) before tax		(118)	(289)
Tax expense:		-	-
Profit/(Loss) after tax for the year		(118)	(289)
Other Comprehensive Income			
Total Comprehensive Income		(118)	(289)
Earning per equity share:			
Basic & Diluted earnings per share (in Rs)	7	(4.72)	(12.26)

As per our report annexed

V GOPALAKRISHNAN
Director

N SRINIVASA RAMANUJAM
Director

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn No.: 007761S

Chennai
Dated: 02nd May 2023

V. SATHYANARAYANAN
Partner
Membership No.: 027716

STATEMENT OF CHANGES IN EQUITY

(in Rs.)

All numbers are in hundreds unless otherwise stated

		Note No.	Amount
A	**Equity**		
	Balance as at April 1, 2021	**2**	**250**
	Changes in Equity share capital during the year	2	
	Balance as at March 31, 2022		**250**
	Changes in Equity share capital during the year	2	-
	Balance as at March 31, 2023		**250**

		Note No.	Retained Earnings	Total
B	**Other Equity**			
	Balance as at April 1, 2021	**3**	**(960)**	**(960)**
	Total Comprehensive Income	3	(289)	(289)
	Balance as at March 31, 2022		**(1,249)**	**(1,249)**
	Total Comprehensive Income	3	(118)	(118)
	Balance as at March 31, 2023		**(1,367)**	**(1,367)**

As per our report annexed

V GOPALAKRISHNAN
Director

N SRINIVASA RAMANUJAM
Director

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn No.: 007761S

Chennai
Dated: 02nd May 2023

.

V. SATHYANARAYANAN
Partner
Membership No.: 027716

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

All numbers are in hundreds unless otherwise stated

(in Rs.)

		As at 31st March 2023		As at 31st March 2022	
A.	Cash Flow from Operating Activities				
	1. Profit/(Loss) Before Tax		(118)		(289)
B.	Operating Profit before Working Capital Changes		(118)		(289)
C.	Change in Working Capital				
	(Increase)/Decrease in Loans & Advances	118		289	
	Changes in liability arising from financing activities	-		-	
	Change in Working Capital		118		289
D.	Cash generated from Operations (B+C)		-		-
E.	**Net Cash from Operating Activities**		-		-
F.	**Net Cash Flow from Financing Activities**				
	Proceeds from Issue of Equity Shares			-	
	Net Cash from Financing Activities		-		-
G.	**Net change in Cash and Cash Equivalents (E+F)**		-		-
H.	**Cash and Cash Equivalents as at End**		241		241
I.	**Less: Cash and Cash Equivalents as at Beginning**		241		241
	NET CHANGE IN CASH & CASH EQUIVALENTS (H-I)		-		-

As per our report annexed

V GOPALAKRISHNAN
Director

N SRINIVASA RAMANUJAM
Director

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn No.: 007761S

Chennai
Dated: 02nd May 2023

.

V. SATHYANARAYANAN
Partner
Membership No.: 027716

NOTES TO BALANCE SHEET

All numbers are in hundreds unless otherwise stated

(in Rs.)

1	Cash and cash equivalents	Amount as at 31-Mar-23	Amount as at 31-Mar-22
	Balances with banks	241	241
	Total cash and cash equivalents	241	241

2	Share Capital	Number of Shares	Amount
i)	**Authorised Share Capital:**		
	Equity shares of Rs.10/- each	2,500	25,000
ii)	**Issued, Subscribed and Fully Paid up Share Capital:**		
	Equity shares of Rs.10/- each	2,500	25,000

iii)	Movement in equity share capital	Number of Shares	Amount
	Equity Shares as at April 1, 2021	**2,500**	**250**
	Additions	-	-
	Equity Shares as at March 31, 2022	**2500**	**250**
	Additions	-	-
	Equity Shares as at March 31, 2023	**2500**	**250**

iv) Details of share holders holding more than 5% & Shares held by holding company

Name of the Share Holder	As at March 31, 2022	
	No. of Shares	%
TVS Credit Services Limited	2,500	100%

Name of the Share Holder	As at March 31, 2023	
	No. of Shares	%
TVS Credit Services Limited	2,500	100%

v) Terms / Rights attached

The company has only one class of equity shares having a par value of Rs.10/- per share. Each shareholder has a right to participate in General Meeting and is eligible for one vote per share held. Residual interest in the assets of the company. Every shareholder is also entitled to right of inspection of documents as provided in the Companies Act, 2013.

3	Other Equity	Amount as at March 31, 2023	Amount as at March 31, 2022
	Retained Earnings	(1,367)	(1,249)
	Total Other Equity	**(1,367)**	**(1,249)**
	Retained Earnings		
	Opening Balance	(1,249)	(960)
	Add: Net profit for the year	(118)	(289)
	Closing Balance	**(1,367)**	**(1,249)**

4 Trade Payables

Particulars	Outstanding for the 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
Undisputed dues- MSME	-	-	-	-	-
Undisputed dues- Others	118	-	-	-	118
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
TOTAL	118	-	-	-	118

Particulars	Outstanding for the following periods from due date of payment as at 31st march 2022				
	<1 year	1-2 years	2-3 years	More than 3 Years	Total
Undisputed dues- MSME	-	-	-	-	-
Undisputed dues- Others	118	-	-	-	118
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
TOTAL	118	-	-	-	118

5 Other Financial Liabilities

	Amount as at March 31, 2023	Amount as at March 31, 2022
Payable to Holding Company	1,240	1,022
Total Other Financial Liabilities	**1,240**	**1,022**

NOTES TO STATEMENT OF PROFIT AND LOSS

6	Other Expenses	For the period 1st Apr 2021 to 31st March 2023	For the period 1st Apr 2020 to 31st March 2022
	Professional charges	-	163
	Rates and taxes	-	8
	Payment to Auditors		
	- As Auditor	118	118
	Bank Charges		
	Total Other Expenses	**118**	**289**

7	Earnings per share (Basic and Diluted)	For the period 1st Apr 2021 to 31st March 2023	For the period 1st Apr 2021 to 31st March 2022
	Earnings attributable to equity share holders	(118)	(289)
	Number of Shares	2,500	2,500
	Earnings per Share	(5)	(12)

Brief Description of the Company:

The Company was incorporated on 22nd August 2017 under the name of Harita ARC Private Limited, wholly owned subsidiary of TVS Credit Services Limited. The Company is yet to commence its business.

8. Significant Accounting Policies forming part of Financial Statements

a. Basis of preparation of financial statements

The financial statements are prepared on historical cost convention, on a going concern basis and in accordance with the applicable Indian Accounting Standard (Ind AS) as notified under Section 133 in the Companies Act, 2013. All expenses and income to the extent ascertained with reasonable certainty are accounted for on accrual basis.

b. Use of estimates

The preparation of the financial statements in conformity with the applicable Accounting Standard requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statement. The recognition, measurement, classification or disclosure of an item or information in the financial statement has been made relying on these estimates.

c. Cash Flow Statement

Cash flow statement is prepared under "Indirect Method" and the same is annexed.

d. Contingencies and events occurring after balance sheet date

There are no contingencies that need to be provided as on the balance sheet date.

e. Functional Currency:

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 hundreds except where otherwise indicated.

Additional Notes forming part of Financial Statements for year ended 31st March 2023

1. There are no dues to micro medium small enterprises and hence the particulars required under notification no GSR 719(E) dt. 16.11.07 is not furnished.
2. Related Party Disclosures:

Reporting Entity:

Relationship	Name
Enterprise having Control	TVS Credit Services Limited
Subsidiary Company	Nil
Associate Companies	Nil
Key Management Personnel	Nil

3. Transactions with Related Parties

Sl. No	Nature of Transaction	Name of the Related Party	Amount (Rs.) FY 2022-23	Amount (Rs.) FY 2021-22
01.	Advance Received	TVS Credit Services Limited	118	289
02.	Balance Payable as at the end of the year	TVS Credit Services Limited	1240	1122

4. Disclosure Of Ratios:

Ratio	Description of numerator	Description of denominator	Ratio 31.03.2023	Ratio 31.03.2022	Variance	Reasons for variance
(a) Current ratio	Current Assets	Current Liabilities	0.18	0.19	-8.69%	
(b) Debt-equity ratio	Short term borrowings + Long term Borrowings	Shareholders' fund	NA	NA	NA	
(c) Debt service coverage ratio	Profit after Tax + Non Cash Expense + Interest on borrowings + Loss on sale of fixed assets	Interest on term loans + Principal of term loans	NA	NA	NA	
(d) Return on equity ratio	Profit after tax	Equity share capital	0.11	0.29	-63.54%	Reduction in expenses
(e) Inventory turnover ratio	Cost of goods sold	Average Inventory	NA	NA	NA	
(f) Trade receivables turnover ratio	Net Credit Sales	Average accounts receivable	NA	NA	NA	
(g) Trade payables turnover ratio	Net Credit Purchase	Average accounts payable	NA	NA	NA	
(h) Net capital turnover ratio	Revenue from Operations	Working Capital	NA	NA	NA	
(i) Net profit ratio	Profit after tax	Revenue from operations	NA	NA	NA	
(j) Return on capital employed	EBIT	Shareholders' fund+ Long term borrowings	10.56%	28.97%	-63.54%	Reduction in expenses
(k) Return on investment	Profit after tax	Equity shareholders' Fund	10.56%	28.97%	-63.54%	Reduction in expenses

As per our report annexed

V GOPALAKRISHNAN
Director

N SRINIVASA RAMANUJAM
Director

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn No.: 007761S

Chennai
Dated: 02nd May 2023

V. SATHYANARAYANAN
Partner
Membership No.: 027716

Directors' Report to the Shareholders

The directors present the Sixth Annual Report together with the Annual Audited Statement of Accounts for the year ended 31st March 2023.

Financial Highlights

The Company is yet to commence its operations. However, the Company has generated an interest income of Rs. 73,22,000/- and earned a profit of Rs. 54,59,000/- for FY 2022-23.

Dividend

The directors, in order to conserve the resources for its future business activities, have not proposed any dividend for the period under review.

Internal control systems

The Company has adequate internal control systems to ensure operational efficiency, accuracy and promptness in financial report and compliance of various laws and regulations. The internal control system is supported by the internal audit (IA) process. The IA department evaluates the efficacy and adequacy of Internal control system, its compliance with operating systems and policies of the Company and accounting procedures at all locations of the Company.

The Company has well-documented Standard Operating Procedures (SOPs), policies and procedures for various processes which are periodically reviewed.

Based on the report of IA function, process owners undertake corrective action in their respective areas. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

Risk Management

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified would be systematically addressed through mitigating actions on a continuous basis. These are being discussed at the meetings of the audit committee and the Board of directors of the Company.

As a process, the risks associated with the business are identified and prioritized based on Severity, Likelihood and Effectiveness of current detection. Such risks are reviewed by the senior management on a quarterly basis. Process owners are identified for each risk and matrix are developed for monitoring and reviewing the risk mitigation.

Directors' responsibility statement

Pursuant to the requirement of Section 134(3)(c) read with 134(5) of the Act, 2013 with respect to Director's Responsibility Statement, it is hereby stated that:

(a) in the preparation of the annual accounts for the period from 1st April 2022 to 31st March 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the Company for that period;

(c) the directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) 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.

Directors liable to retire by rotation

In terms of the provisions of the Companies Act, 2013 all the existing directors, viz., Mr Venu Srinivasan and Mr Sudarshan Venu directors of the Company retire from the office at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Number of board meetings held

During the period under review, the board met 4 times on 29th April 2022, 27th July 2022, 18th November 2022 and 20th February 2023 and the gap between the two meetings did not exceed one hundred and twenty days.

Key Managerial Personnel (KMPs)

During the year, Mr Anand Vasudev had been appointed as Company Secretary of the Company with effect from 27th July 2022 and Mr G Venkatraman, Chief Executive Officer resigned from the post with effect from 21st March 2023.

Mr V Gopalakrishnan, Chief Financial Officer and Mr Anand Vasudev, Company Secretary are the Key Managerial Personnels of the Company pursuant to Section 2(51) and Section 203 of the Act 2013, read with the Rules framed thereunder.

Statutory Auditors

On the recommendation of the Board of Directors of the Company, members of the Company appointed from M/s. Raghavan, Chaudhuri & Narayanan, Chartered Accountants as Statutory Auditors of the Company at the 4th Annual General Meeting of the Company for a term of 5 consecutive years pursuant to Section 139 of the Act, 2013, at such remuneration in addition to applicable taxes, out of pocket expenses, travelling and other expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors.

The Statutory Auditors will continue to hold office for the third year in the term of five consecutive years, from the conclusion of this Annual General Meeting.

The Company has obtained necessary certificate under Section 141 of the Act 2013 conveying their eligibility for being statutory auditors of the Company for the year 2023-24.

The Auditors' Reports for the financial year 2022-23 do not contain any qualifications, reservations and adverse remarks and the same is attached with the annual financial statements.

Disclosures

During the year, there were no transaction requiring disclosure or reporting in respect of matters relating to:

(a) details relating to deposits covered under Chapter V of the Act;

(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) raising of funds through preferential allotment or qualified institutions placement;

(e) significant or material order passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;

(f) pendency of any proceeding under the Insolvency and Bankruptcy Code, 2016 and instance of one-time settlement with any bank or financial institution.

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 the date of the report.

Details of material related party transactions:

All contracts / arrangements entered by the Company during the period ended 31st March 2023 with related parties were in the ordinary course of business and at arm's length price in terms of section 188 read with the Companies (Meetings of board and its powers) Rules, 2014.

Pursuant to the provisions of section 134(h) of the Companies Act 2013 (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.

Related Party disclosures as per the Indian Accounting Standards have been provided in Note 3 of Additional Notes forming part of the financial statements.

Employee's remuneration:

There are currently no employees in the Company, hence the requirement of attaching a statement under Section 197 of the Companies Act 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 containing the details of employee's remuneration is not applicable.

Details of loans / guarantees / investments made:

As regards furnishing the details of loans, guarantees and investments made by the Company as per Section 186 of the Act 2013 for the financial year 2022-23, the Company has not extended any guarantee or has given loans to other companies during the period under review.

Conservation of energy, technology absorption, foreign exchange earnings and outgo:

The provisions of Section 134(3)(m) of the Act 2013 and the rules made there-under relating to the information and details on conservation of energy, technology absorption do not apply to the Company, as the Company is not a manufacturing company and there are no foreign exchange earnings and outgo.

Reporting of fraud:

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act 2013.

Maintenance of cost records

The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company.

Disclosure in terms of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company was not required to constitute an Internal Complaints Committee as required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 since there are no employees in the Company.

During the period under review, there were no cases filed pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the period under review, there were no foreign earnings or expenditure in the Company.

Acknowledgement

The directors gratefully acknowledge the continued support and co-operation received from the holding company viz., TVS Credit Services Limited. The directors thank the bankers for their continued support and assistance..

For and on behalf of the Board

Place : Chennai	Venu Srinivasan	Sudarshan Venu
Date : 2nd May 2022	Director	Director
	DIN: 00051523	DIN: 03601690

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2023

To the Members of TVS Housing Finance Private Limited

Report on the Audit of the Stand-alone financial statements

Opinion

We have audited the accompanying standalone financial statements of TVS Housing Finance Private Limited ("the Company"), having its registered office at "Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai-600 006, Tamil Nadu which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31st March 2023, and its profit, total comprehensive profit , its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Annual Report to the Shareholders but does not include the standalone financial statements and our auditor's report thereon. The Annual Report to the Shareholders is expected to be made available to us after the date of this Auditor's Report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the 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.

Management's Responsibilities for the Standalone 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 state of affairs (financial position), profit or loss (financial performance) changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the 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 Standards on Auditing 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 Standards on Auditing, we exercise professional judgment 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting 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, 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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the 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 purpose of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, 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 Ind AS specified under section 133 of the Act.
   (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 from being appointed as a director in terms of section 164(2) of the Act.
   (f) (a) Reporting on internal financial controls over financial reporting as on 31st March 2023 does not arise as per Notification GSR 583 E dated 13th June 2017, since the company doesn't satisfy the turnover and borrowings conditions of the above notification.
   (g) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act. In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors.
   (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) There are no pending litigations as at 31st March 2023;
      (ii) The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses as at 31 March 2023
      (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 (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;
      (b) The Management has represented, that, to the best of its knowledge and belief, 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.
      (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
      (v) The Company has not declared any dividends during the year.
      (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For RAGHAVAN, CHAUDHURI & NARAYANAN.,
Chartered Accountants
FRN.007761S

UDIN	23027716BGYLSB2100

V. SATHYANARAYANAN
Partner
Membership No. 027716

Place : Bangalore
Date : 2nd May, 2023

Annexure "A" to Independent Auditors' Report 31st March 2023

(Referred to in our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i (a to d) The Company does not own any property plant & equipment, Intangible assets & right to use assets. Accordingly, Clause 3(i)(a) to 3(i)(d);

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder;

ii. (a) Company does not have any inventory. Accordingly, Clause 3(ii)(a) of the Order is not applicable to the company;

(b) No working capital limit more than five crore in aggregate, from banks or financial institutions based on security of current assets has been sanctioned during any point of the year. Accordingly, Clause 3(ii)(b) of the Order is not applicable to the company;

iii. (a) The Company has not made investments and has not provided any Guarantee or security or granted any loans or advances in nature of loans secured or unsecured to companies, firms, Limited Liability Partnerships, or any other parties, during the year. Accordingly, the provision of clause 3(iii)(a) to 3 (iii)(f) of the order is not applicable;

iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loan or made investments and has not provided guarantees and securities which has application of the provisions of Section 185 and 186 of the Act. Accordingly, the provisions of Clause 3(iv) of the Order are not applicable to the Company.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable;

vi. The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act. Therefore, the provisions of Clause (vi) of the Order are not applicable to the Company;

vii. In respect of statutory dues:

(a) According to the records of the Company, the Company does not have the liability to deposit statutory dues including Provident Fund, Employees' State Insurance, Custom duty, Income Tax, Goods and Service Tax and Cess and other material statutory dues with the appropriate authorities;

(b) According to the information and explanations given to us, there are no dues of Income Tax and Goods and Service Tax which have not been deposited on account of any dispute.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Section 43 of 1961);

ix. (a) The Company has not obtained any loans or borrowings from any lender during the year. Accordingly, the provisions of clause 3(ix)(a) of the Order are not applicable;

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority;

(c) The Company has not obtained term loan during the year. Accordingly, the provisions of clause 3(ix)(c) of the Order are not applicable;

(d) The Company has not raised any short-term funds during the year. Accordingly, the provisions of clause 3(ix)(d) of the Order are not applicable;

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that 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 any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable;

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable;

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable;

xi. (a) No fraud by the Company and 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 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report;

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year;

xii. The Company is not a Nidhi Company and hence reporting under clause of the Order is not applicable;

xiii. In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act;

xiv. In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013 and hence reporting under clause 3(xiv)(a) and clause 3(xiv)(b) of the Order is not applicable;

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company;

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable;

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable;

xvii. The Company has not incurred cash losses during the financial year and in immediately preceding financial year covered by our audit;

xviii. There has been no resignation of the statutory auditors of the Company during the year;

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;

xx. The provision of section 135 of Companies Act, is not applicable to company and hence reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable;

For RAGHAVAN, CHAUDHURI & NARAYANAN.,
Chartered Accountants
FRN.007761S

UDIN	23027716BGYLSB2100

V. SATHYANARAYANAN
Partner
Membership No. 027716

Place : Bangalore
Date : 2nd May, 2023

Balance Sheet as at 31st March 2023

Amount in Thousands unless otherwise stated

Particulars	Note No.	As on 31st March 2023	As on 31st March 2022
ASSETS			
Current Assets			
Financial Assets			
Cash and Cash equivalents	1	1,578	2,333
Bank balances other than Cash and Cash Equivalents	2	1,13,900	1,13,900
Other Financial Assets	3	32,085	25,995
Current Tax Assets (Net)	4	1,941	1,668
TOTAL ASSETS		**1,49,504**	**1,43,895**
EQUITY AND LIABILITIES			
Equity			
Share Capital	5	1,20,000	1,20,000
Other Equity	6	27,649	22,190
TOTAL EQUITY		**1,47,649**	**1,42,190**
LIABILITIES			
Current Liabilities			
Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables			
a) Total outstanding dues of creditors other than micro enterprises and small enterprises	7	12	12
b) Total outstanding dues of other than (ii) (a) above		-	-
(iii) Other Financial Liabilities	8	-	-
Current tax liabilities (Net)	9	1,843	1,694
TOTAL LIABILITIES		1,855	1,705
TOTAL EQUITY AND LIABILITIES		**1,49,504**	**1,43,895**

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No: 007761S

Venu Srinivasan
Director

Anand Vasudev
Company secretary

Sudarshan Venu
Director

V Gopalakrishnan
Chief Financial Officer

V. SATHYANARAYANAN
Partner
Membership No.: 027716
UDIN: 23027716BGYLSB2100

Chennai
Dated: 02nd May 2023

Statement of Profit and Loss for the year ended 31st March 2023

Amount in Thousands unless otherwise stated

Particulars	Note No	For the period ended 31st Mar 23	For the year ended 31st March 2022
INCOME			
Revenue from operations			
Other Income	10	7,322	6,725
Total revenue		7,322	6,725
EXPENSES			
Other expenses	11	20	31
Total Expense		20	31
Profit before tax		7,302	6,695
Tax expense:			
Current year taxes		1,843	1,694
Tax relating to earlier years		-	
Profit/(Loss) after tax for the year		5,459	5,001
Earning per equity share (in Rs):	12	0.45	0.42

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No: 007761S

Venu Srinivasan
Director

Anand Vasudev
Company secretary

Sudarshan Venu
Director

V Gopalakrishnan
Chief Financial Officer

V. SATHYANARAYANAN
Partner
Membership No.: 027716
UDIN: 23027716BGYLSB2100

Chennai
Dated: 02nd May 2023

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

Amount in Thousands unless otherwise stated

		As at 31st Mar 2023		As at 31st March 2022	
A.	**Cash Flow from Operating Activities**				
	1. Profit/(Loss) Before Tax		7,302		6,695
	Interest Income			-	
					-
B.	Operating Profit before Working Capital Changes		7,302		6,695
C.	Change in Working Capital				
	(Increase)/Decrease in Short Term Receivable	(6,090)		(5,614)	
	Increase/(Decrease) in Trade and other Payables	-		(23)	
	Change in Working Capital		**(6,090)**		**(5,637)**
D.	Income Tax Paid		**(1,967)**		**(1,694)**
E.	Cash generated from Operations (B+C+D)		(755)		(636)
F.	**Net Cash from Operating Activities**		**(755)**		**(636)**
G.	Net Cash Flow from Financing Activities				
	Borrowings				-
	Proceeds from Issue of Equity Shares				
	Net Cash from Financing Activities				-
H.	**Net change in Cash and Cash Equivalents (F+G)**		**(755)**		**(636)**
I.	**Cash and Cash Equivalents as at End**		**1,578**		**2,333**
J.	**Less: Cash and Cash Equivalents as at Beginning**		**2,333**		**2,969**
K.	**NET CHANGE IN CASH & CASH EQUIVALENTS (I-J)**		**(755)**		**(636)**

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No: 007761S

Venu Srinivasan
Director

Anand Vasudev
Company secretary

Sudarshan Venu
Director

V Gopalakrishnan
Chief Financial Officer

V. SATHYANARAYANAN
Partner
Membership No.: 027716
UDIN: 23027716BGYLSB2100

Chennai
Dated: 02nd May 2023

STATEMENT OF CHANGES IN EQUITY

Amount in Thousands unless otherwise stated

A	Equity	Note No.	Amount
	Balance as at April 1, 2021	5	1,20,000
	Changes in Equity share capital during the year	5	-
	Balance as at March 31, 2022		**1,20,000**
	Changes in Equity share capital during the year		-
	Balance as at March 31, 2023		**1,20,000**

B	Other Equity	Note No.	Retained Earnings	Total
	Balance as at April 1, 2021	6	17,189	17,189
	Profit for the period	6	5,001	5,001
	Other comprehensive income	6	-	-
	Balance as at March 31, 2022		**22,190**	**22,190**
	Profit for the period	6	5,459	5,459
	Other comprehensive income	6	-	-
	Balance as at March 31, 2023		**27,649**	**27,649**

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No: 007761S

Venu Srinivasan
Director

Anand Vasudev
Company secretary

Sudarshan Venu
Director

V Gopalakrishnan
Chief Financial Officer

V. SATHYANARAYANAN
Partner
Membership No.: 027716
UDIN: 23027716BGYLSB2100

Chennai
Dated: 02nd May 2023

NOTES TO BALANCE SHEET

Amount in Thousands unless otherwise stated

		As at 31-Mar-23	As at 31-Mar-22
1	**Cash and cash equivalents**		
	Balances with banks	1,578	2,333
	Total cash and cash equivalents	**1,578**	**2,333**
2	**Balances with Banks other than Cash and Cash Equivalents**		
	Deposits with banks	1,13,900	1,13,900
	Total Balances with Banks other than Cash and Cash Equivalents	**1,13,900**	**1,13,900**
3	**Other Financial Assets**		
	Interest accrued on Fixed Deposits	32,085	25,995
	Total Other Financial Assets	**32,085**	**25,995**
4	**Current tax Assets (Net)**		
	Advance tax and TDS receivable	1,941	1,668
	Total Current tax Assets (Net)	**1,941**	**1,668**

5 Share Capital

		Number of Shares	Amount
i)	**Authorised Share Capital:**		
	Equity shares of Rs.10/- each	1,20,00,000	12,000
ii)	**Issued, Subscribed and Fully Paid up Share Capital:**		
	Equity shares of Rs.10/- each	1,20,00,000	1,20,000

iii) Movement in equity share capital

	Number of Shares	Amount
Equity Shares as at April 1, 2022	**1,20,00,000**	**1,20,000**
Additions	-	-
Equity Shares as at March 31, 2023	**1,20,00,000**	**1,20,000**

iv) Details of share holders holding more than 5%

Name of the Share Holder	As at March 31, 2022	
	No. of Shares	%
TVS Credit Services Limited	1,20,00,000	100.00

Name of the Share Holder	As at March 31, 2023	
	No. of Shares	%
TVS Credit Services Limited	1,20,00,000	100.00

v) Terms / Rights attached

The company has only one class of equity shares having a par value of Rs.10/- per share. Each shareholder has a right to participate in General Meeting and is eligible for one vote per share held.

(in Rs.)

		Amount as at March 31, 2023	Amount as at March 31, 2022
6	**Other Equity**		
	Retained Earnings	27,649	22,190
	Total Other Equity	**27,649**	**22,190**
i)	**Retained Earnings**		
	Opening Balance	22,190	17,189
	Add: Net profit for the year	5,459	5,001
	Closing Balance	**27,649**	**22,190**

7 Trade Payables

Particulars	Outstanding for the 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
Undisputed dues- MSME	-	-	-	-	-
Undisputed dues- Others	12	-	-	-	12
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
TOTAL	12	-	-	-	12

Particulars	Outstanding for the following periods from due date of payment as at 31st march 2022				
	<1 year	1-2 years	2-3 years	More than 3 Years	Total
Undisputed dues- MSME	-	-	-	-	-
Undisputed dues- Others	12	-	-	-	12
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
TOTAL	12	-	-	-	12

		Amount as at March 31, 2023	Amount as at March 31, 2022
8	**Other Financial Liabilities**		
	Payable to Holding Company	-	-
	Total other Financial Liabilities	**-**	**-**
9	**Current Tax Liability**		
	Provision for Taxation	1,843	1,694
	Total Current Tax Liability	**1,843**	**1,694**

NOTES TO STATEMENT OF PROFIT AND LOSS

		For the period ended 31st March 2023	For the period ended 31st March 2022
10	**Other Income**		
	Interest Income	7,322	6,725
	Total Other Income	7,322	6,725
11	**Other Expenses**		
	Professional charges	8	13
	Rates and taxes	0	5
	Payment to Auditors	-	-
	- As Auditor	12	12
	Bank Charges	1	0
	Total Other Expenses	**20**	**31**
12	**Earnings per share**		
	Earnings attributable to equity share holders	5,459	5,001
	Number of Shares	1,20,00,000	1,20,00,000
	Earnings per Share (in Rs)	0.45	0.42

Brief Description of the company:

The Company was incorporated on 22nd August 2017 under the name of TVS Housing Finance Private Limited, wholly owned subsidiary of TVS Credit Services Limited. The company is yet to commence its business

13. Significant Accounting Policies forming part of Financial Statements

a. Basis of preparation of financial statements

The financial statements are prepared on historical cost convention, on a going concern basis and in accordance with the applicable Indian Accounting Standard (Ind AS) as notified under Section 133 in the Companies Act, 2013. All expenses and income to the extent ascertained with reasonable certainty are accounted for on accrual basis.

b. Use of estimates

The preparation of the financial statements in conformity with the applicable Accounting Standard requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statement. The recognition, measurement, classification or disclosure of an item or information in the financial statement has been made relying on these estimates.

c. Cash Flow Statement

Cash flow statement is prepared under “Indirect Method” and the same is annexed.

d. Taxes on Income

The income tax expense or credit for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate for each jurisdiction.

e. Contingencies and events occurring after balance sheet date

There are no contingencies that need to be provided as on the balance sheet date.

f. Functional Currency:

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 Thousands except where otherwise indicated.

14. Additional Notes forming part of Financial Statements for year ended 31st March 23

1. The Company has applied for the registration under Housing Finance Companies (NHB) Act, 1987 and the same is pending and hence it has not commenced its business of Housing Finance. Consequently, the requirements of disclosures and other compliances under NHB Act and Directions are not applicable.

2. There are no dues to micro medium small enterprises and hence the particulars required under notification no GSR 719(E) dt. 16.11.07 is not furnished.

3. Related Party Disclosures:

Reporting Entity:-

Relationship	Name
Enterprise having Control	TVS Credit Services Limited
Subsidiary Company	Nil
Associate Companies	Nil
Key Management Personnel	Nil

Transactions with Related Parties

			Amount (Rs.)	Amount (Rs.)
Sl. No	Nature of Transaction	Name of the Related Party	FY 2022-23	FY 2021-22
01	Advance Received	TVS Credit Services Limited	1,226	1132
02	Balance Payable as at the end of the year	TVS Credit Services Limited	Nil	Nil

DISCLOSURE OF RATIOS

Ratio	Description of numerator	Description of denominator	Ratio 31.03.2023	Ratio 31.03.2022	Variance	Reasons for variance
(a) Current ratio	Current Assets	Current Liabilities	80.60	84.37	-4.47%	
(b) Debt-equity ratio	Short term borrowings + Long term Borrowings	Shareholders' fund	NA	NA	NA	
(c) Debt service coverage ratio	Profit after Tax + Non Cash Expense + Interest on borrowings + Loss on sale of fixed assets	Interest on term loans + Principal of term loans	NA	NA	NA	
(d) Return on equity ratio	Profit after tax	Equity share capital	0.04	0.04	5.12%	
(e) Inventory turnover ratio	Cost of goods sold	Average Inventory	NA	NA	NA	
(f) Trade receivables turnover ratio	Net Credit Sales	Average accounts receivable	NA	NA	NA	
(g) Trade payables turnover ratio	Net Credit Purchase	Average accounts payable	NA	NA	NA	
(h) Net capital turnover ratio	Revenue from Operations	Working Capital	NA	NA	NA	
(i) Net profit ratio	Profit after tax	Revenue from operations	NA	NA	NA	
(j) Return on capital employed	EBIT	Shareholders' fund+ Long term borrowings	4.95%	4.71%	5.04%	
(k) Return on investment	Profit after tax	Equity shareholders' Fund	3.70%	3.52%	5.12%	

As per our report annexed

Venu Srinivasan
Director

Anand Vasudev
Company secretary

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No: 007761S

Sudarshan Venu
Director

V Gopalakrishnan
Chief Financial Officer

V. SATHYANARAYANAN
Partner
Membership No.: 027716
UDIN: 23027716BGYLSB2100

Chennai
Dated: 02nd May 2023

Directors' Report to the Shareholders

The directors present the Sixth Annual Report together with the Annual Audited Statement of Accounts for the year ended 31st March 2023.

Financial Highlights

The Company is yet to commence its operations and the Company incurred an expense of Rs. 15,000/- towards regulatory compliance

Dividend

The directors of the Company do not recommend any dividend for the period ended 31st March 2023.

Internal control systems

The Company has adequate internal control systems to ensure operational efficiency, accuracy and promptness in financial report and compliance of various laws and regulations. The internal control system is supported by the internal audit (IA) process. The IA department evaluates the efficacy and adequacy of Internal control system, its compliance with operating systems and policies of the Company and accounting procedures at all locations of the Company.

The Company has well-documented Standard Operating Procedures (SOPs), policies and procedures for various processes which are periodically reviewed.

Based on the report of IA function, process owners undertake corrective action in their respective areas. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

Risk Management

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified would be systematically addressed through mitigating actions on a continuous basis. These are being discussed at the meetings of the audit committee and the Board of directors of the Company.

As a process, the risks associated with the business are identified and prioritized based on Severity, Likelihood and Effectiveness of current detection. Such risks are reviewed by the senior management on a quarterly basis. Process owners are identified for each risk and matrix are developed for monitoring and reviewing the risk mitigation.

Directors' responsibility statement

Pursuant to the requirement of Section 134(3)(c) read with 134(5) of the Act, 2013 with respect to Director's Responsibility Statement, it is hereby stated that:

(a) in the preparation of the annual accounts for the period from 1st April 2022 to 31st March 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the Company for that period;

(c) the directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) 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.

Directors liable to retire by rotation

In terms of the provisions of Companies Act, 2013 both the existing directors, viz., Mr V Gopalakrishnan and Mr N Srinivasa Ramanujam, directors of the Company retire from the office at the ensuing annual general meeting and being eligible, offer themselves for re-appointment.

Number of board meetings held

During the period under review, the board met 5 times on 29th April 2022, 25th June 2022, 28th September 2022, 15th December 2022 and 08th March 2023 and the gap between two meetings did not exceed one hundred and twenty days.

Statutory Auditors

On the recommendation of the Board of Directors of the Company, members of the Company appointed from M/s. Raghavan, Chaudhuri & Narayanan, Chartered Accountants as Statutory Auditors of the Company at the 4th Annual General Meeting of the Company for a term of 5 consecutive years pursuant to Section 139 of the Act, 2013, at such remuneration in addition to applicable taxes, out of pocket expenses, travelling and other expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors.

The Statutory Auditors will continue to hold office for the third year in the term of five consecutive years, from the conclusion of this Annual General Meeting.

The Company has obtained necessary certificate under Section 141 of the Act 2013 conveying their eligibility for being statutory auditors of the Company for the year 2023-24.

The Auditors' Reports for the financial year 2022-23 do not contain any qualifications, reservations and adverse remarks and the same is attached with the annual financial statements.

Disclosures

During the year, there were no transaction requiring disclosure or reporting in respect of matters relating to:

(a) details relating to deposits covered under Chapter V of the Act;

(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) raising of funds through preferential allotment or qualified institutions placement;

(e) significant or material order passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;

(f) pendency of any proceeding under the Insolvency and Bankruptcy Code, 2016 and instance of one-time settlement with any bank or financial institution.

Change of Name of the Company

During the year under review, at the Extra-Ordinary General Meeting held on 19th April 2022 changed its name from TVS Two Wheeler Mall Private Limited to Harita Two Wheeler Mall Private Limited by way of Special resolution.

In connection with the same the Registrar of Companies, Chennai had issued fresh Certificate of Incorporation dt: 06.05.2022.

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 the date of the report.

Details of material related party transactions:

Details of material related party transactions under Section 188 of the Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, are given in Annexure I to this report in the prescribed form.

Employee's remuneration:

There are currently no employees in the Company, hence the requirement of attaching a statement under Section 197 of the Companies Act 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 containing the details of employee's remuneration is not applicable.

Details of loans / guarantees / investments made:

The disclosure under this head is not applicable as the Company has not extended any guarantee or loans to other companies as per Section 186 of the Act, 2013 for the period ended 31st March 2023.

Conservation of energy, technology absorption, foreign exchange earnings and outgo:

The provisions of Section 134(3)(m) of the Act 2013 and the rules made there-under relating to the information and details on conservation of energy, technology absorption do not apply to the Company, as the Company is not a manufacturing company.

Reporting of fraud:

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Act 2013.

Maintenance of cost records:

Pursuant to Section 148(1) of the Companies Act, 2013 cost records are required to be maintained by specified class of Companies whose turnover exceeds 35 Crores during the immediately preceding financial year. Further, companies covered under Table B of Rule 3 to Companies (Cost Records and Audit) Rules, 2014 whose overall annual turnover exceeds 100 Crores are required to get its cost records audited.

The Company's operations do not fall under any of the activities requiring maintenance and subsequent audit of cost records.

Disclosure in terms of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company was not required to constitute an Internal Complaints Committee as required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 since there are no employees in the Company.

During the year under review, there were no cases filed pursuant to the provisions of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act 2013.

During the period under review, there was no foreign earning or expenditure in the Company.

Acknowledgement

The directors gratefully acknowledge the continued support and co-operation received from the holding company viz., TVS Credit Services Limited. The directors thank the bankers for their continued support and assistance.

For and on behalf of the Board

Place : Chennai	V Gopalakrishnan	N Srinivasa Ramanujam
Date : 2nd May 2023	Director	Director
	DIN: 03291640	DIN: 07384809

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2023

To the Members of TVS Two Wheeler Mall Private Limited

Report on the Audit of the Stand-alone financial statements

Opinion

We have audited the accompanying standalone financial statements of Harita Two Wheeler Mall Private Limited ("the Company")formerly known as TVS Two Wheeler mall Private Limited , having its registered office at "Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai-600 006, Tamil Nadu which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31st March 2023, and its loss, total comprehensive loss , its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Annual Report to the Shareholders but does not include the standalone financial statements and our auditor's report thereon. The Annual Report to the Shareholders is expected to be made available to us after the date of this Auditor's Report.

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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the 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.

Management's Responsibilities for the Standalone 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 state of affairs (financial position), profit or loss (financial performance) changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the 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 Standards on Auditing 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 Standards on Auditing, we exercise professional judgment 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting 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, 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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the 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 purpose of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, 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 Ind AS specified under section 133 of the Act.
   (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 from being appointed as a director in terms of section 164(2) of the Act.
   (f) (a) Reporting on internal financial controls over financial reporting as on 31st March 2023 does not arise as per Notification GSR 583 E dated 13th June 2017, since the company doesn't satisfy the turnover and borrowings conditions of the above notification.
   (g) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act. In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors.
   (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) There are no pending litigations as at 31st March 2023;
      (ii) The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses as at 31 March 2023
      (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 (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;

         (b) The Management has represented, that, to the best of its knowledge and belief, 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.

         (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
      (v) The Company has not declared any dividends during the year.
      (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants
FRN: 007761S

UDIN	23027716BGYLSB2100

V. SATHYANARAYANAN
Partner
Membership No. 027716

Place : Bangalore
Date : 2nd May, 2023

Annexure "A" to Independent Auditors' Report 31st March 2023

(Referred to in our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i (a to d) The Company does not own any property plant & equipment, Intangible assets & right to use assets. Accordingly, Clause 3(i)(a) to 3(i)(d);

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder;

ii. (a) The Company does not have any inventory. Accordingly, Clause 3(ii)(a) of the Order is not applicable to the company;

(a) No working capital limit more than five crore in aggregate, from banks or financial institutions based on security of current assets has been sanctioned during any point of the year. Accordingly, Clause 3(ii)(b) of the Order is not applicable to the company;

iii. The Company has not made investments and has not provided any Guarantee or security or granted any loans or advances in nature of loans secured or unsecured to companies, firms, Limited Liability Partnerships, or any other parties, during the year. Accordingly, the provision of clause 3(iii)(a) to 3 (iii)(f) of the order is not applicable;

iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loan or made investments and has not provided guarantees and securities which has application of the provisions of Section 185 and 186 of the Act. Accordingly, the provisions of Clause 3(iv) of the Order are not applicable to the Company.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable;

vi. The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act. Therefore, the provisions of Clause (vi) of the Order are not applicable to the Company;

vii. In respect of statutory dues:

(a) According to the records of the Company, the Company does not have the liability to deposit statutory dues including Provident Fund, Employees' State Insurance, Custom duty, Income Tax, Goods and Service Tax and Cess and other material statutory dues with the appropriate authorities;

(b) According to the information and explanations given to us, there are no dues of Income Tax and Goods and Service Tax which have not been deposited on account of any dispute.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Section 43 of 1961);

ix. (a) The Company has not obtained any loans or borrowings from any lender during the year. Accordingly, the provisions of clause 3(ix)(a) of the Order are not applicable;

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority;

(c) The Company has not obtained term loan during the year. Accordingly, the provisions of clause 3(ix)(c) of the Order are not applicable;

(d) The Company has not raised any short-term funds during the year. Accordingly, the provisions of clause 3(ix)(d) of the Order are not applicable;

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that 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 any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable;

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable;

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable;

xi. (a) No fraud by the Company and 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 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report;

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year;

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable;

xiii. In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act;

xiv. In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013 and hence reporting under clause 3(xiv)(a) and clause 3(xiv)(b) of the Order is not applicable;

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company;

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable;

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable;

xvii. The Company has not incurred cash losses during the financial year and in immediately preceding financial year covered by our audit;

xviii. There has been no resignation of the statutory auditors of the Company during the year;

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;

xx. The provision of section 135 of Companies Act, is not applicable to company and hence reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable;

For RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants
FRN: 007761S

UDIN	23027716BGYLSB2100

V. SATHYANARAYANAN
Partner
Membership No. 027716

Place : Bangalore
Date : 2nd May, 2023

Balance Sheet as at 31st March 2023

(in Rs.)

All numbers are in hundreds unless otherwise stated

Particulars	Note No	As at 31st March 2023	As at 31st March 2022
ASSETS			
Current Assets			
Financial Assets			
Cash and Cash Equivalents	1	241	241
TOTAL ASSETS		**241**	**241**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	2	250	250
Other Equity	3	(1,377)	(1,227)
TOTAL EQUITY		**(1,127)**	**(977)**
LIABILITIES			
Current Liabilities			
Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables			
a) Total outstanding dues of creditors other than micro enterprises and small enterprises	4	140	118
b) Total outstanding dues of other than (ii) (a) above		-	-
(iii) Other Financial Liabilities	5	1,228	1,099
TOTAL LIABILITIES		**1,368**	**1,217**
TOTAL EQUITY AND LIABILITIES		**241**	**241**

As per our report annexed

V GOPALAKRISHNAN
Director

N SRINIVASA RAMANUJAM
Director

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No. FRN 007761S

Chennai
Dated: 2nd May, 2023

.

V. SATHYANARAYANAN
Partner
Membership No. 027716

Statement of Profit and Loss for the year ended 31st March 2023

(in Rs.)

All numbers are in hundreds unless otherwise stated

Particulars	Note No	For the year ended 31st March 2023	For the year ended 31st March 2022
INCOME			
Revenue from operations		-	-
TOTAL INCOME			
EXPENSES			
Other expenses	6	150	291
TOTAL EXPENSE		**150**	**291**
Profit/(Loss) before tax		**(150)**	**(291)**
Tax expense:		**-**	**-**
Profit/(Loss) after tax for the year		**(150)**	**(291)**
Other Comprehensive Income		-	-
Total Comprehensive Income		**(150)**	**(291)**
Earning per equity share:			
Basic & Diluted earnings per share (in Rs)	7	(6.01)	(11.65)

As per our report annexed

V GOPALAKRISHNAN
Director

N SRINIVASA RAMANUJAM
Director

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No. FRN 007761S

Chennai
Dated: 2nd May, 2023

V. SATHYANARAYANAN
Partner
Membership No. 027716

STATEMENT OF CHANGES IN EQUITY

(in Rs.)

All numbers are in hundreds unless otherwise stated

		Note No.	Amount
A	**Equity**		
	Balance as at April 1, 2021	2	250
	Changes in Equity share capital during the year	2	
	Balance as at March 31, 2022		**250**
	Changes in Equity share capital during the year	2	-
	Balance as at March 31, 2023		**250**

		Note No.	Retained Earnings	Total
B	**Other Equity**			
	Balance as at April 1, 2021	3	(936)	(936)
	Total Comprehensive Income	3	(291)	(291)
	Balance as at March 31, 2022		**(1,227)**	**(1,227)**
	Total Comprehensive Income	3	(150)	(150)
	Balance as at March 31, 2023		**(1,377)**	**(1,377)**

As per our report annexed

V GOPALAKRISHNAN
Director

N SRINIVASA RAMANUJAM
Director

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No. FRN 007761S

Chennai
Dated: 2nd May, 2023

.

V. SATHYANARAYANAN
Partner
Membership No. 027716

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(in Rs.)

All numbers are in hundreds unless otherwise stated

		As at 31st March 2023		As at 31st March 2022	
A.	Cash Flow from Operating Activities				
	1. Profit/(Loss) Before Tax		(150)		(291)
B.	Operating Profit before Working Capital Changes		(150)		(291)
C.	Change in Working Capital				
	(Increase)/Decrease in Loans & Advances				
	Changes in liability arising from financing activities	150		291	
	Change in Working Capital		150		291
D.	Cash generated from Operations (B+C)		-		-
E.	Net Cash from Operating Activities		-		-
F.	Net Cash Flow from Financing Activities				
	Proceeds from Issue of Equity Shares				
	Net Cash from Financing Activities		-		-
G.	Net change in Cash and Cash Equivalents (E+F)		-		-
H.	Cash and Cash Equivalents as at End		241		241
I.	Less: Cash and Cash Equivalents as at Beginning		241		241
	NET CHANGE IN CASH & CASH EQUIVALENTS (H-I)		-		-

As per our report annexed

V GOPALAKRISHNAN
Director

N SRINIVASA RAMANUJAM
Director

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No. FRN 007761S

Chennai
Dated: 2nd May, 2023

.

V. SATHYANARAYANAN
Partner
Membership No. 027716

NOTES TO BALANCE SHEET

All numbers are in hundreds unless otherwise stated

(in Rs.)

1 Cash and cash equivalents

	Amount as at 31-Mar-23	Amount as at 31-Mar-22
Balances with banks	241	241
Total cash and cash equivalents	**241**	**241**

2 Share Capital

	Number of Shares	Amount
i) Authorised Share Capital:		
Equity shares of Rs.10/- each	2,500	250
ii) Issued, Subscribed and Fully Paid up Share Capital:		
Equity shares of Rs.10/- each	2,500	250

iii) Movement in equity share capital

	Number of Shares	Amount
Equity Shares as at April 1, 2021	**2,500**	250.00
Additions	**-**	-
Equity Shares as at March 31, 2022	**2500**	**250**
Additions	**-**	**-**
Equity Shares as at March 31, 2023	**2500**	**250**

iv) Details of share holders holding more than 5% & Shares held by holding company

Name of the Share Holder	As at March 31, 2022	
	No. of Shares	%
TVS Credit Services Limited	2,500	100%

Name of the Share Holder	As at March 31, 2023	
	No. of Shares	%
TVS Credit Services Limited	2,500	100%

v) Terms / Rights attached

The company has only one class of equity shares having a par value of Rs.10/- per share. Each shareholder has a right to participate in General Meeting and is eligible for one vote per share held. Residual interest in the assets of the company. Every shareholder is also entitled to right of inspection of documents as provided in the Companies Act, 2013.

3 Other Equity

	Amount as at March 31, 2023	Amount as at March 31, 2022
Retained Earnings	(1,377)	(1,227)
Total Other Equity	**(1,377)**	**(1,227)**
Retained Earnings		
Opening Balance	(1,227)	(936)
Add: Net profit for the year	(150)	(291)
Closing Balance	**(1,377)**	**(1,227)**

4 Trade Payables

Particulars	Outstanding for the 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
Undisputed dues- MSME	-	-	-	-	-
Undisputed dues- Others	140	-	-	-	140
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
TOTAL	140	-	-	-	140

Particulars	Outstanding for the following periods from due date of payment as at 31st march 2022				
	<1 year	1-2 years	2-3 years	More than 3 Years	Total
Undisputed dues- MSME	-	-	-	-	-
Undisputed dues- Others	118	-	-	-	118
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
TOTAL	118	-	-	-	118

5 Other Financial Liabilities

	Amount as at March 31, 2023	Amount as at March 31, 2022
Payable to Holding Company	1,228	1,099
Total Other Financial Liabilities	**1,228**	**1,099**

NOTES TO STATEMENT OF PROFIT AND LOSS

6 Other Expenses

	For the period 1st Apr 2022 to 31st March 2023	For the period 1st Apr 2021 to 31st March 2022
Professional charges	-	165
Rates and taxes	32	8
Payment to Auditors		
- As Auditor	118	118
Bank Charges		
Total Other Expenses	**150**	**291**

7 Earnings per share (Basic and Diluted)

Earnings attributable to equity share holders	(150)	(291)
Number of Shares	2,500	2,500
Earnings per Share (in Rs.)	(6)	(12)

Brief Description of the Company:

The Company was incorporated on 22nd August 2017 under the name of Harita TW Mall Private Limited (formerly known as TVS Two Wheeler Mall Private Limited), wholly owned subsidiary of TVS Credit Services Limited. The Company is yet to commence its business.

8. Significant Accounting Policies forming part of Financial Statements

a. Basis of preparation of financial statements

The financial statements are prepared on historical cost convention, on a going concern basis and in accordance with the applicable Indian Accounting Standard (Ind AS) as notified under Section 133 in the Companies Act, 2013. All expenses and income to the extent ascertained with reasonable certainty are accounted for on accrual basis.

b. Use of estimates

The preparation of the financial statements in conformity with the applicable Accounting Standard requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statement. The recognition, measurement, classification or disclosure of an item or information in the financial statement has been made relying on these estimates.

c. Cash Flow Statement

Cash flow statement is prepared under "Indirect Method" and the same is annexed.

d. Contingencies and events occurring after balance sheet date

There are no contingencies that need to be provided as on the balance sheet date.

e. Functional Currency:

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 hundreds except where otherwise indicated.

Additional Notes forming part of Financial Statements for year ended 31st March 2023

1. There are no dues to micro medium small enterprises and hence the particulars required under notification no GSR 719(E) dt. 16.11.07 is not furnished.
2. Related Party Disclosures:

Reporting Entity:

Relationship	Name
Enterprise having Control	TVS Credit Services Limited
Subsidiary Company	Nil
Associate Companies	Nil
Key Management Personnel	Nil

Transactions with Related Parties

			Amount (Rs.)	Amount (Rs.)
Sl. No	Nature of Transaction	Name of the Related Party	FY 2022-23	FY 2021-22
01.	Advance Received	TVS Credit Services Limited	128	291
	Balance Payable as at the end of the reporting year	TVS Credit Services Limited	1228	1099

Ratio	Description of numerator	Description of denominator	Ratio 31.03.2023	Ratio 31.03.2022	Variance	Reasons for variance
(a) Current ratio	Current Assets	Current Liabilities	0.18	0.20	-10.98%	
(b) Debt-equity ratio	Short term borrowings + Long term Borrowings	Shareholders' fund	NA	NA	NA	
(c) Debt service coverage ratio	Profit after Tax + Non Cash Expense + Interest on borrowings + Loss on sale of fixed assets	Interest on term loans + Principal of term loans	NA	NA	NA	
(d) Return on equity ratio	Profit after tax	Equity share capital	0.13	0.30	-55.32%	Reduction in expenses
(e) Inventory turnover ratio	Cost of goods sold	Average Inventory	NA	NA	NA	
(f) Trade receivables turnover ratio	Net Credit Sales	Average accounts receivable	NA	NA	NA	
(g) Trade payables turnover ratio	Net Credit Purchase	Average accounts payable	NA	NA	NA	
(h) Net capital turnover ratio	Revenue from Operations	Working Capital	NA	NA	NA	
(i) Net profit ratio	Profit after tax	Revenue from operations	NA	NA	NA	
(j) Return on capital employed	EBIT	Shareholders' fund+ Long term borrowings	13.32%	29.81%	-55.32%	Reduction in expenses
(k) Return on investment	Profit after tax	Equity shareholders' Fund	13.32%	29.81%	-55.32%	Reduction in expenses

As per our report annexed

V GOPALAKRISHNAN
Director

N SRINIVASA RAMANUJAM
Director

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No. FRN 007761S

Chennai
Dated: 2nd May, 2023

V. SATHYANARAYANAN
Partner
Membership No. 027716

Directors' Statement

The directors present their statement to the member together with the audited financial statements of **TVS MOTOR (SINGAPORE) PTE. LIMITED** (the "company") for the financial year ended 31 March 2023.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

(a) the financial statements of the company are drawn up so as to give a true and fair view of the financial position of the company as at 31 March 2023 and the financial performance, changes in equity and cash flows of the company for the year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

2. DIRECTORS

The directors of the company in office at the date of this statement are:

Venu Srinivasan

Venu Sudarshan

Rajesh Narasimhan

Gupte Lalita Dileep (Appointed on 12 August 2022)

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the company a party to any arrangement whose object are, or one of whose objects is, to enable the directors of the company to acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate.

4. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors who held office at the end of the financial year, had no interest in the share capital of the company and related corporations as recorded in the register of directors' shareholdings required to be kept by the company under Section 164 of the Singapore Companies Act 1967, except as stated below:

	Number of ordinary shares of INR1 each	
Name of directors and corporation		
In which interests are held	At beginning of year	At end of year
TVS Motor Company Limited (Holding company)		

5. SHARE OPTIONS

During the financial year, no option to take up unissued shares of the company was granted.

During the financial year, there were no shares of the company issued by virtue of the exercise of options to take up unissued shares.

As at the end of the financial year, there were no unissued shares of the company under option.

6. AUDITOR

Rama & Co LLP has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board

VENU SRINIVASAN
Director

RAJESH NARASIMHAN
Director

Singapore,

Independent Auditors' report to the Member of TVS Motor (Singapore) Pte. Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **TVS MOTOR (SINGAPORE) PTE. LIMITED** (the "company"), which comprise the statement of financial position as at 31 March 2023, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the company as at 31 March 2023 and of the financial performance, changes in equity and cash flows of the company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 and 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the 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 directors' responsibilities include overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Report on Other Legal and Regulatory Requirement

In our opinion, the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

.

RAMA & CO.
PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS
SINGAPORE

Singapore,

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	2023	2022
		S$	S$
ASSETS			
Non-current assets:			
Plant and equipment	(8)	**38,281,040**	12,338,607
Investment in subsidiaries	(9)	**274,028,072**	244,523,947
Investments in associates	(10)	**76,064,643**	76,064,643
Other investments	(11)	**16,406,825**	2,643,181
Other receivables	(12)	**8,673,676**	4,742,124
Loans receivables	(13)	**34,479,976**	-
Total non-current assets		**447,934,232**	340,312,502
Current assets:			
Other receivables	(12)	**20,865,581**	10,427,232
Loans receivables	(13)	**16,399,137**	19,474,850
Prepayments	(14)	**796,958**	280,693
Bank balances	(15)	**3,394,708**	6,627,809
Total current assets		**41,456,384**	36,810,584
Total assets		**489,390,616**	377,123,086
EQUITY AND LIABILITIES			
Equity:			
Share capital	(16)	**420,155,810**	396,903,850
Share application money	(17)	**71,287,921**	3,542,785
Accumulated losses		**(39,359,975)**	(35,252,227)
Total equity		**452,083,756**	365,194,408
Non-current liability:			
Lease liabilities	(18)	**27,980,612**	7,594,979
Current liabilities:			
Lease liabilities	(18)	**6,950,759**	3,147,576
Trade and other payables	(19)	**2,375,489**	1,186,123
Total current liabilities		**9,326,248**	4,333,699
Total liabilities		**37,306,860**	11,928,678
Total equity and liabilities		**489,390,616**	377,123,086

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023	2022
		S$	S$
Revenue	(20)	**9,968,542**	7,965,433
Cost of services	(21)	**(10,371,316)**	(7,841,300)
Gross (loss)/ profit		**(402,774)**	124,133
Other income	(22)	**981,703**	1,582,145
Administrative expenses		**(4,095,514)**	(9,386,246)
Other expense		**(591,163)**	(2,251,461)
Loss before income tax		**(4,107,748)**	(9,931,429)
Income tax	(23)	**-**	-
Loss for the year	(24)	**(4,107,748)**	(9,931,429)
Other comprehensive income		**-**	-
Total comprehensive loss for the year		**(4,107,748)**	(9,931,429

)

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Share Capital	Share Application Money	Accumulated Losses	Total
	S$	S$	S$	S$
Balance as at 1 April 2022	200,829,458	-	(25,320,798)	175,508,660
Transaction with owner, recognised directly in equity				
- Issuance of shares (Note 16)	196,074,392	-	-	196,074,392
Share application money received	-	3,542,785	-	3,542,785
Total comprehensive loss for the year	-	-	(9,931,429)	(9,931,429)
Balance as at 31 March 2022	396,903,850	3,542,785	(35,252,227)	365,194,408
Transaction with owner, recognised directly in equity				
- Issuance of shares (Note 16)	23,251,960	(3,542,785)	-	19,709,175
Share application money received	-	71,287,921	-	71,287,921
Total comprehensive loss for the year	-	-	(4,107,748)	(4,107,748)
Balance as at 31 March 2023	420,155,810	71,287,921	(39,359,975)	452,083,756

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023	2022
		S$	S$
Cash flow from operating activities:			
Loss before income tax		**(4,107,748)**	(9,931,429)
Adjustments for:			
Depreciation of plant and equipment	(8)	**3,704,265**	2,990,816
Foreign currency exchange difference		**470,862**	52,822
Gain on transfer of business	(22)	**-**	(1,152,393)
Interest on lease liabilities	(25)	**488,352**	371,899
Interest income	(22)	**(980,355)**	(282,819)
Operating cash flow before working capital changes		**(424,624)**	(7,951,104)
Other receivables		**(15,093,903)**	(6,758,961)
Prepayments		**(516,265)**	(764)
Trade and other payables		**423,973**	260,329
Net cash used in operating activities		**(15,610,819)**	(14,450,500)
Investing activities:			
Investment in subsidiaries	(9)	**(24,332,932)**	(154,270,594)
Investment in other investments	(11)	**(13,763,644)**	(2,643,181)
Loans receivables	(13)	**(35,810,063)**	(19,474,850)
Purchase of plant and equipment	(8)	**(365,948)**	(777,939)
Interest received		**317,047**	-
Net cash used in investing activities		**(73,955,540)**	(177,166,564)
Financing activities:			
Issuance of shares	(16)	**19,709,175**	196,074,392
Payment of principal portion of lease liability	(25)	**(3,495,076)**	(3,044,284)
Payment of interest portion of lease liability	(25)	**(488,352)**	(371,899)
Share application money received	(17)	**70,607,511**	3,542,785
Net cash from financing activities		**86,333,258**	196,200,994
Net (decrease)/ increase in bank balances		**(3,233,101)**	4,583,930
Bank balance at beginning of year		**6,627,809**	2,043,879
Bank balance at end of year	(15)	**3,394,708**	6,627,809

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

a) Corporate Information

TVS Motor (Singapore) Pte. Limited (the "company") (Registration number: 200301438H) is a private limited company incorporated and domiciled in the Republic of Singapore with its registered office at:

1 Kim Seng Promenade
#10-07 Great World City
Singapore 237994

The principal activities of the company are to carry on the business as an investment holding company.

b) Authorisation of financial statements for issue

The financial statements of the company for the year ended 31 March 2023 were authorised for issue by the Board of Directors on xx[th] xx, 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up and in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

Historical cost is generally based on the fair value of the consideration given in the exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as value in use in FRS 36 Impairment of Assets.

In addition, for financial reporting purpose, fair value measurements are described in Note 5.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the company's accounting policies. It also requires the use of accounting estimates and assumption. The areas involving a higher degree of judgement or complexity or areas when assumption and estimates are significant to the financial statements as disclosed in Note 4.

2.2. Changes in Accounting Policies

a) Adoption of new revised FRSs and INT FRSs

In the current financial year, the company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2022. The adoption of these new/ revised FRSs and INT FRSs did not result in substantial changes to the company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

b) Standards issued but not yet effective

At the date of authorisation of financial statements, the following FRSs that are relevant to the company were issued but not effective are as follows:

Reference	Description	Effective date (annual periods) beginning on or after
Various	Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies	01-Jan-23
FRS 1	Amendments to FRS 1: Presentation of Financial Statements – Classification of Liabilities as Current or Non-current	01-Jan-24
Various	Amendments to FRS 1: Non-Current Liabilities with Covenants	01-Jan-24
FRS 8	Amendments to FRS 8: Accounting Policies, Changes in Accounting Estimates and Errors - Definition Accounting Estimates	01-Jan-23
FRS 116	Amendments to FRS 116: Lease Liability in a Sales and Leaseback	01-Jan-24

The directors anticipate that the adoption of the above FRSs, INT FRS and amendments to FRS in future periods standards will not have a materials impact on the financial statements of the company in the period of their initial adoption.

2.3. Functional and Foreign Currency

a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates (the "functional currency"). The financial statements of the company are presented in Singapore dollar, which is also the functional currency of the company.

b) Foreign currency transactions

Transactions in foreign currencies are measured in the functional currency of the company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. Non- monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss.

2.4. Subsidiaries

Subsidiaries are entities controlled by the company. The company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investment in subsidiaries is carried at cost less any impairment in net recoverable value that has been recognised in profit or loss. On disposal of such investment, the difference between the net disposal proceed and their carrying amounts is included in profit or loss.

These financial statements are the separate financial statements of the company.

The company is exempted from the requirement to prepare consolidated financial statements as the company itself is the wholly owned subsidiary of another entity, which produces the consolidated financial statements which are available for public use.

2.5. Associates

An associate is an entity over which the company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in the associate companies is stated at cost, less impairment if any.

2.6. Plant and Equipment

a) Measurement

Plant and equipment are initially stated at cost and subsequently carried at cost less accumulated depreciation and any impairment losses.

b) Components of costs

The cost of an item of plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also included as part of the cost of plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

c) Depreciation

Depreciation is calculated on the straight line method to write off the cost of the plant and equipment over their estimated useful lives, or in the case of right-of-use asset, over the lease term, as follows:

	Years
Office equipment	3
Vehicle	5
Vehicle (Right-of-Use asset)	7

No depreciation is provided for office artwork.

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

The residual values, useful life and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

d) Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expense in profit or loss during the financial year in which it is incurred.

e) Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss. Any amount in revaluation reserve relating to that asset is transferred to retained earnings directly.

2.7. Impairment of Non-Financial Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.8. Bank balances

Bank balances in statements of cash flows comprise cash at bank that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are classified as measured at amortised cost under FRS 109.

2.9. Leases

As a lessee

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-Use Asset

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life (which is determined on the same basis as those of plant and equipment).

The company also assesses the right-of-use asset for impairment when such indicators exist. In addition, the right-of-use asset is periodically adjusted for certain remeasurements of the lease liability.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate, being the rate, it would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee, lease payments arising from extension options reasonably certain to be exercised, exercise price under purchase option reasonably certain to be exercised and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise items of office equipment with individual values not exceeding S$5,000.

2.10. Revenue Recognition

Revenue from sale of goods and services in the ordinary course of business is recognised when the company satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is the amount of consideration in the contract to which the company expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the completion reflecting the progress towards complete satisfaction of that PO.

Passenger service income

The company provides aircraft usage and passenger transport services and, operational and maintenance services for customers. Revenue from these services are recognised when services are performed over the usage and service period (i.e. over time).

2.11. Other income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.12. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

b) Deferred tax

Deferred tax is provided, using the liability method on all temporary differences at the end of reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at that time of the transaction, affects neither accounting profit or loss nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences carry-forward of unutilised tax assets and unutilised tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unutilised tax assets and unutilised tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arise from the initial recognition of an asset or liability in a transaction and at the time of transaction affects neither the accounting profit or loss nor taxable profit or loss.

The carrying amount of a deferred tax asset is reviewed at the each of reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.13. Employee Benefits

a) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

b) Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state-managed schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the company's obligations under the plans are equivalent to those arising in a defined contribution plan.

2.14. Related Parties

A related party is a person or an entity related to the company and is further defined as follows:

a) A person or a close member of that person's family is related to the company if that person:

i). has control or joint control over the company;

ii). has significant influence over the company; or

iii). is a member of the key management personnel of the company or of a parent of the company.

b) An entity is related to the company if any of the following conditions applies:

i). the entity and the company are members of the same group i.e each parent, subsidiary and fellow subsidiary is related to the others;

ii). one entity is an associate or joint venture of the other entity or an associate or joint venture of a member of a group of which the other entity is a member;

iii). both entities are joint ventures of the same third party;

iv). one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

v). the entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the company;

vi). the entity is controlled or jointly controlled by a person identified in (a);

vii). a person identified in (a) i) has significant influence over the entity or is a member of the key management personnel of the entity or of a parent of the entity; or

viii). the entity, or any member of the group of which it is a part, provides key management personnel services to the company or to the parent of the company.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the company.

Related party transactions and outstanding balances disclosed in the financial statement are in accordance with the above definition as per FRS 24 – Related Party Disclosures.

2.15. Provisions

Provisions are recognised when the company has present obligations (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.16. Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future event not wholly within the control of the company. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When changes in the probability of an outflow occur so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the company.

Contingent assets are not recognised but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

2.17. Events after the Reporting Period

Events after the reporting period that provide additional information about the company's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

3. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

3.1. Financial Assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the assets within the timeframe established by the market concerned.

a) Classification and subsequent measurement

Initial recognition and measurement

Financial assets are classified, at initial recognition, at amortised cost and fair value through other comprehensive income (OCI).

The classification of financial assets, at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them. The company initially measures a financial asset at its fair value.

Trade receivables are measured at the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

Financial assets at amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest rate (EIR) method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in other income.

As at the reporting date, the company's financial assets at amortised cost consist of other receivables, loans receivables and bank balances.

Financial assets at fair value through other comprehensive income (FVTOCI)

Equity instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that solely payments of principal and interest on the principal amount outstanding.

As at the reporting date, the company's financial assets at FVTOCI cost consist of unquoted equity investments.

b) Impairment of financial assets

When applicable, the company recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instruments.

When applicable, the company will recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets will be estimated using a provision matrix based on the company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment pf both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the company will recognises lifetime ECL when there has been significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the company measured the loss allowance for that financial instrument at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast,12-month expected credit loss is the expected credit loss that result from default events that are possible within 12 months after the reporting date.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets gross carrying amount at the reporting date; or for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at reporting date, together with any additional amounts expected to be draw down in the future by default date determined based on historical trend, the company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows for the company in accordance with the contract and all the cash flows that the company expects to receive, discount at the original effect interest rate.

c) Derecognition of financial assets

A financial asset is derecognised where the contractual rights to receive cash flows from the asset have expired.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of (a) the consideration received and (b) any cumulative gain or loss that has been recognised directly in equity is recognised in profit or loss.

3.2. Equity and Financial Liabilities

Equity instruments issued by the company and financial liabilities are classified accordingly to the substance of the contractual arrangements entered into and the definitions of an equity instrument and a financial liability.

a) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital is classified as equity.

b) Financial liabilities

Financial liabilities at amortised cost

The company determines the classification of its financial liabilities at initial recognition. Financial liabilities are initially recognised at fair value of consideration received net of transaction costs.

After initial recognition, they are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

Financial liabilities at amortised cost consist of trade and other payables and lease liabilities.

c) Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payables, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in Note 2 to the financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4.1. Critical Accounting Judgements

Determination of functional currency

In determining the functional currency of the company, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currency of the company is determined based on management's assessment of the primary economic environment in which the company operates and the company's process of determining sales prices.

4.2. Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a) Impairment of investment in subsidiary, investments in associates and other investments

The company follows the guidance of FRS 36 in determining the recoverability of its investment in subsidiary, investments in associate and other investments. The company determines the recoverable amount of the subsidiaries based on the subsidiaries' net assets values at the end of the reporting period as in the opinion of the management, the net assets values of these subsidiaries reasonably approximate the fair values less costs to sell.

The carrying amounts of investment in subsidiary, investments in associate and other investments are disclosed in Note 9, Note 10 and Note 11 to the financial statements.

b) Impairment of plant and equipment

As the end of the reporting period, the company assesses whether plant and equipment have any indication of impairment, in accordance with relevant accounting policies. The recoverable amounts of plant and equipment have been determined based on value-in use calculations. These calculations and valuations require the use of judgement and estimates on future operating cash flows and discount rates adopted.

The carrying amounts of the company's plant and equipment are disclosed in Note 8 to the financial statements.

c) Depreciation of plant and equipment

The cost of plant and equipment is depreciated on a straight-line basis over their estimated useful lives or over their lease terms, in the case of right-of-use asset. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised.

5. FINANCIAL INSTRUMENTS, FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

5.1. Categories of financial assets and liabilities

The carrying amounts of financial assets and financial liabilities included in the statement of financial position and the headings in which they are included are as follows:

	2023	2022
	S$	S$
Financial asset		
At amortised cost:		
- Other receivables	**29,539,257**	15,169,356
- Loans receivables	**50,879,113**	19,474,850
- Bank balances	**3,394,708**	6,627,809
At fair value through other comprehensive income:		
- Other investments	**16,406,825**	2,643,181
	100,219,903	43,915,196
Financial liabilities		
At amortised cost:		
- Trade and other payables	**2,375,489**	1,186,123
- Lease liabilities	**34,931,371**	10,742,555
	37,306,860	11,928,678

5.2. Financial Risk Management Policies and Objectives

The company's overall risk management policy seeks to minimise potential adverse effects on the financial performance of the company. The company, however, does not have any written risk management policies and guidelines. The management meet periodically to analyse, formulate and monitor the following risk management of the company and believe that the financial risks associated with these financial instruments are minimal. The company adopt systematic approach towards risk assessment and management. This is carried out in three phases, i.e. identification and assessment of risks, formulation and implementation of risk treatment, and monitoring and reporting of risk profile.

The company is exposed to credit risk, foreign currency exchange rate risk and liquidity risk. The company is not significantly exposed to interest rate risk.

There has been no change to the company's exposure to these financial risks or the manner in which it manages measures the risk.

a) Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations to repay amounts owing to company resulting in a loss to the company. The company's primary exposure to credit risk arises through its other receivables and bank balances.

It is the company's policy to enter into transactions with creditworthy customers and high credit rating counter-parties to mitigate any significant credit risk. The company has procedures in place to control credit risk and that exposure to such risk is monitored on an ongoing basis.

Credit risk management

The company considers the probability of default upon initial recognition of asset and at each reporting date, assesses whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

Significant increase in credit risk

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and includes forward-looking information such as the following:

- Credit rating information supplied by publicly available financial information;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and
- Significant changes in the expected performance and behavior of the debtor, including changes in the payment status of debtors and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase on credit risk is presumed if a debtor is more than 30 days past due in making contractual payment unless the company has reasonable and supportable information that demonstrates otherwise.

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Low credit risk

The company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

A financial asset is considered to have low credit risk if:

- The financial instrument has a low risk of default;
- The borrower has a strong capacity to meet its contractual cash flow obligations in the near term and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Credit-impaired

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counter-party or the borrower;
- A breach of contract, such as default or past due event; or
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

Default event

The company considers the following as constituting an event of default when:

- The borrower fails to make contractual payments, within 90 days when they fall due, unless the company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate; or
- Internal or external information indicates that the borrower is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realising security (if any is held).

Write-off policy

The company categorises a receivable for potential write-off when:

- There is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery or
- When a debtor fails to make contractual payments more than 365 days past due.

Where receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Credit risk grading framework

The company's current credit risk grading framework comprises the following categories:

Category	**Definition of category**	**Basis for recognizing expected credit loss (ECL)**
I - Performing	Counterparty has a low risk of default and does not have any past due amounts and a strong capacity to meet contractual cash flows.	12-month ECL
II – Under performing	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit impaired
III – Default	Amount is > 90 days past due to or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit impaired
IV – Write off	Amount is > 365 days past due or there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.	Amount is written off

There are no significant changes to estimation techniques or assumptions made during the reporting period.

Simplified approach

When applicable, the company will apply the simplified approach using the provision matrix to provide for ECLs for trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

The provision matrix is based on historical credit loss experience over the past three years and adjusted for forward-looking estimates. Trade receivables are grouped based on similar credit risk characteristics and days past due.

Expected credit loss assessment

The following are qualitative information on expected credit loss for financial assets under amortised cost:

- Other receivables and loans receivables

Management determined credit risk for the amount due from third parties and loans receivables have not increased significantly since their initial recognition. Accordingly, the company measured the impairment loss allowance at 12-month ECL and determined that the ECL is insignificant.

- Bank balances

The company places its bank deposit with credit worthy financial institution. Impairment on bank balances is measured on the 12-month expected loss basis. Management considers that its bank balances have low credit risk based on the external credit ratings of the counterparty. Therefore, management considers the amount of ECL is insignificant.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the company's financial instruments will fluctuate because of changes in market interest rate.

The company has bank balances that is non-interest bearing, therefore has no exposure to cash flow interest rate risk.

No interest rate sensitivity analysis is disclosed as the impact of changes in interest rate is not expected to be material.

c) Foreign currency exchange rate risk

Foreign currency exchange rate risk arose from the change in foreign exchange rates that may have an adverse effect on the company in the current reporting period and in the future periods.

The company transacts mainly in Singapore dollar. Management believes that the foreign exchange rate risk is manageable. Hence, the company does not use derivative financial instruments to mitigate this risk.

The company's exposure to foreign currency exchange rate risk in equivalent Singapore dollar is as follows:

In Singapore dollar	**2023 CHF**	**2022 CHF**	**2023 US$**	**2022 US$**
Financial assets				
Other receivables	**722,034**	188,159	**21,451,136**	8,957,765
Loans to subsidiaries	**45,736,076**	19,474,850	**2,654,000**	-
Bank balances	**-**	-	**3,386,319**	4,978,696
	46,458,110	19,663,009	**27,491,455**	13,936,461
Financial liabilities				
Lease liabilities	**-**	-	**34,931,371**	10,742,555
Trade and other payables	**-**	-	**1,233,238**	569,298
	-	-	**36,164,609**	11,311,853
Net exposure	**46,458,110**	19,663,009	**(8,673,154)**	2,624,608

Sensitivity analysis

A 10% increase or decrease is used when reporting foreign currency exchange rate risk internally to key management personnel and represents management's assessment of the possible change in foreign currency exchange rates.

A 10% strengthening of Singapore dollar against the following currencies would increase/(decrease) profit or loss and equity by the amount shown below:

	2023 S$	**2022 S$**
CHF impact	**(4,645,811)**	(1,966,301)
US$ impact	**(867,315)**	(262,461)

A 10% weakening of Singapore dollar against the above currencies would have had the equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remain constant.

d) Liquidity risk management

Liquidity risk refer to risk that the company will not have sufficient funds to pay its debts as and when they fall due.

In the management of the liquidity risk, the company monitors and maintains a level of bank balances deemed adequate by the management to finance the company's operations and mitigate the effects of fluctuations in cash flows.

The following table summarises the company's remaining contractual maturity for its non- derivative financial liabilities at the end of the reporting period based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the company is expected to pay.

2023	Effective interest rate (%)	Carrying amount	Contractual undiscounted cash flows Less than a year	Within 2 to 5 years	Later than 5 years	Total
		S$	S$	S$	S$	S$
Financial liabilities:						
Lease liabilities	3% to 4.4%	34,931,371	8,264,555	22,988,373	8,286,062	39,538,990
Trade and other payables	-	2,375,489	2,375,489	-	-	2,375,489
		37,306,860	10,640,044	22,988,373	8,286,062	41,914,479

2022	Effective interest rate (%)	Carrying amount	Contractual undiscounted cash flows Less than a year	Within 2 to 5 years	Later than 5 years	Total
		S$	S$	S$	S$	S$
Financial liabilities:						
liabilities:						
Lease liabilities	3%	10,742,555	3,426,809	7,915,765	-	11,342,574
Trade and other payables	-	1,186,123	1,186,123	-	-	1,186,123
		11,928,678	4,612,932	7,915,765	-	12,528,697

e) Fair value of financial assets and financial liabilities

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained through discounted cash flow models as appropriate.

i) Financial assets and liabilities

Management has determined that the carrying amounts of bank balances, other receivables, lease liabilities, trade and other payables, based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature. The fair value of non-current receivables is disclosed in Note 12 to the financial statements.

ii) Fair value hierarchy

The company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

a) Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;

b) Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

c) Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

During the financial year ended 31 March 2023, there was no transfer between instruments in Level 1, Level 2 and Level 3, or vice versa.

The company does not anticipate that the carrying amounts recorded at end of the reporting period would significantly be different from the values that would eventually be received or settled.

iii) Assets measured at fair value

Financial Assets	Assets 2023 S$	2022 S$	Fair Value Hierarchy	Valuation Technique and KeyImpact	Significant unobservableinput	Relationship of unobservable inputs to fair value
At fair value through other comprehensive income						
Other investments - Equity securities (unquoted)	16,406,825	2,643,181	Level 3	Income approach – discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees.	Discount for lack of marketability, determined by reference to the share price of listed entities in similar industries accordingly recognised at cost.	A significant increase in the discount for lack of marketability would result in a significant decrease in fair value.

5.3. Capital Risk Management Policies and Objectives

The company's objective when managing capital is to safeguard the company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

The company monitors capital using gearing ratio, which is net debt divided by total capital. Net debt is calculated as trade and other payables plus lease liabilities less bank balances. Total capital is calculated as equity and net debt. The company's overall strategy remains unchanged during the period.

	2023	2022
	S$	S$
Trade and other payables	**2,375,489**	1,186,123
Lease liabilities	**34,931,371**	10,742,555
Less: Bank balances	**(3,394,708)**	(6,627,809)
Net debt	**33,912,152**	5,300,869
Total equity	**452,083,756**	365,194,408
Total capital	**485,995,908**	370,495,277
Gearing ratio	**7%**	1.4%

The company is not subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023 (Continued)

6. HOLDING COMPANY

The company is wholly-owned subsidiary of TVS Motor Company Ltd, incorporated in India. The company's ultimate holding company is Sundaram Clayton Limited, incorporated in India. The registered office of the holding company is at No.12, Chaitanya Building, Khader Nawaz Khan Road, Chennai – 600 006, India.

Some of the company's transactions and arrangements are between members of the company and the effects of these on the basis determined between the parties are reflected in these financial statements.

7. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements.

(a) Significant related parties' transactions:

	2023	2022
	S$	S$
Service income	**9,968,542**	7,965,433
Gain on transfer of business	**-**	1,152,393
Interest income	**801,586**	143,306
Rental expense	**-**	(60,000)
Recovery of professional and consultancy fee	**(296,555)**	(1,791,109)

(b) Key management personnel compensation:

	2023	2022
	S$	S$
Salaries, bonus and allowances	-	412,410
Employer's contribution to Central Provident Fund	-	7,800

8. PLANT AND EQUIPMENT

	Office equipment	Office artwork	Vehicle	Total
	S$	S$	S$	S$
Cost				
At 01.04.2021	25,239	120,060	20,242,025	20,387,324
Additions	-	-	777,939	777,939
At 31.03.2022	**25,239**	**120,060**	**21,019,964**	**21,165,263**
Additions	-	-	29,646,698	29,646,698
At 31.03.2023	25,239	120,060	50,666,662	50,811,961
Accumulated depreciation				
At 01.04.2021	22,506	-	5,813,334	5,835,840
Charged for the year	1,367	-	2,989,449	2,990,816
At 31.03.2022	23,873	-	8,802,783	8,826,656
Charged for the year	1,366	-	3,702,899	3,704,265
At 31.03.2023	**25,239**	**-**	**12,505,682**	**12,530,921**
Carrying amount				
At 31.03.2022	1,366	120,060	12,217,181	12,338,607
At 31.03.2023	**-**	**120,060**	**38,160,980**	**38,281,040**

The company leases aircrafts for business use. The leases have a total tenure of 84 months and the remaining lease term as at 31 March 2023 is 48 to 83 months (2022: 48 months).

Management has reviewed for the impairment of its plant and equipment at the end of each reporting period. No allowance for impairment is required as the carrying amount of the plant and equipment is expected to be less than its recoverable value, which is the higher of the fair value less cost to sell and its value-in use.

9. INVESTMENT IN SUBSIDIARIES

	2023	2022
	S$	S$
Unquoted equity shares at cost:		
At beginning of the year	**244,523,947**	65,094,437
Additions	**29,504,125**	179,429,510
At end of the year	**274,028,072**	244,523,947

Details of the subsidiary are as follows:

Name of subsidiary / Country of incorporation	Principal activity	Proportion of ownership Interest	
		2023	2022
The Norton Motorcycle Co. Limited United Kingdom	Manufacturing and selling of Norton Brand motorcycles and trading of vehicle spares & accessories	**100%**	100%
TVS Digital Pte. Ltd. Singapore	Engaged in providing high quality digital solutions that help in the automotive financial services and manufacturing industries with IOT, AI & ML based solutions	**100%**	100%
The GO AG Switzerland	Providing smart connected mobility solutions through a pipeline of e-bikes, e-cargo bikes, and e-scooters combining innovative designs through the network of its stores across Switzerland and Germany	**81.9%**	80%
Swiss E-Mobility Group (Holding) AG Switzerland	A fully integrated e-bike platform with its core business consisting of purchase and re-sale of own branded e-bikes, third party branded e-bikes and spare parts through retail and online stores in Switzerland and Germany	**75%**	75%
EBCO Limited England	Producing and distributing electric bikes designed for the rapidly expanding British e-bike market	**70%**	-
Celerity Motor GmbH Germany	Undertake activities related to two-wheeler & three-wheeler vehicles, including research, development, engineering, sales and service thereof	**100%**	-

During the financial year,

1) The company subscribed to and was allotted 14,000,000 ordinary shares in The Norton Motorcycle Co. Limited for a total consideration of GBP 14,000,000 (equivalent to S$23,011,497).

2) The company subscribed to and was allotted 1,639,344 ordinary shares in The GO AG for a total consideration of CHF 3,000,000 (equivalent to S$4,405,800) by way of converting from the loan to The GO AG.

3) The company subscribed to and was allotted 70 ordinary shares in EBCO Limited for a total consideration of GBP 1,163,070 (equivalent to S$2,050,609).

4) the company subscribed to and was allotted 25,000 ordinary shares in Celerity Motor GmbH for a total consideration of Euro 25,000 (equivalent to S$36,219).

One set consolidated financial statements of the company and its subsidiary are not prepared as the company itself is a wholly owned subsidiary of another corporation. The holding company, TVS Motor Company Ltd prepares consolidated financial statements which are available for public use.

At the end of the reporting period, the company carried out a review on the recoverable amount of its investment in subsidiary. The recoverable amount of the relevant investment in subsidiary has been determined on the basis of its net assets value at the end of the reporting period as in the opinion of the management of the company, the net assets values of the subsidiary reasonably approximate the fair values less costs to sell.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023 (Continued)

10. INVESTMENTS IN ASSOCIATES

	2023	2022
	S$	S$
Unquoted equity shares at cost:		
At beginning of the year	**76,064,643**	100,123,559
Disposal	**-**	(24,058,916)
At end of the year	**76,064,643**	76,064,643

Details of the associates are as follows:

Name of associate/ Country of incorporation	Principal activity	Proportion of ownership Interest	
		2023	2022
PT. TVS Motor Company Indonesia	Manufacturers of motorcycles, motorcycles spare parts and accessories	**31.7%**	31.7%

The company did not perform equity accounting of the results of the associate as the holding company, TVS Motor Company Ltd will be preparing the consolidated financial statements, which are available for public use at their registered office at No.12, Chaitanya Building, Khader Nawaz Khan Road, Chennai – 600 006, India.

11. OTHER INVESTMENTS

	2023	2022
	S$	S$
Equity instruments		
At fair value through other comprehensive income:		
Unquoted equity investments	**16,406,825**	2,643,181

The above investments offer the company the opportunity for return through dividend income and fair value gains.

Equities investment are categorised as at fair value through other comprehensive income. The company has elected to measure these equity securities at FVTOCI due to the company's intention to hold these equity instruments for long-term appreciation.

Details of the other investments are as follows:

Name of company	Country of incorporation	Proportion of ownership Interest	
		2023	2022
Mottu Holdings Ltd	United States of America	**0.63%**	0.63%
ARC Ride Limited	England	**3%**	-
Ion Mobility Pte. Ltd.	Singapore	**19.6%**	-

Other investments are denominated in United States dollar.

12. OTHER RECEIVABLES

	2023	2022
	S$	S$
Non-current		
Long-term deposit	**8,673,676**	4,742,124
Current		
Amount due from subsidiaries (Note 9)	**6,243,424**	2,202,129
Amount due from a related party	**981,683**	1,345,838
Convertible notes receivable	**666,500**	-
Interest receivables from subsidiaries (Note 9)	**802,397**	143,306
Interest receivables from third party	**4,217**	-
Other receivables – third parties	**57,259**	2,517,065
Refundable deposits	**2,456,180**	386,653
Share application money paid	**9,653,921**	3,832,241
	20,865,581	10,427,232
Total other receivables	**29,539,257**	15,169,356

Long-term deposits of US$7,900,000 (2022: US$3,950,000) were paid to the lessor as good faith deposit and are refundable. It has been discounted to its present value using a discount rate of 3% to 4.4% (2022: 3%) per annum.

Amount due from subsidiaries and a related party are unsecured, interest free and repayable on demand.

Other receivables are denominated in the following currencies:

	2023	2022
	S$	S$
British pound	136,317	2,472,212
Euro	5,420,883	-
Singapore dollar	1,808,887	3,551,220
Swiss franc	722,034	188,159
United States dollar	21,451,136	8,957,765
	29,539,257	15,169,35

13. LOANS RECEIVABLES

	2023	2022
	S$	S$
Non-current		
Loans to subsidiaries (Note 9)	**34,479,976**	-
Current		
Loans to subsidiaries (Note 9)	**13,636,589**	19,474,850
Loan to related party (Note 6)	**108,548**	-
Loans to third party	**2,654,000**	-
	16,399,137	19,474,850
Total loans receivables	**50,879,113**	19,474,850

Loans receivables are interest bearing at 3.25% to 4% (2022: 3.25%) per annum, unsecured and tenure ranging from 3 to 24 months (2022: repayable within 12 months from the reporting period).

Loans receivables are denominated in following currencies:

	2023	2022
	S$	S$
British pound	**2,380,489**	-
Euro	**108,548**	-
Swiss franc	**45,736,076**	19,474,850
United States dollar	**2,654,000**	-
	50,879,113	19,474,850

14. PREPAYMENTS

	2023	2022
	S$	S$
Prepayments	**796,959**	280,693

15. BANK BALANCES

	2023	2022
	S$	S$
Cash at bank	**3,394,708**	6,627,809
Bank balances are denominated in the following currencies:		
Singapore dollar	**8,389**	1,649,113
United States dollar	**3,386,319**	4,978,696
	3,394,708	6,627,809

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023 (Continued)

16. SHARE CAPITAL

	2023	2022	2023	2022
	Number of ordinary shares		S$	S$
Issued and paid up:				
At beginning of the year	**396,903,850**	200,829,458	**396,903,850**	200,829,458
Issued during the year	**23,251,960**	196,074,392	**23,251,960**	196,074,392
At the end of the year	**420,155,810**	396,903,850	**420,155,810**	396,903,850

The company issued 23,251,960 (2022: 196,074,392) ordinary shares in the capital of the company for a consideration of S$23,251,960 (2021: S$196,074,392).

The newly issued shares rank pari passu in all respect with the existing ordinary shares of the company.

The ordinary shares with no par value, carry one vote per share and carry a right to dividends as and when declared by the company.

17. SHARE APPLICATION MONEY

The share application money is advance receipt for application for shares in the company.

18. LEASE LIABILITY

	2023	2022
	S$	S$
Maturity analysis:		
Within one year	**8,264,555**	3,426,809
Within two to five years	**22,988,373**	7,915,765
After five years	**8,286,062**	-
	39,538,990	11,342,574
Less: future finance charges	**(4,607,619)**	(600,019)
	34,931,371	10,742,555
Analysed as:		
Current	**6,950,759**	3,147,576
Non-current	**27,980,612**	7,594,979
	34,931,371	10,742,555

The company leases vehicles for its business use (Note 8). The effective borrowing rate is 3% to 4% (2022: 3%) per annum.

Lease liability is denominated in United States dollar.

19. TRADE AND OTHER PAYABLES

	2023	2022
	S$	S$
Trade payable – third party	**1,201,655**	280,383
Other payables – third parties	**-**	-
Amounts due to subsidiaries (Note 9)	**1,053,678**	18,234
Accrued expenses	**120,156**	887,506
	2,375,489	1,186,123

TTrade payables are unsecured, non-interest bearing and they are normally settled on 30 days' (2022: 30 days') term.

Amounts due to subsidiaries are unsecured, interest free and repayable on demand. Trade and other payables are denominated in the following currencies:

	2023	2022
	S$	S$
British pound	**891,409**	500,875
Euro	**205,526**	86,650
Singapore dollar	**45,316**	29,300
United States dollar	**1,233,238**	569,298
	2,375,489	1,186,123

20. REVENUE

	2023	2022
	S$	S$
Passenger service income	**9,968,542**	7,965,433
Timing of transfer of good or service		
Over time	**9,968,542**	7,965,433

21. COST OF SERVICES

	2023	2022
	S$	S$
Aircraft operation and maintenance charges	**6,273,648**	4,452,970
Depreciation of plant and equipment	**3,529,014**	2,950,552
Interest on lease liability	**488,352**	371,899
Withholding tax	**80,302**	65,879
	10,371,316	7,841,300

22. OTHER INCOME

	2023	2022
	S$	S$
Gain on transfer of business	**-**	1,152,393
Interest income	**174,552**	139,513
Interest income on loan	**805,803**	143,306
Jobs Support Scheme	**-**	7,823
Jobs Growth Incentive	**-**	118,568
Wage Credit Scheme	**-**	652
Others	**1,348**	19,890
	981,703	1,582,145

In 2022, the company received wage support for local employees under the Jobs Support Scheme ("JSS") and under the Jobs Growth Incentive ("JGI") from the Singapore Government as part of the Government's measures to support businesses during the period of economic uncertainty impacted by COVID-19.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023 (Continued)

23. INCOME TAX

The income tax benefit varied from the amount of income tax determined by applying the Singapore income tax rate of 17% (2021: 17%) to loss before income tax as a result of the following differences:

	2023	2022
	S$	S$
Loss before income tax	**(4,107,748)**	(9,931,429)
Income tax benefit at statutory rate of 17% (2021: 17%)	**(698,317)**	(1,688,343)
Income tax effect of:		
- non-taxable items	**90,245**	(228,841)
- tax losses carried forward	**608,072**	1,917,184
	-	-

24. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2023	2022
	S$	S$
Aircraft operation and maintenance charges	**6,273,648**	4,452,970
Depreciation of plant and equipment	**3,704,265**	2,990,816
Donations	**181,900**	400,000
Foreign currency exchange loss	**415,712**	2,210,997
Insurance	**2,437**	474,169
Office rental	**-**	60,000
Professional and consultancy fees	**3,292,732**	7,119,609
Software development expense	**-**	99,783
Short-term employee's benefits	**-**	1,013,955
Cost of defined benefits plans included in employee benefits expenses	**-**	58,719

25. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the company's liabilities arising from financing activities, including both cash and non-cash changes.

Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities.

	2023	2022
Lease liability (Note 18)	S$	S$
At beginning of the year	**10,742,555**	13,734,017
Addition during the year	**27,893,440**	-
Financing cash flows:		
- Principal portion of lease liabilities	**(3,495,076)**	(3,044,284)
- Interest portion of lease liabilities	**(488,352)**	(371,899)
Non-cash transactions:		
- Foreign currency exchange (gain)/ loss	**(209,548)**	52,822
- Interest expense	**488,352**	371,899
At the end of year	**34,931,371**	10,742,555

26. EVENTS AFTER THE REPORTING PERIOD

No items, transactions or events of material and unusual nature have arisen between the end of the reporting period and the date of authorisation for issue of the financial statements which are likely to affect substantially the results of operations of the company for the succeeding reporting period except as follows:

Subsequent to the reporting period, the company allotted and issued 55,919,800 ordinary shares at a cash consideration of S$55,919,800 to the existing shareholder. The newly issued shares rank pari passu in all respects with the existing ordinary shares of the company.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023 (Continued)

DETAILED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31ST MARCH 2023

	2023	2022
	S$	S$
Revenue		
Service income	9,968,542	7,965,433
Cost of services		
Aircraft operation and maintenance charges	6,273,648	4,452,970
Depreciation	3,529,014	2,950,552
Interest on lease liabilities	488,352	371,899
Withholding tax	80,302	65,879
	10,371,316	7,841,300
Gross (loss)/ profit	(402,774)	124,133
Other income		
Gain on transfer of business	-	1,152,393
Interest income	174,552	139,513
Interest income on loan	805,803	143,306
Jobs Support Scheme	-	7,823
Jobs Growth Incentive	-	118,568
Wage Credit Scheme	-	652
Others	1,348	19,890
	981,703	1,582,145
Total income	578,929	1,706,278
Less: expenses		
- Schedule ‘A’	(4,686,677)	(11,637,707)
Loss before income tax	(4,107,748)	(9,931,429)

This schedule does not form part of the statutory audited financial statements.

Schedule ‘A’

EXPENSES
FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	S$	S$
Administrative expenses		
Auditors’ remuneration	**30,000**	24,000
Bank charges	**29,357**	16,683
Book keeping fee	**9,600**	9,600
Cloud services cost	**-**	18,437
Commission for aircraft	**325,975**	-
CPF contribution	**-**	58,719
Donation	**181,900**	400,000
Escrow charges	**-**	7,375
Insurance expense	**2,437**	474,169
Legal and professional fee	**160,321**	99,648
Office expense	**343**	32,534
Office rental	**-**	60,000
Other interest	**-**	460
Printing and stationery	**100**	100
Professional and consultancy fee	**3,292,732**	7,119,609
Salary, bonus and allowance	**-**	953,236
Secretarial fee	**3,017**	1,509
Skill development levy	**-**	360
Software development expense	**-**	99,783
Sponsorship fee	**58,876**	-
Staff welfare	**-**	2,000
Subscription and membership fee	**856**	856
Vehicle expense	**-**	7,168
Other expense		
Depreciation	**175,251**	40,264
Fine and penalty	**200**	200
Foreign currency exchange loss	**415,712**	2,210,997
	4,686,677	11,637,707

This schedule does not form part of the statutory audited financial statements.

RE-STATED ACCOUNTS OF
TVS MOTOR (SINGAPORE) PTE. LIMITED

TVS MOTOR (SINGAPORE) PTE. LIMITED

BALANCE SHEET AS AT 31ST MARCH 2023

	Notes	SGD in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Property, plant and equipment	1	38.28	236.55
Non-current investments	2	367.17	1,880.04
Financial assets - others	3	23.32	140.21
		428.77	2,256.80
Current assets			
Financial assets			
Trade receivables	4	2.10	12.95
Cash and cash equivalents	5	3.39	20.98
Other Financial assets	6	51.67	319.38
Other current assets	7	3.32	20.45
		60.48	373.76
Total Assets		489.25	2,630.56
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	420.16	2,134.10
Other equity	9	(39.38)	(178.70)
		380.78	1,955.40
Share application money pending allotment		71.29	445.41
Liabilities			
Non-Current liabilities			
Financial liabilities			
Lease liability		27.98	172.90
		27.98	172.90
Current liabilities			
Financial liabilities			
(i) Lease liability		6.95	42.95
(ii) Trade payables	10		
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (ii) (a) above		1.48	9.17
Other current liabilities	11	0.77	4.73
		9.20	56.85
Total liabilities		37.18	229.75
Total equity and liabilities		489.25	2,630.56

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

		Notes	SGD in Mn.	Rupees in crores
I	Revenue from operations	14	9.55	55.95
II	Other income	15	0.98	5.75
III	Total Income (I +II)		10.53	61.70
IV	Expenses:			
	Employee benefits expense	16	-	-
	Finance costs	17	0.49	2.86
	Depreciation and amortisation expense	18	3.71	21.70
	Other expenses	19	10.44	61.19
			14.64	85.75
V	Profit before exceptional items (III - IV)		(4.11)	(24.05)
VI	Exceptional items		-	-
VII	Profit before tax (V+ VI)		(4.11)	(24.05)
VIII	Tax expense			
	i) Current tax		-	-
	ii) Deferred tax		-	-
IX	Profit for the year (VII - VIII)		(4.11)	(24.05)
X	Other Comprehensive Income			
	A. Items that will not be reclassified to profit or loss		-	-
	B. Items that will be reclassified to profit or loss			
	Foreign currency translation adjustments		-	12.04
			-	12.04
XI	Total Comprehensive Income (IX + X)		(4.11)	(12.01)
XII	Earnings per equity share (Face value of SGD 1/- each)			
	Basic & Diluted earnings per share (in SGD / in rupees)		(0.01)	(0.57)

Notes on Accounts

1 Property, Plant & Equipment

SGD in Mn.

Description	Office equipment	Furniture and fixtures	Vehicle	Right of use asset	Total
	1	2	3	4	5
Cost of assets					
Gross carrying value as at 01-04-2022	0.02	0.12	0.78	20.24	21.16
Additions	-		0.37	29.28	29.65
Sub-total	0.02	0.12	1.15	49.52	50.81
Sales / deletion	-	-	-		-
Total	0.02	0.12	1.15	49.52	50.81
Depreciation / Amortisation					
Upto 31-03-2022	0.02	-	0.04	8.76	8.82
For the year	-	-	0.18	3.53	3.71
Sub-total	0.02	-	0.22	12.29	12.53
Withdrawn on assets sold / deleted	-	-	-		-
Total	0.02	-	0.22	12.29	12.53
Carrying value					
As at 31-03-2023	-	0.12	0.93	37.23	38.28

Rupees in crores

Description	Office equipment	Vehicles	Furniture and fixtures	Right of use asset	Total
	1	2	3	4	5
Cost of assets					
Gross carrying value as at 01-04-2022	0.14	8.66	0.67	108.99	118.46
Additions		2.26	-	162.70	164.96
Foreign Currency translation reserve difference	0.02	(3.85)	0.07	-	(3.76)
Sub-total	0.16	7.07	0.74	271.69	279.66
Sales / deletion	-	-	-	-	-
Total	0.16	7.07	0.74	271.69	279.66
Depreciation / Amortisation					
Upto 31-03-2022	0.13	0.62	-	48.64	49.39
For the year	0.01	1.02	-	20.67	21.70
Foreign Currency translation reserve difference	0.02	(0.33)	-	(27.67)	(27.98)
Sub-total	0.16	1.31	-	41.64	43.11
Withdrawn on assets sold / deleted	-	-	-	-	-
Total	0.16	1.31	-	41.64	43.11
Carrying value					
As at 31-03-2023	-	5.76	0.74	230.05	236.55

Notes on accounts - *(continued)*

	As at 31-03-2023 SGD in Mn.	As at 31-03-2023 Rupees in crores
2 NON-CURRENT INVESTMENTS		
Investment in Equity instruments		
Investment in Subsidlary		
7,43,00,001 fully paidup equity shares of The Norton Motorycle Company Ltd, UK ((face value of GBP 1 each)	130.82	725.65
25,158,918 fully paidup equity shares of TVS Digital Pte Limited, Singapore (face value of SGD1 each)	25.16	138.78
1,07,60,202 fully paidup equity shares of GO AG, Switzerland (face value of CHF1 each)	28.67	156.47
1,14,658 fully paidup equity shares of Swiss E-Mobility Group (Holding) AG, Switzerland (face value of CHF 1 each)	87.30	488.60
70 fully paidup equity shares of EBCO Limited (face value of GBP)	2.05	11.64
25,000 fully paidup equity shares of Celerity (face value of Euro 1 each)	0.04	0.22
Investment in Associates		
53,24,187 fully paidup equity shares of PT.TVS Motor Company Indonesia (face value of IDR 97,400 each)	76.06	253.18
Others		
70,334 fully paidup Preference shares of Mottu Holdings Ltd, USA (face value of USD 0.001 each)	2.64	16.33
575 fully paidup equity shares of ARC Ride Limited UK (face value of GBP 0.01 each)	1.37	8.47
Debt instrument in Dat Bike, Singapore	0.67	4.12
31,44,198 fully paid Equity shares of Ion Mobility Pte Ltd, Singapore (face value of USD 3.02 each)	12.39	76.58
	367.17	1,880.04
3 FINANCIAL ASSETS - OTHERS (NON CURRENT)		
Share application money paid (pending allotment)	14.65	86.61
Trade deposits	8.67	53.60
	23.32	140.21

	As at 31-03-2023 SGD in Mn.	As at 31-03-2023 Rupees in crores
4 TRADE RECEIVABLES		
Unsecured, considered good	2.10	12.95
	2.10	12.95
5 CASH AND CASH EQUIVALENTS		
Balances with banks in current accounts	3.39	20.98
	3.39	20.98
6 FINANCIAL ASSETS - OTHERS (CURRENT)		
Interest accrued on Loan to subsidiaries	0.80	4.96
Interest on others	-	0.03
Loans & Advances to subsidiaries	50.87	314.39
	51.67	319.38
7 OTHER CURRENT ASSETS		
Prepaid expenses	0.80	4.92
Trade deposits	2.46	15.18
Others	0.06	0.35
	3.32	20.45
8 EQUITY SHARE CAPITAL		
Issued, subscribed and fully paid up:		
42,01,55,810 Ordinary shares of SGD 1 each	420.16	2,134.10
	420.16	2,134.10
9 OTHER EQUITY		
Retained earnings	(39.36)	(209.62)
Foreign currency translation reserve	-	30.92
	(39.36)	(178.70)
10 TRADE PAYABLES		
Dues to Micro and Small Enterprises**		
Dues to enterprises other than Micro and Small Enterprises	1.48	9.17
	1.48	9.17

** 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.

	As at 31-03-2023 SGD in Mn.	As at 31-03-2023 Rupees in crores
11 OTHER CURRENT LIABILITIES		
Other payables	0.77	4.73
	0.77	4.73

Notes on accounts - *(continued)*

		For the Year Ended 31-03-2023	
		SGD in Mn.	Rupees in crores
14	REVENUE FROM OPERATIONS		
	Sale of service	9.97	58.38
	Other operating revenue	(0.42)	(2.43)
		9.55	55.95
15	OTHER INCEOME		
	Interest Income	0.98	5.74
	Other non operating income	-	0.01
		0.98	5.75
16	EMPLOYEE BENEFITS EXPENSE		
	Salaries, wages and bonus	-	-
	Contribution to provident and other funds	-	-
	Staff welfare expenses	-	-
		-	-
17	FINANCE COST		
	Interest on lease liabilities	0.49	2.86
		0.49	2.86
18	DEPRECIATION		
	Depreciation on property plant and equipment	0.18	1.03
	Depreciation on right of use asset	3.53	20.67
		3.71	21.70
19	OTHER EXPENSES		
	(a) Rent	-	-
	(b) Insurance	-	0.01
	(c) Rates and taxes (excluding taxes on income)	0.08	0.47
	(d) Audit fees	0.03	0.18
	(e) Repair and maintenance	6.27	36.74
	(f) Miscellaneous expenses	4.06	23.79
		10.44	61.19

STRATEGIC REPORT FOR THE PERIOD ENDED 31 MARCH 2023

The directors present the strategic report for the year ended 31 March 2023.

Fair review of the business

Founded in 1896, Norton is Britain's iconic sports motorcycle brand, it is among the most popular motor cycles brands in the world and is one of the most emotive marques today. TVS Motor Company Limited, India acquired the Norton brand and certain assets in April 2020 and 'The Norton Motorcycle Co Limited' (Norton) was formed.

The Principal business of Norton is design, engineering, manufacturing, distributing and selling of high end premium two wheelers. Subsequent to the acquisition, the company has since established a modern, state of the art manufacturing, facility at Solar Park, Solihull, West Midlands. The facility accommodates customer reception, brand display, service workshop, manufacturing., design) R & D studios, test facilities and offices.

As of March 2023, the company has created tangible assets to the extent of £10.7 million and intangible. assets of £26.5 million: The facility at Solar Park also includes a customer experience centre which will give a unique experience to customers thereby enhancing the brand image of the products. 'Mile the production of motorbikes in the newly established factory has commenced, the -Company started delivering the new bikes to the Customers in the later part of the year, primarily driven by supply chain challenges. This is expected to nor in the fiscal year 23-24. The Company has also onboard few dealers in line with its distribution strategy.

The company has firmed up its business plan with a series of new products to be launched in corning years, catering to various segments of the premium motorcycle market.

As of March 2023, the parent company has infused share capital to the tune of £74 million which were used to fund the initial acquisition cost, creating the manufacturing facility & equipment and the operational expenses, The company has also, opened a loan facility of £25m with a bank and currently have an overdraft to the extent of an additional a million to meet its working capital needs. As of 3 March 2023, the company had an overdraft balance of £1 1 million.

Though the company has not taken over any liabilities or obligations as part of the acquisition. the company intends to deliver the motorcycles to customers who had paid deposits and placed orders with 'the erstwhile Norton company. Such deposits amounting to £3.2m was originally recognized as a liability in the financial statements and this value currently stands at £2.9 million following limited deliveries this year.

Summary of the financial results are as under:

Details	£m
Revenue	0.4
Loss before tax	(29.4)

Corporate Structure

The Norton Motorcycle Co. Limited is a wholly owned subsidiary of TVS Motor (Singapore) Pte Limited, TVS Motor (Singapore) Pte Limited is 100% held by TVS Motor Company Limited which is one of the largest two and three wheeler manufacturers in the world.

Principal Risks and uncertainties

The company has finalized its product plan for the medium term with a series of new products to be launched in the coming years to cater to different segments of the premium motorcycle market in different geographies. Introduction of these new products with superior features and cutting-edge technologies in a timely manner is key to success of the business. Realizing this need, the company has been focusing in recruiting and filling up key positions in design, engineering, quality, procurement, and other allied functions with requisite skills & knowledge. The company is also partnering with leading Engineering Service Providers in its product development process with a view to bring in efficiency and reduce the lead time. The company will also be leveraging its parent, TVS Motors India's engineering and development capabilities to ensure high quality products are launched in a timely manner.

Initially the company's products would be sold in UK market and in the next few years, the company plans to expand its market to US, European countries, and Asia. The success of the business also depends on economic conditions, and growth trajectory in these countries. Since the company's potential market spread across multiple countries & geographies, the economic and commercial risk of the business is well spread among these markets and this diversified market potential helps to mitigate this risk.

The company is committed to producing products with high quality standards, establishing a robust supply chain & a strong distribution network in its journey of relaunching this iconic brand to its rightful place at the global level. In this regard, TVS Motor India's strength and capabilities in various aspects of business will be leveraged to bring more efficiencies in quality, cost, quality and delivery.

Other mitigation strategies for the associated risks include:

Liquidity risk — Norton has a mix of short term and long term funds (debt and equity) required to take care of the financing requirements.

Currency risk — Norton has obtained non GBP funding & has taken a hedge to secure against the forex risk. Further, it procures materials from various suppliers located in various countries and USD, EUR are predominated currencies apart from GB sterling. Norton is in discussion with the bankers to consider forward covers to mitigate the exchange exposure against its purchases. This transaction would be closed in FY 23-24. As of now, Norton does not sell in any export markets.

Research and Development

The company continues to focus in its research and development activities in the form of a) understanding the technological development and how they can be used for the benefit of customers, b) developing a deep understanding of the customer preferences and needs c) bringing innovation in style and design and d) undertaking benchmarking exercises. The company will be fully leveraging TVS Motor India's engineering and R & D capabilities in the development of both internal combustion engine vehicles and electric vehicles. Apart from developing the required technology to meet the stringent emission and safely norms, the team of engineers will also be focusing in breakthrough technology initiatives for meeting the future mobility needs of the customers in accordance with the business plans of the company.

The company also collaborates with leading research and educational institutions in UK and in other countries in identifying the emerging trends in advanced technology development

Going Concern The company has embarked on a journey of reviving the glory of Norton brand by producing and selling superior products which are of high quality coupled with unique design and advanced technology. It has firmed up its product plans for the medium term and is in the process of mobilizing the required resources for executing the same. The shareholders are fully committed in making this project a success and has demonstrated their commitment by way of injecting equity capital to the extent of £74 million. They shall continue their support, as and when required. The funding plans have been validated and the new banks have been onboarded. The Directors are optimistic, that with the commercial momentum kicking in with the launch of new vehicles & the dealer onboarding, the Company will continue to operate in the foreseeable future and hence adopts the "going concern" basis.

Key performance indicators

However, during the last financial year, periodic reviews and board meetings were conducted to review the progress of a) production and supply chain readiness b) financial position of the Company c) status of recruitment d) Engineering and quality plans, e) overall distribution strategy.

Since the commercial sales of vehicles have started toward the end of the financial year, review of KPI's would include Order backlog, dealer performance, gross margin, stock levels, other working capital and other funding requirements.

On behalf of the Board
S M MISHRA
Director
27th April 2023

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

Principal activities

The Principal business of The Norton Motorcycle Co. Limited (Norton) is design, engineering, manufacturing, distributing and selling of high end premium two wheelers.

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Venu Srinivasan

Prof. Sir Ralf Dieter Speth

Sudarshan Venu

K.N.Radha Krishnan

Sharad Mohan Mishra

Peter Houghton

Auditor

In accordance with the company's articles, a resolution proposing that Spencer Gardner Dickins Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of financial risk management objectives, review of performance, research and development activites and future developments.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the Board
S M MISHRA
Director
27th April 2023

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 31 MARCH 2023

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	£	£
Loss for the year	(29,359,697)	(14,708,970)
Other comprehensive income		
Cash flow hedges loss arising in the year	(208,772)	-
Total comprehensive income for the year	(29,568,469)	(14,708,970)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023	2022
		£	£
Turnover	3	370,353	39,420
Cost of sales		(1,340,368)	(22,689)
Gross (loss)/profit		(970,015)	16,731
Administrative expenses		(28,718,893)	(14,903,648)
Other operating income		-	65,303
Loss before taxation		(29,688,908)	(14,821,614)
Tax on loss	8	329,211	112,644
Loss for the financial year		**(29,359,697)**	**(14,708,970)**

The profit and loss account has been prepared on the basis that all operations are continuing operations.

BALANCE SHEET AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Intangible assets	**9**		26,453,244		23,143,380
Tangible assets	**10**		10,668,129		10,351,215
		37,121,373		33,494,595	
Current assets					
Stocks	**12**	9,141,491		4,796,717	
Debtors	**13**	5,292,401		2,169,659	
Cash at bank and in hand		126		1,051,231	
		14,434,018		8,017,607	
Creditors: amounts falling due within one year	**14**	(12,431,451)		(6,220,160)	
Net current assets			2,002,567		1,797,447
Total assets less current liabilities			39,123,940		35,292,042
Creditors: amounts falling due after more than one year	**15**		(19,400,367)		-
Net assets			19,723,573		35,292,042
Capital and reserves					
Called up share capital	**18**		74,300,001		60,300,001
Hedging reserve	**19**		(208,772)		-
Profit and loss reserves	**19**		(54,367,656)		(25,007,959)
Total equity			19,723,573		35,292,042

The financial statements were approved by the board of directors and authorised for issue on 27th April 2023 and are signed on its behalf by:

S M Mishra
Director
Company Registration No. 12545195

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital	Hedging reserve	Profit and loss reserves	Total
		£	£	£	£
Balance at 1 April 2021		36,800,001	-	(10,298,989)	26,501,012
Year ended 31 March 2022:					
Loss and total comprehensive income for the year		-	-	(14,708,970)	(14,708,970)
Issue of share capital	18	23,500,000	-	-	23,500,000
Balance at 31 March 2022		60,300,001	-	(25,007,959)	35,292,042
Year ended 31 March 2023:					
Loss for the year		-	-	(29,359,697)	(29,359,697)
Other comprehensive income:					
Cash flow hedges gains		-	(208,772)	-	(208,772)
Total comprehensive income for the year		-	(208,772)	(29,359,697)	(29,568,469)
Issue of share capital	18	14,000,000	-	-	14,000,000
Balance at 31 March 2023		74,300,001	(208,772)	(54,367,656)	19,723,573

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

1 Accounting policies

Company information

The Norton Motorcycle Co. Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Bartholomew Lane, London, EC2N 2AX.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of intangible assets and certain tangible fixed assets at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

At the reporting date, the company was 100% owned by TVS Motor (Singapore) Pte Ltd, a company incorporated in Singapore. The ultimate parent company was TVS Motor Company Limited, a company incorporated in India. This company is the parent of the smallest group for which consolidated accounts are drawn up of which the company is a member. The registered office is "Chaitanya" No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai 600 006, Tamil Nadu, India.

1.2 Going concern

The Company has made significant losses in the financial year as it has incurred expenses on setting up of the business and mobilizing the resources prior to the production commencing. The directors have prepared a cashflow forecast and undertaken a review of the future financing requirements on the basis of both the expected future investment required into the next financial year as well as for ongoing operations of the Company. The directors are satisfied that sufficient cash facilities have been secured from its bankers and from the parent company to meet its working capital for at least 12 months following the date of signing these financial statements. In particular, the Company has already taken out a term loan (with a moratorium) to help fund its resource requirement during this financial year and a further loan facility has also been sanctioned, which is yet to be availed.

Further, the parent company has confirmed its continuing support for the company and its intention to continue supporting the company with working capital as and when required. The directors are therefore confident, and the company has adequate resources and working capital to continue in operational excellence for the foreseeable future to meet its ongoing liabilities.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

License fee income is recognised at fair value in the period to which it relates.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated and is amortised over the life of the product to which it relates once the product is placed in the market

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost or valuation and are subsequently measured at cost or valuation less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Intangible assets comprise acquired brand names, intellectual property and goodwill and are carried at valuation less amortisation.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patents and licences	8 years straight line
Development costs	5 - 8 years straight line
Brand names and trademarks	8 years straight line

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	8 years straight line
Plant and equipment	3 and 10 years straight line
Fixtures and fittings	3 years straight line
Cormputers	3 years straight line
Motor vehicles	6 - 8 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Hedge accounting

The company designates certain hedging instruments, including derivatives, embedded derivatives and non-derivatives, as either fair value hedges or cash flow hedges. At the inception of the hedge relationship, the company documents the relationship between the hedging instrument and the hedged item along with risk management objectives and strategy for undertaking various hedge transactions. At the inception of the hedge and on an ongoing basis, the company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

For derivatives that are designated and qualify as cash flow hedges, the effective portion of changes in the fair value of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Any gain or loss previously recognised in other comprehensive income is reclassified to profit or loss when the hedge relationship ends. This occurs when the hedging instrument expires or no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised, or the hedging instrument is terminated.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023 (Continued)

2. judgements and key source of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements, estimates and assumptions which have had the most significant effect on amounts recognised in the financial statements and which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Stock obsolescence provisions

At each balance sheet date the directors assess stock for obsolescence. Due to the size and nature of stock this is a key accounting estimate.

The provision is calculated based on an estimate of the remaining life of stock held at the balance sheet date.

Tangible and intangible fixed assets

Judgements are required on estimating the useful economic lives of tangible and intangible fixed assets. Where an indication of impairment is identified the estimation of recoverable value requires estimation.

Deferred tax

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

Capitalisation of development costs

Management judgement has been required in estimating the proportion of time spent by staff in the development of products in order that those costs are capitalised as intangible fixed assets.

3. Turnover and other revenue

	2023	2022
	£	£
Turnover analysed by class of business		
Motorcycle sales	314,872	14,520
Parts and servicing	32,919	12,833
Royalty income	22,388	10,632
Other income	174	1,435
	370,353	39,420

	2023	2022
	£	£
Other revenue		
Grants received	-	65,303

4 Operating loss

	2023	2022
Operating loss for the year is stated after charging/(crediting):	£	£
Exchange losses/(gains)	369,905	(41,548)
Research and development costs	1,069,095	-
Government grants	-	(65,303)
Depreciation of owned tangible fixed assets	1,976,957	879,039
Loss on disposal of tangible fixed assets	12,517	1,007
Amortisation of intangible assets	3,816,396	3,008,230
Operating lease charges	674,699	523,356

5 Auditor's remuneration

	2023	2022
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	17,435	17,000
For other services		
Taxation compliance services	1.100	1,000
All other non-audit services	5,630	3,180
	6,730	4,180

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023	2022
	Number	Number
Administration	57	30
Production	144	118
Total	201	148

Their aggregate remuneration comprised:	2023	2022
	£	£
Wages and salaries	11,406,946	4,736,453
Social security costs	1,154,674	487,781
Pension costs	728,106	330,711
	13,289,726	5,554,945

£1,024,875 of wages and salary costs, £107,022 of social security costs and £72,560 of pension costs have been capitalised as development costs and are not included in the figures noted above.

7 Directors' remuneration

	2023	2022
	£	£
Remuneration for qualifying services	18,000	18,000

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0.

8 Taxation

	2023	2022
	£	£
Current tax		
Adjustments in respect of prior periods	(329,211)	(112,644)

The actual (credit)/charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2023	2022
	£	£
Loss before taxation	(29,688,908)	(14,821,614)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	(5,640,893)	(2,816,107)
Tax effect of expenses that are not deductible in determining taxable profit	123,188	(157,767)
Unutilised tax losses carried forward	5,588,010	2,973,874
Research and development tax credit in respect of prior period	(329,211)	(112,644)
Capital allowances super deduction	(70,305)	-
Taxation credit for the year	(329,211)	(112,644)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023 (Continued)

9 Intangible fixed assets

	Patents and licences	Development costs	Brand names and trademarks	Total
	£	£	£	£
Cost				
At 1 April 2022	429,000	4,316,677	23,894,836	28,640,513
Additions	-	7,004,816	121,444	7,126,260
At 31 March 2023	429,000	11,321,493	24,016,280	35,766,773
Amortisation and impairment				
At 1 April 2022	80,438	-	5,416,695	5,497,133
Amortisation charged for the year	53,625	760,986	3,001,785	3,816,396
At 31 March 2023 134,063 760,986 8,418,480 9,313,529				
Carrying amount				
At 31 March 2023	294,937	10,560,507	15,597,800	26,453,244
At 31 March 2022	348,562	4,316,677	18,478,141	23,143,380

10 Tangible fixed assets

	Leasehold improvements	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 April 2022	4,871,914	2,444,298	1,960,006	620,130	1,454,621	11,350,969
Additions	36,593	1,536,085	144,782	299,216	394,914	2,411,590
Disposals	-	(20,859)	(12,196)	-	(118,700)	(151,755)
At 31 March 2023	4,908,507	3,959,524	2,092,592	919,346	1,730,835	13,610,804
Depreciation and impairment						
At 1 April 2022	197,539	188,158	297,753	132,259	184,045	999,754
Depreciation charged in the year	610,877	208,463	683,347	234,876	239,394	1,976,957
Eliminated in respect of disposals	(1,518)	(3,507)	(29,011)	(34,036)		
At 31 March 2023	808,416	395,103	977,593	367,135	394,428	2,942,675
Carrying amount						
At 31 March 2023	4,100,091	3,564,421	1,114,999	552,211	1,336,407	10,668,129
At 31 March 2022	4,674,375	2,256,140	1,662,253	487,871	1,270,576	10,351,215

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023 (Continued)

11 Financial instruments

	2023	2022
	£	£
Carrying amount of financial liabilities		
Measured at fair value through profit or loss		
- Other financial liabilities	583,941	-

12 Stocks

	2023	2022
	£	£
Raw materials and consumables	7,858,190	3,920,202
Work in progress	577,128	770,692
Finished goods and goods for resale	706,173	105,823
	9,141,491	4,796,717

13 Debtors

	2023	2022
Amounts falling due within one year:	£	£
Trade debtors	3,008,007	378,851
Corporation tax recoverable	-	112,644
Other debtors	1,461,852	562,755
Prepayments and accrued income	822,542	1,115,409
	5,292,401	2,169,659

14 Creditors: amounts falling due within one year

		2023	2022
	Notes	£	£
Bank loans and overdrafts	16	1,054,781	-
Trade creditors		2,658,016	973,339
Amounts owed to group undertakings		996,379	1,224,122
Taxation and social security		487,898	241,855
Derivative financial instruments		583,941	-
Other creditors		2,796,389	3,253,373
Accruals and deferred income		3,854,047	527,471
		12,431,451	6,220,160

15 Creditors: amounts falling due after more than one year

		2023	2022
	Notes	£	£
Bank loans and overdrafts	16	19,400,367	-

16 Loans and overdrafts

	2023	2022
	£	£
Bank loans	19,400,367	-
Bank overdrafts	1,054,781	-
	20,455,148	-
Payable within one year	1,054,781	-
Payable after one year	19,400,367	-

The bank loan is to be secured by a charge over the company's plant & machinery. At 31 March 2023 the company is in the process of creating this charge against the security.

The bank loan bears interest of 2.60% per annum over SOFR and is repayable by December 2027.

17 Retirement benefit schemes

	2023	2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	728,106	330,711

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

18 Share capital

	2023	2022	2023	2022
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	74,300,001	60,300,001	74,300,001	60,300,001

The company has one class of ordinary shares which have full rights to voting, dividends and capital distribution. They do not confer any rights of redemption.

At various points during the year a total of 14,000,000 ordinary shares of £1 each were issued for cash at par.

19 Reserves

Hedging reserve

The hedging reserve represents accumulated gains or losses on hedging transactions.

Profit and loss reserves

Profit and loss reserves represent the retained profits of the company since its inception.

20 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023	2022
	£	£
Within one year	595,733	529,685
Between two and five years	881,516	290,349
In over five years	7,384	8,912
	1,484,633	828,946

21 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2023	2022
	£	£
Acquisition of tangible fixed assets	487,467	-

22 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is disclosed in note 7.

Other information

The company has taken advantage of the exemption under the terms of FRS102 not to disclose related party transactions with wholly owned companies within the group.

23 Cash flow hedges

During the year the company took out a loan facility of $30m of which $24m was drawn down at the year end. To mitigate against currency fluctuations the company also entered into a currency swap agreement. The hedging instrument used was a forward currency contract which had a fair value of £20.139m at the year end.

Cashflows from this hedging transaction are expected to occur from December 2024.

The amount of change in fair value of the hedging instrument recognised in other comprehensive income during the year was a loss of £209k. The amount of hedge ineffectiveness recognised in the profit and loss for the year was a loss of £258k.

RE-STATED ACCOUNTS OF
THE NORTON MOTORCYCLE CO. LIMITED
(FORMERLY PROJECT 303 BIDCO LIMITED)

BALANCE SHEET AS AT 31ST MARCH 2023

	Notes	GBP in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Property, plant and equipment	1	12.25	124.52
Other Intangible assets	1	25.71	261.38
Intangible assets under development	1	7.00	71.15
		44.96	457.05
Current assets			
Inventories	2	9.14	92.93
Financial assets			
Trade receivables	3	0.04	0.44
Other current assets	4	5.25	53.36
		14.43	146.73
Total Assets		59.39	603.78
EQUITY AND LIABILITIES			
Equity			
Equity share capital	5	74.30	725.65
Other equity	6	(48.40)	(462.36)
		25.90	263.29
Liabilities			
Non-Current liabilities			
Financial liabilities			
Borrowings		19.40	197.20
Lease liability		1.16	11.83
		20.56	209.03
Current liabilities			
Financial liabilities			
(i) Borrowings		1.05	10.72
(ii) Lease liability		0.50	5.09
(iii) Trade payables	7		
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (ii) (a) above		3.66	37.15
(iv) Other financial liabilities		0.58	5.94
Other current liabilities	8	7.14	72.56
		12.93	131.46
Total liabilities		33.49	340.49
Total equity and liabilities		59.39	603.78

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

		Notes	GBP in Mn.	Rupees in crores
I	Revenue from operations	9	0.37	3.59
II	Other income	10	0.00	-
III	Total Income (I +II)		0.37	3.59
IV	Expenses:			
	Cost of material consumed		1.79	17.32
	Changes in inventories of finished goods, Stock-in -trade and work-in-progress		(0.45)	(4.34)
	Employee benefits expense	11	13.29	128.70
	Finance costs	12	0.77	7.47
	Depreciation and amortisation expense	13	5.50	53.27
	Other expenses	14	8.43	81.64
			29.33	284.06
V	Profit before exceptional items (III - IV)		(28.96)	(280.47)
VI	Exceptional items		-	-
VII	Profit before tax (V+ VI)		(28.96)	(280.47)
VIII	Tax expense			
	i) Current tax		(0.33)	(3.19)
	ii) Deferred tax		-	-
IX	Profit for the year (VII - VIII)		(28.63)	(277.28)
X	Other Comprehensive Income			
	A. Items that will not be reclassified to profit or loss		-	-
	B. Items that will be reclassified to profit or loss		(0.21)	(2.02)
	Foreign currency translation adjustments		-	1.12
			(0.21)	(0.90)
XI	Total Comprehensive Income (IX + X)		(28.84)	(278.18)
XII	Earnings per equity share (Face value of GBP 1/- each)			
	Basic & Diluted earnings per share (in GBP/ in rupees)		(0.39)	(3.73)

Notes on Accounts

1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

1000000

GBP in Mn.

Description	Property, Plant & Equipment							Other Intangible		
	Building	Plant & equipments	Furniture and fixtures	Office equipments	Vehicles	Right of use	Total	Trade Mark	Design Development	Total
Cost of assets										
Gross carrying value as at 01-04-2022	4.87	2.45	1.96	0.62	1.45	2.12	13.47	23.89	-	23.89
Additions	0.04	1.54	0.14	0.30	0.39	0.37	2.78	0.12	4.75	4.87
Sub-total	4.91	3.99	2.10	0.92	1.84	2.49	16.25	24.01	4.75	28.76
Sales / deletion	-	0.02	0.01	-	0.11	-	0.14	-		-
Total	4.91	3.97	2.09	0.92	1.73	2.49	16.10	24.01	4.75	28.76
Depreciation / Amortisation										
Upto 31-03-2022	0.19	0.19	0.30	0.13	0.19	0.44	1.44	-	-	-
For the year	0.61	0.21	0.68	0.23	0.24	0.47	2.45	2.25	0.80	3.05
Sub-total	0.80	0.40	0.98	0.36	0.43	0.91	3.89	2.25	0.80	2.25
Withdrawn on assets sold / deleted	-	0.00	0.00	-	0.03	-	0.03	-	-	-
Total	0.80	0.40	0.98	0.36	0.40	0.91	3.86	2.25	0.80	2.25
Carrying value										
As at 31-03-2023	4.11	3.57	1.11	0.55	1.33	1.58	12.25	21.76	3.95	25.71

Rupees in crores

Description	Property, Plant & Equipment							Other Intangible		
	Building	Plant & equipments	Furniture and fixtures	Office equipments	Vehicles	Right of use	Total	Trade Mark	Design Development	Total
Cost of assets										
Gross carrying value as at 01-04-2022	48.45	24.31	19.49	6.17	14.47	21.68	134.57	237.65	-	237.65
Additions	0.37	15.61	1.47	3.04	4.01	-	24.50	1.23	48.29	49.52
Foreign Currency translation reserve difference	1.07	0.54	0.43	0.13	0.32	-	2.49	5.24	-	5.24
Sub-total	49.89	40.46	21.39	9.34	18.80	21.68	161.56	244.12	48.29	292.41
Sales / deletion	-	0.21	0.12	-	1.21	-	1.54	-	-	-
Total	49.89	40.25	21.27	9.34	17.59	21.68	160.02	244.12	48.29	292.41
Depreciation / Amortisation										
Upto 31-03-2022	1.96	1.87	2.96	1.32	1.83	4.94	14.88	-	-	-
For the year	5.92	2.02	6.62	2.27	2.32	4.56	23.71	21.81	7.76	29.56
Foreign Currency translation reserve difference	0.34	0.14	0.38	0.13	0.14	(3.90)	(2.76)	1.08	0.38	1.47
Sub-total	8.22	4.03	9.96	3.72	4.29	5.60	35.83	22.89	8.14	31.03
Withdrawn on assets sold / deleted	-	0.01	0.03	-	0.28	-	0.33	-	-	-
Total	8.22	4.02	9.93	3.72	4.01	5.60	35.50	22.89	8.14	31.03
Carrying value										
As at 31-03-2023	41.67	36.23	11.34	5.62	13.58	16.08	124.52	221.23	40.15	261.38

Notes on accounts - *(continued)*

		As at 31-03-2023	
		GBP in Mn.	Rupees in crores
2	**INVENTORIES**		
	Raw materials and components	7.86	79.88
	Work in progress	0.58	5.87
	Finished goods	0.71	7.18
		9.14	**92.93**
3	**TRADE RECEIVABLES**		
	Unsecured, considered good	0.04	0.44
		0.04	**0.44**
4	**OTHER CURRENT ASSETS**		
	GST/VAT/IT/Excise receivable	1.46	14.86
	Vendor advance	2.96	30.14
	Prepaid expenses	0.82	8.36
		5.24	**53.36**
5	**EQUITY SHARE CAPITAL**		
	Issued, subscribed and fully paid up:		
	36,800,001 Ordinary shares of GBP 1 each	74.30	725.65
		74.30	**725.65**
6	**OTHER EQUITY**		
	Retained earnings	(48.40)	(474.70)
	Foreign currency translation reserve	-	12.34
		(48.40)	**(462.36)**
7	**TRADE PAYABLES**		
	Dues to Micro and Small Enterprises**	-	-
	Dues to enterprises other than Micro and Small Enterprises	3.65	37.15
		3.65	**37.15**

** 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

		As at 31-03-2023	
		GBP in Mn.	Rupees in crores
8	**OTHER CURRENT LIABILITIES**		
	Statutory dues	0.49	4.96
	Advance from customers	2.80	28.42
	Deferred income	3.85	39.18
		7.14	**72.56**

		For the Year Ended 31-03-2023	
		GBP in Mn.	Rupees in crores
9	**REVENUE FROM OPERATIONS**		
	Sale of Product	0.31	3.05
	Sale of service	0.03	0.32
	Other operating revenues	0.02	0.22
		0.36	**3.59**
10	**OTHER INCEOME**		
	Other non operating income	0.00	-
		0.00	**-**
11	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries, wages and bonus	11.41	110.47
	Contribution to provident and other funds	1.88	18.23
		13.29	**128.70**
12	**FINANCE COST**		
	Interest on lease liabilities	0.07	0.69
	Others	0.70	6.78
		0.77	**7.47**
13	**DEPRECIATION**		
	Depreciation on property plant and equipment	1.98	19.15
	Amortisation on intangible assets	3.05	29.56
	Amortisation on right of use asset	0.47	4.56
		5.50	**53.27**
14	**OTHER EXPENSES**		
	(a) Power and fuel	-	-
	(b) Rent	0.99	9.63
	(c) Repairs - plant and equipment	-	-
	(d) Insurance	-	-
	(e) Rates and taxes (excluding taxes on income)	-	-
	(f) Audit fees	0.02	0.23
	(h) Other marketing expenses	1.30	12.59
	(l) Loss on sale of fixed assets (Net)	0.01	0.12
	(j) Foreign exchange loss (Net)	0.37	3.58
	(k) Miscellaneous expenses	5.73	55.49
		8.42	**81.64**

RE-STATED ACCOUNTS OF
SEMG

BALANCE SHEET AS AT 31ST MARCH 2023

	Notes	'CHF in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Property, plant and equipment	1	7.21	64.56
Goodwill		1.56	12.86
Other Intangible assets	1	13.36	119.73
Deferred tax Assets		7.17	64.24
		29.30	261.39
Current assets			
Inventories	2	34.97	313.26
Financial assets			
Trade receivables	3	3.54	31.68
Cash and cash equivalents	4	1.50	13.52
Other financial assets	5	0.43	3.83
Other current assets	6	7.15	64.05
		47.59	426.34
Total Assets		76.89	687.73
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	0.15	1.23
Other equity	8	6.30	55.51
		6.45	56.74
Liabilities			
Non-Current liabilities			
Financial liabilities			
(i) Borrowing	9	24.00	214.99
(ii) Lease liability		3.37	30.19
Provisions	10	0.05	0.47
		27.42	245.65
Current liabilities			
Financial liabilities			
(i) Borrowing	11	21.80	195.28
(ii) Lease liability		1.82	16.33
(iii) Trade payables	12		
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (iii) (a) above		13.49	120.80
Other current liabilities	13	5.91	52.93
		43.02	385.34
Total liabilities		70.44	630.99
Total equity and liabilities		76.89	687.73

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

		Notes	'CHF in Mn.	Rupees in crores
I	Revenue from operations	14	61.12	515.12
II	Other income	15	0.06	0.55
III	Total Income (I +II)		61.18	515.67
IV	Expenses:			
	Purchases of stock-in-trade		53.64	475.49
	Changes in inventories of Stock-in -trade		(13.52)	(137.35)
	Employee benefits expense	16	16.12	135.88
	Finance costs	17	1.54	12.90
	Depreciation and amortisation expense	18	4.24	35.75
	Other expenses	19	11.27	92.52
			73.29	615.19
V	Profit before exceptional items (III - IV)		(12.11)	(99.52)
VI	Exceptional items		-	-
VII	Profit before tax (V+ VI)		(12.11)	(99.52)
VIII	Tax expense			
	i) Current tax		0.11	0.96
	ii) Deferred tax		(1.01)	(8.54)
IX	Profit for the year (VII - VIII)		(11.21)	(91.94)
X	Other Comprehensive Income			
	A. Items that will not be reclassified to profit or loss		-	-
	B. Items that will be reclassified to profit or loss			
	Foreign currency translation adjustments		0.07	6.70
			0.07	6.70
XI	Total Comprehensive Income (IX + X)		(11.14)	(85.24)
XII	Earnings per equity share (Face value of CHF 1/- each)			
	Basic & Diluted earnings per share (in CHF/ in rupees)		(73.33)	(6,014.06)

Notes on accounts - *(continued)*

1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

CHF in Mn.

Description	Property, Plant & Equipment					Other Intangible			
	Plant & equipments	Furniture and fixtures	Vehicles	Right of use	Total	Software	Trade marks, patents, licences	Design Development	Total
Cost of assets									
Gross carrying value as at 01-04-2022	1.19	0.14	0.09	7.53	8.95	2.92	0.06	0.07	3.05
Additions	1.50	-	-	-	1.50	-	-	-	-
Sub-total	2.69	0.14	0.09	7.53	10.45	2.92	0.06	0.07	3.05
Sales / deletion					-	-			-
Total	2.69	0.14	0.09	7.53	10.45	2.92	0.06	0.07	3.05
Depreciation / Amortisation									
Upto 31-03-2022	0.11	0.01	0.01	0.35	0.48	0.33	0.01	0.01	0.35
For the year	0.67	-	-	2.09	2.76	1.47	-	-	1.47
Sub-total	0.78	0.01	0.01	2.44	3.24	1.80	0.01	0.01	1.82
Withdrawn on assets sold / deleted	-	-	-		-	-			-
Total	0.78	0.01	0.01	2.44	3.24	1.80	0.01	0.01	1.82
Carrying value									
As at 31-03-2023	1.91	0.13	0.08	5.09	7.21	1.12	0.05	0.06	1.23

1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS - (continued)

Rupees in crores

Description	Property, Plant & Equipment					Other Intangible			
	Plant & equipments	Furniture and fixtures	Vehicles	ROU Asset	Total	Software	Trade marks, patents, licences	Design Development	Total
Cost of assets									
Gross carrying value as at 01-04-2022	9.76	1.14	0.75	61.80	73.45	23.97	0.48	0.57	25.02
Additions	14.04	-	-	-	14.04	-	-	-	-
Foreign Currency translation reserve difference	-	-	-	-	-	-			-
Sub-total	23.80	1.14	0.75	61.80	87.49	23.97	0.48	0.57	25.02
Sales / deletion	-	-	-	-	-	-	-	-	-
Total	23.80	1.14	0.75	61.80	87.49	23.97	0.48	0.57	25.02
Depreciation / Amortisation									
Upto 31-03-2022	0.93	0.06	0.06	2.87	3.92	2.67	0.09	0.12	-
For the year	5.66	-	-	17.66	23.32	12.43	-		12.43
Foreign Currency translation reserve difference	-	-	-	(4.31)	(4.31)	(5.28)	-	-	(5.28)
Sub-total	6.59	0.06	0.06	16.22	22.93	9.82	0.09	0.12	10.03
Withdrawn on assets sold / deleted	-	-	-	-	-	-			-
Total	6.59	0.06	0.06	16.22	22.93	9.82	0.09	0.12	10.03
Carrying value									
As at 31-03-2023	17.21	1.08	0.69	45.58	64.56	14.15	0.39	0.45	14.99

Notes on accounts - *(continued)*

		'CHF in Mn. As at 31-03-2023	Rupees in crores As at 31-03-2023
	Stock in trade	34.97	313.26
		34.97	313.26
3	TRADE RECEIVABLES		
	Unsecured, considered good	3.54	31.68
		3.54	31.68
4	CASH AND CASH EQUIVALENTS		
	Balances with banks in current accounts	1.37	12.31
	Cash on hand	0.13	1.21
		1.50	13.52
5	FINANCIAL ASSETS - OTHERS (CURRENT)		
	Unsecured, considered good :		
	Claims receivable	0.43	3.83
		0.43	3.83
6	OTHER CURRENT ASSETS		
	Vendor advance	5.83	52.20
	Prepaid expenses	1.32	11.85
		7.15	64.05
7	EQUITY SHARE CAPITAL		
	Issued, subscribed and fully paid up:		
	1,14,01,072Ordinary shares of CHF 1 each	0.15	1.23
		0.15	1.23
8	OTHER EQUITY		
	Retained earnings	(4.03)	(36.88)
	Captal reserve	-	60,00,000.00
	Foreign currency translation reserve	0.09	10.41
		(3.94)	59,99,973.53

		'CHF in Mn. As at 31-03-2023	Rupees in crores As at 31-03-2023
9	FINANCIAL LIABILITIES - BORROWINGS (NON CURRENT)		
	Unsecured		
	Term Loan from :		
	Bank	-	-
	Others	24.00	214.99
		24.00	214.99
10	PROVISIONS		
	Provision for employee benefits:		
	(a) Pension	0.05	0.47
		0.05	0.47
11	FINANCIAL LIABILITIES - BORROWINGS (CURRENT)		
	Unsecured		
	Borrowings repayable on demand from banks:	21.60	193.49
	Current Maturities of long term borrowings:	0.20	1.79
		21.80	195.28
12	TRADE PAYABLES		
	Dues to Micro and Small Enterprises**	-	-
	Dues to enterprises other than Micro and Small Enterprises	13.49	120.80
		13.49	120.80

** 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.

		'CHF in Mn. As at 31-03-2023	Rupees in crores As at 31-03-2023
13	OTHER CURRENT LIABILITIES		
	Statutory dues	0.21	1.88
	Advance from customers	4.71	42.19
	Employee related	0.99	8.86
		5.91	52.93

Notes on accounts - *(continued)*

		'CHF in Mn. For the Year ended 31-03-2023	Rupees in crores For the Year ended 31-03-2023
14	REVENUE FROM OPERATIONS		
	Sale of Product	58.64	494.17
	Sale of service	2.36	19.91
	Other operating revenues	0.12	1.04
		61.12	515.12
15	OTHER INCOME		
	Other non operating income	0.06	0.55
		0.06	0.55
16	EMPLOYEE BENEFITS EXPENSE		
	Salaries, wages and bonus	12.99	109.48
	Contribution to provident and other funds	1.79	15.12
	Staff welfare expenses	1.34	11.28
		16.12	135.88
17	FINANCE COST		
	Interest	1.11	9.34
	Interest on lease liabilities	0.27	2.24
	Other borrowing cost	0.16	1.32
		1.54	12.90

		'CHF in Mn. For the Year ended 31-03-2023	Rupees in crores For the Year ended 31-03-2023
18	DEPRECIATION		
	Depreciation on property plant and equipment	0.67	5.66
	Amortisation on right of use asset	2.10	17.66
	Amortisation on intangible assets	1.47	12.43
		4.24	35.75
19	OTHER EXPENSES		
	(b) Rent	1.09	9.21
	(d) Rates and taxes (excluding taxes on income)	0.08	0.71
	(j) Advertisement and publicity	3.75	31.57
	(f) Loss on sale of fixed assets	-	0.03
	(g) Miscellaneous expenses	6.35	51.00
		11.27	92.52

Report of the statutory auditor on the limited statutory examination to the General Meeting of Shareholders of the GO corporation, Zurich

Bassersdorf, June 22, 2023

As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of the GO corporation for the financial year ended December 31, 2022.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements and the proposed appropriation of available earnings do not comply with Swiss law and the company's articles of incorporation.

renius revisions ag
Tanja Jager
Dipl. Treuhandexpertin
Authorized audit expert RAB
Lead audit

Enclosures:

- Financial Statements (Balance Sheet, Income Statement, Notes)

BALANCE SHEET AS OF 31. DECEMBER

(in Swiss francs)

	2022	%	2021	%
Assets				
Current assets				
Cash and cash equivalents Trade receivables	332'270.13		3'660'566.15	
From third parties	260'624.87		46'917.37	
From associated companies	253'310.42		93'327.38	
Provision for doubtful accounts Other current receivables	-12'704.67		-2070.00	
From third parties	104'880.61		49'219.00	
Inventories and non-invoiced services	2'441'430.20		2'871'814.1 5	
Accrued income and prepaid expenses	906'552.34		373'592.49	
Total Current assets	4'286'363.90	53	7'093'366.54	86 %
Non-current assets				
Financial assets				
Longterm receivables				
From associated companies	2'200'863.21		268'651.61	
Shareholdings				
Tangible fixed assets				
Property, plant and equipment				
Office equipment	241'007.52		181'691.31	
Computer equipment	43'677.88		54'637.65	
Vehicles	25'000.02		1 1'628.71	
Intangible fixed assets	538'502.33		218'331.47	
Total Non-current assets	3'743'830.82	47	1 '193'573.06	
Total Assets	8'030'194.72	100 0/0	8'286'939.60	100 %
		%	**7'093'366.54**	**86%**
	3'743'830.32	**47%**	**1'193'573.06**	**14%**

	2022	%	2021	%
Liabilities and shareholders' equity				
Trade creditors				
To third parties				
Other current liabilities	921 '271.60		460'357.46	
To third parties	84'984.33		31'747.33	
Deferred income and accrued expenses	317732.06		355'222.84	
Total Current liabilities				
Noncurrent liabilities Interest (Capital 1)	1'323'987.99	16	847'327.63	10
To third parties				
Other noncurrent financial liabilities	2'300'000.00		2'625'000.00	
To Shareholders	6'309'049.00		5'841'867.40	
Total Noncurrent liabilities				
Shareholders' equity	8'609'049.00	107	8'466'867.40	102 %
Share capital	131'387.76		1 14'010.72	
Statutory capital reserves				
Voluntary retained earnings				
Balance to be carried forward	5'553'588.17		2'390'965.21	
Brought forward from previous year	-3'532'231.36		-1'900'053.84	
Annual loss	-4'055'586.84		-1'632'177.52	
			847'327.63	**10%**
	8'609'049.00	**107%**	**8'466'867.40**	**102%**
Current liabilities				
Total Shareholders' equity	-1'902'842.27		-1'027'255.43	
Total Liabilities and shareholders' equity	8'030'194.72	100 %	8'286'939.60	100 %

Income statement for the year ended 31. December (in Swiss francs)	Net revenue from sales of goods and services	Total Operating income
Operating income	Other operating income Deductions and discounts	Direct Expense Expense for materials goods and services Expense services

INCOME STATEMENT FOR THE YEAR ENDED 31. DECEMBER

(in Swiss francs)

	2022	%	2021	%
Operating income				
Net revenue from sales of goods and services	4'325'141.71		3'065'239.07	
Other operating income	-699.25		61'630.03	
Deductions and discounts	-17'897.80		-10'023.89	
Total Operating income	**4'306'544.66**	**100 %**	**3'116'845.21**	**100 %**
Direct Expense				
Expense for materials goods and services	-2'404'809.74		-1'440'351.09	
Expense services	0.00		-1'379.69	
Total Direct Expense	**-2'404'809.74**	**-56 %**	**-1'441'730.78**	**-46 %**
Gross profit I	**1'901'734.92**	**44 %**	**1'675'114.43**	**54 %**
Employee expenses				
Personnel expenses	-2'731'317.88		-2'128'252.27	
Social security expenses	-316'274.00		-254'276.00	
Other personnel expenses	-351'064.72		-64'307.35	
Total Employee expenses	**-3'398'656.60**	**-79 %**	**-2'446'835.62**	**-79 %**
Gross profit II	**-1'496'921.68**	**-35 %**	**-771'721.19**	**-25 %**
Other operating expense				
Rental expense	-685'564.41		-571'411.81	
Repairs, maintenance, leasing -	113'830.05		-100'237.56	
Vehicle expense	-36'670.69		-23'231.63	
Business Insurance	-10'829.45		-12'456.65	
Administrative	-226'751.75		-147'214.97	
Advertising expense	-904'844.36		-305'478.16	
Other operational expense	-90'677.96		-11'540.89	
Total Other operating expense	**-2'069'168.67**	**-48 %**	**-1'171'571.67**	**-38 %**
Earnings before interest, taxes, depreciation (EBITDA)	**-3'566'090.35**	**-83 %**	**-1'943'292.86**	**-62 %**
Depreciation on fixed asset items	-201'071.96		-107'045.13	
Earnings before interest, taxes (EBI1)	**-3'767'162.31**	**-87 %**	**-2'050'337.99**	**-66 %**
Financial expense	-249'037.89		-60'861.76	
Leasing expenses	-30'526.06		-33'621.40	
Financial income	-1'102.30		1'357.83	
Operating result	**-4'047'828.56**	**-94 %**	**-2'143'463.32**	**-69 %**
Extraordinary expense	-5'279.59		0.00	
Extraordinary income	317.16		512'344.30	
Profit before tax (EBT)	**-4'052'790.99**	**-94 %**	**-1'631'119.02**	**-52 %**
Direct taxes	-2'795.85		-1'058.50	
Annual loss (EAT)	**-4'055'586.84**	**-94 %**	**-1'632'177.52**	**-52 %**

Notes to the financial statements December 31, 2022 (in Swiss francs)

1. Accounting policies used in the preparation of the financial statements

These financial statements 2022 were prepared under the provisions of the Swiss accounting law in particular the articles of the Swiss Code of Obligations about commercial bookkeeping and accounting (Art. 957 to 962).

The main accounting and valuation principles used, which are not already specified by the Code of Obligations, are described as follows.

2 Details and additional information to the financial statements

		2022	2021
2.1	**Inventories**		
	Merchandise	2'441'430	2'871'814

3. Further details required by law

		2022	2021
3.1	**Net release of hidden reserves**		
	Total net release of hidden reserves	0	0

		2022	2021
3.2	**Number of employees**		
	Headcount in full-time equivalents on annual average up to 10 full-time employees		
	not over 50 full-time employees	x	x
	not over 250 full-time employees		
	over 250 full-time employees		

		2022	2021
3.3	**Investments**		
	Business name, legal form, registered office		
	EGO Movement Stuttgard GmbH (in EURO)		
	Sharecapital	25'000	25'000
	Paid in	100%	100%
	Capital share in %	100%	100%
	Voting share in %	100%	100%

3.4 Own shares	2022		2021	
	Quantity	Value CHF	Quantity	Value CHF
Own shares at beginning of period	0	0	0	0
Purchase of own shares	0	0	0	0
Sale of own shares	0	0	0	0
Own shares at the end of the period	0	0	0	0

		2022	2021
3.5	**Total balance payable from purchase agreement like leasing or other leasing- or rentlal liabilities, with a term of more than twelve months after the balance sheet date.**		
	Purchase like leasing with a term of more than 12 months after the balance sheet date.	1'601'771	2'325'482

		2022	2021
3.6	**Liabilities towards pension funds**		
	Total liabilities towards pension funds	847	214

		2022	2021
3.7	**Total amount pledged as security for own liabilities or for those of third parties**		
	none		

		2022	2021
3.8	**Contingent liabilities Rental guarantees**		
		71'962	68'930

		2022	2021
3.9	**Explanations about extraordinary, one-off items or items relating to other periods, in the income statement**		
	remaining items	0	0
	Total expenses	0	0
	hardship allowance and others	0	512'344
	various earnings	317	0
	Total income	317	512'344
	Total extraordinary, one-off items or items relating to other periods	317	512'344

3.10 Significant events after the balance sheet date

After the reporting period, the parent company "TVS Motor Singapore" issued and signed a subordination agreement amounting to CHF 6'200'0000. This subordination agreement held significant importance for the company's going concern aspect. According to the budget planning of the the Go corporation they will reach a break-even in the FY 2023, which has been confirmed by the board of directors. A profit is also planned for their FY 2024 and has also been confirmed by the board of directors. Should further liquidity be required for FY 2023 and 2024 the board of directors has confirmed, if necessary, additional loans from the owners and/or capital increases.

Proposal of the board of directors for appropriation of retained earnings 12/31/2022
(in Swiss francs)

	2022
Profit carried forward from previous year	-3'532'231 .36
Net income (loss) for the perdiod	-4'055'586.84
Total at disposal of General Meeting	-7'587'818.20
Carried forward to next financial year	-7'587'818.20

RE-STATED ACCOUNTS OF
THE GO CORPORATION

BALANCE SHEET AS AT 31ST MARCH 2023

	Notes	CHF in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Property, plant and equipment	1	1.70	15.28
Capital work-in-progress			
Goodwill			
Other Intangible assets	1	0.51	4.57
Deferred tax Assets			
		2.21	19.85
Current assets			
Inventories	2	4.69	41.97
Financial assets			
Trade receivables	3	0.46	4.11
Cash and cash equivalents	4	0.52	4.59
Other current assets	5	1.81	16.19
		7.48	66.86
Total Assets		9.69	86.71
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6	0.13	1.05
Other equity	7	(5.57)	(49.79)
		(5.44)	(48.74)
Liabilities			
Non-Current liabilities			
Financial liabilities			
(i) Borrowing	8	10.73	96.08
(ii) Lease liability		0.63	5.60
Provisions	10		
		11.36	101.68
Current liabilities			
Financial liabilities			
(i) Borrowing		0.78	6.98
(ii) Lease liability		0.66	5.89
(i) Trade payables	9		
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (i) (a) above		2.00	18.01
Other current liabilities	10	0.33	2.89
		3.77	33.77
Total liabilities		15.13	135.45
Total equity and liabilities		9.69	86.71

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

		Notes	CHF in Mn.	Rupees in crores
I	Revenue from operations	11	4.75	40.04
II	Other income	12	0.06	0.55
III	Total Income (I +II)		4.81	40.59
IV	Expenses:			
	Purchases of stock-in-trade		2.96	28.40
	Changes in inventories of Stock-in -trade		(0.27)	(5.71)
	Employee benefits expense	13	4.42	37.24
	Finance costs	14	0.76	6.40
	Depreciation and amortisation expense	15	0.94	7.88
	Other expenses	16	2.26	21.20
			11.07	95.41
V	Profit before exceptional items (III - IV)		(6.26)	(54.82)
VI	Exceptional items		-	-
VII	Profit before tax (V+ VI)		(6.26)	(54.82)
VIII	Tax expense			
	i) Current tax		-	0.03
	ii) Deferred tax		-	-
IX	Profit for the year (VII - VIII)		(6.26)	(54.85)
X	Other Comprehensive Income			
	A. Items that will not be reclassified to profit or loss		-	-
	B. Items that will be reclassified to profit or loss			
	Foreign currency translation adjustments		(0.04)	(1.06)
			(0.04)	(1.06)
XI	Total Comprehensive Income (IX + X)		(6.30)	(55.91)
XII	Earnings per equity share (Face value of CHF .01/- each)			
	Basic & Diluted earnings per share (in CHF/ in rupees)		(0.48)	(41.75)

Notes on Accounts

		CHF in Mn. As at 31-03-2023	Rupees in crores As at 31-03-2023
2	INVENTORIES		
	Stock in trade	4.69	41.97
		4.69	41.97
3	TRADE RECEIVABLES		
	Unsecured, considered good	0.47	4.22
	Less: Loss allowance	0.01	0.11
		0.46	4.11
4	CASH AND CASH EQUIVALENTS		
	Cash and cash equivalents	0.52	4.59
		0.52	4.59
5	OTHER CURRENT ASSETS		
	Vendor advance	1.29	11.52
	Prepaid expenses	0.16	1.43
	Trade deposits	0.36	3.24
		1.81	16.19
6	EQUITY SHARE CAPITAL		
	Issued, subscribed and fully paid up:		
	1,14,011 Ordinary shares of CHF 0.01 each	0.13	1.05
		0.13	1.05
7	OTHER EQUITY		
	Retained earnings	(10.74)	(90.84)
	Captal reserve	5.37	43.97
	Foreign currency translation reserve	(0.20)	(2.92)
		(5.57)	(49.79)
8	FINANCIAL LIABILITIES - BORROWINGS (NON CURRENT)		
	Unsecured		
	Term Loan from :		
	Bank	1.52	13.62
	Others	9.21	82.46
		10.73	96.08
9	TRADE PAYABLES		
	Dues to Micro and Small Enterprises**	-	-
	Dues to enterprises other than Micro and Small Enterprises	2.00	18.01
		2.00	18.01

** 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.

		CHF in Mn. As at 31-03-2023	Rupees in crores As at 31-03-2023
10	OTHER CURRENT LIABILITIES		
	Statutory dues	0.12	1.04
	Advance from customers	0.21	1.85
		0.33	2.89

		CHF in Mn. For the year ended 31-03-2023	Rupees in crores For the year ended 31-03-2023
11	REVENUE FROM OPERATIONS		
	Sale of Product	4.28	36.08
	Sale of service	0.37	3.08
	Other operating revenues	0.10	0.88
		4.75	40.04
12	OTHER INCOME		
	Other non operating income	0.06	0.55
		0.06	0.55
13	EMPLOYEE BENEFITS EXPENSE		
	Salaries, wages and bonus	3.55	29.93
	Contribution to provident and other funds	0.87	7.31
	Staff welfare expenses	-	-
		4.42	37.24
14	FINANCE COST		
	Interest	0.76	6.4
		0.76	6.40
15	DEPRECIATION		
	Depreciation on property plant and equipment	0.14	1.16
	Amortisation on ROU	0.65	5.47
	Amortisation on intangible assets	0.15	1.25
		0.94	7.88
16	OTHER EXPENSES		
	(a) Rent	0.31	2.60
	(b) Insurance	0.03	0.25
	(c) Other marketing expenses	1.16	9.78
	(d) Audit fees	-	0.03
	(e) Miscellaneous expenses	0.76	8.54
		2.26	21.20

Notes on Accounts

1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

CHF in Mn.

Description	Property, Plant & Equipment								Other Intangible			
	Land	Building	Plant & equipments	Furniture and fixtures	Vehicles	Office equipment	ROU	Total	Software	Design Development	Trade marks, patents, licences	Total
Cost of assets												
Gross carrying value as at 01-04-2022	-	-	0.39	0.01	0.01	0.06	-	0.47	0.17	0.01	0.06	0.24
Acquired on Business Combination	-	-	-	-	-	-	1.91	1.91	-	-	-	-
Additions during the year				0.12				0.12	0.35	0.06	-	0.41
Sub-total		-	0.39	0.13	0.01	0.06	1.91	2.50	0.52	0.07	0.06	0.65
Sales / deletion		-	-	-	-	-	-	-	-	-	-	-
Total	-	-	0.39	0.13	0.01	0.06	1.91	2.50	0.52	0.07	0.06	0.65
Depreciation / Amortisation												
Upto 31-03-2022	-	-	0.03	-	-	-	-	0.03	0.01	-	0.01	0.01
For the year	-	-	-	0.11	-	-	0.66	0.77	0.10	0.02	-	0.12
Sub-total	-	-	0.03	0.11	-	-	0.66	0.80	0.11	0.02	0.01	0.14
Withdrawn on assets sold / deleted	-		-	-	-	-	-	-	-	-	-	-
Total	-	-	0.03	0.11	-	-	0.66	0.80	0.11	0.02	0.01	0.14
Carrying value												
As at 31-03-2023	-	-	0.36	0.02	0.01	0.06	1.25	1.70	0.41	0.05	0.05	0.51

Rupees in crores

Description	Property, Plant & Gross carrying value as at 01-04-2022 Equipment								Other Intangible			
	Land	Building	Plant & equipments	Furniture and fixtures	Vehicles	Office equipment	ROU Asset	Total	Software	Trade marks, patents, licences	Design Development	Total
Cost of assets												
Gross carrying value as at 01-04-2022	-	-	3.20	0.04	0.10	0.51	-	3.85	1.47	0.40	0.11	1.98
Additions	-	-	-	4.37	-	-	17.13	21.50	3.15	0.16	-	3.31
Foreign Currency translation reserve difference								-				-
Sub-total	-	-	3.20	4.40	0.10	0.51	17.13	25.34	4.62	0.56	0.11	5.29
Sales / deletion			3.20	-	0.10	0.51	-	3.81				-
Total	-	-	-	4.40	-	-	17.13	21.52	4.62	0.56	0.11	5.29
Depreciation / Amortisation												
Upto 31-03-2022	-	-	0.21	0.01	0.01	0.04	-	0.27	0.12	0.03	-	0.15
For the year	-	-	-	1.17	-	-	5.47	6.64	1.01	0.21	-	1.22
Foreign Currency translation reserve difference	-	-	-	(0.74)	-	-	0.34	(0.40)	(0.26)	(0.39)		(0.65)
Sub-total	-	-	0.21	0.44	0.01	0.04	5.82	6.51	0.87	(0.15)	-	0.72
Withdrawn on assets sold / deleted	-	-	0.21	-	0.01	0.04	-	0.26	-	-	-	-
Total	-	-	-	0.44	-	-	5.82	6.26	0.87	(0.15)	-	0.72
Carrying value												
As at 31-03-2023	-	-	-	3.97	-	-	11.31	15.28	3.75	0.71	0.11	4.57

Independent Auditors' report to the Member of TVS Digital Pte. Ltd.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of TVS DIGITAL PTE. LTD. (the "company"), which comprise the statement of financial position as at 31 March 2023, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the company as at 31 March 2023 and of the financial performance, changes in equity and cash flows of the company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 and 2.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the 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 directors' responsibilities include overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Report on Other Legal and Regulatory Requirement

In our opinion, the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

RAMA & CO.
PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS
SINGAPORE

Singapore,

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	2023	2022
		S$	S$
ASSETS			
Non-current assets:			
Plant and equipment	(8)	**609,475**	225,875
Intangible assets	(9)	**887,082**	1,160,674
Investments in associates	(10)	**24,058,918**	24,058,918
Total non-current assets		**25,555,475**	25,445,467
Current assets:			
Trade and other receivables	(11)	**599,475**	25,756
Bank balances	(12)	**67,655**	745,009
Total current assets		**667,130**	770,765
Total assets		**26,222,605**	26,216,232
EQUITY AND LIABILITIES			
Equity:			
Share capital	(13)	**25,158,918**	25,158,918
Share application money	(14)	**9,654,992**	3,832,241
Accumulated losses		**(12,135,738)**	(5,271,060)
Total equity		**22,678,172**	23,720,099
Non-current liability:			
Lease liability	(15)	**159,640**	-
Current liabilities:			
Lease liability	(15)	**164,201**	-
Other payables	(16)	**3,220,592**	2,496,133
Total current liabilities		**3,384,793**	2,496,133
Total liabilities		**3,544,433**	2,496,133
Total equity and liabilities		**26,222,605**	26,216,232

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Note	1 Apr 2022 To 31 Mar 2023	23 Apr 2021 To 31 Mar 2022
		S$	S$
Revenue	(17)	**595,929**	68,788
Cost of services		**(414,260)**	(191,375)
Gross Profit/ (loss)		**181,669**	(122,587)
Administrative expenses		**(6,881,499)**	(5,144,589)
Finance cost		**(3,940)**	-
Other expenses		**(160,908)**	(3,884)
Loss before income tax		**(6,864,678)**	(5,271,060)
Income tax expense	(18)	**-**	-
Loss for the year	(19)	**(6,864,678)**	(5,271,060)
Other comprehensive income		**-**	-
Total comprehensive loss for the year		**(6,864,678)**	(5,271,060)

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Share Capital	Share Application Money	Accumulated Losses	Total
	S$	S$	S$	S$
Balance as at date of incorporation, 23 April 2021	1	-	-	1
Transaction with owner, recognised directly in equity				
- Issuance of shares (Note 13)	25,158,917	-	-	25,158,917
Share application money received	-	3,832,241	-	3,832,241
Total comprehensive loss for the year	-	-	(5,271,060)	(5,271,060)
Balance as at 31 March 2022	25,158,918	3,832,241	(5,271,060)	23,720,099
Share application money received	-	5,822,751	-	5,822,751
Total comprehensive loss for the year			(6,864,678)	(6,864,678)
Balance as at 31 March 2023	25,158,918	9,654,992	(12,135,738)	22,678,172

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2023

	Note	1 Apr 2022 To 31 Mar 2023	23 Apr 2021 To 31 Mar 2022
		S$	S$
Cash flows from operating activities			
LLoss before income tax		**(6,864,678)**	(5,271,060)
Adjustments for:			
Amortisation of intangible assets	(9)	**291,648**	161,570
Depreciation of plant and equipment	(8)	**150,207**	3,615
Interest on lease liability		**3,940**	-
Operating cash flows before working capital changes		**(6,418,883)**	(5,105,875)
Trade and other receivables		**(573,719)**	(25,756)
Other payables		**724,459**	2,443,740
Net cash used in operating activities		**(6,268,143)**	(2,687,891)
Investing activities:			
Purchase of plant and equipment	(8)	**(170,590)**	(217,097)
Purchase of intangible assets	(9)	**(18,056)**	(182,244)
Net cash used in investing activities		**(188,646)**	(399,341)
Financing activities:			
Share application money received		**5,822,751**	3,832,241
Payment of principal portion of lease liability	(20)	**(39,376)**	-
Payment of interest portion of lease liability	(20)	**(3,940)**	-
Net cash generated from financing activities		**5,779,435**	3,832,241
Net (decrease)/ increase in bank balances		**(677,354)**	745,009
Bank balances at beginning of year		**745,009**	-
Bank balances at end of year	(12)	**67,655**	745,009

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

a) Corporate Information

TVS Digital Pte. Ltd. (the "company") (Registration number: 202114606H) is a private limited company incorporated and domiciled in the Republic of Singapore with its registered office at:

1 Kim Seng Promenade
#10-07 Great World City
Singapore 237994

The company is established with a mission to deliver high quality digital solutions that help address real life business challenges of global companies in the automotive financial services and manufacturing industries, by harnessing the power of exponential technologies including Internet of Things (IOT), Analytics and Data Science, Artificial Intelligence & Machine Learning (AI & ML), Augmented Reality (AR) and Virtual Reality (VR).

b) Authorisation of financial statements for issue

The financial statements of the company for the year ended 31 March 2023 were authorised for issue by the Board of Directors on xx[th] xx, 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up and in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

Historical cost is generally based on the fair value of the consideration given in the exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as value in use in FRS 36 Impairment of Assets

In addition, for financial reporting purpose, fair value measurements are described in Note 5.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the company's accounting policies. It also requires the use of accounting estimates and assumption. The areas involving a higher degree of judgement or complexity or areas when assumption and estimates are significant to the financial statements as disclosed in Note 4.

2.2. Changes in Accounting Policies

a) Adoption of new revised FRSs and INT FRSs

In the current financial year, the company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 April 2022. The adoption of these new/ revised FRSs and INT FRSs did not result in substantial changes to the company's accounting policies and had no material effect on the amounts reported for the current financial year.

b) Standards issued but not yet effective

At the date of authorisation of financial statements, the following FRSs that are relevant to the company were issued but not effective are as follows:

Reference	Description	Effective date (annual periods) beginning on or after
Various	Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies	01-Jan-23
FRS 1	Amendments to FRS 1: Presentation of Financial Statements – Classification of Liabilities as Current or Non-current	01-Jan-24
Various	Amendments to FRS 1: Non-Current Liabilities with Covenants	01-Jan-24
FRS 8	Amendments to FRS 8: Accounting Policies, Changes in Accounting Estimates and Errors - Definition Accounting Estimates	01-Jan-23
FRS 116	Amendments to FRS 116: Lease Liability in a Sales and Leaseback	01-Jan-24

The directors expect that the adoption of the above standards will have no material impact on the financial statements in the period of initial application.

2.3. Functional and Foreign Currency

a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates (the "functional currency"). The functional currency of the company is Singapore dollar.

The financial statements of the company are presented in Singapore dollar.

b) Foreign currency transactions

Transactions in foreign currencies are measured in the functional currency of the company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. Non- monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss.

2.4. Plant and Equipment

a) Measurement

Plant and equipment are initially stated at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any.

b) Components of costs

The cost of an item of plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also included as part of the cost of plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

c) Depreciation

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Depreciation is calculated on the straight line method to write off the cost of the plant and equipment over their estimated useful lives as follows:

	Years
Computer and IT equipment	2
Renovation	2 to 3
Building (Right-of-use asset)	2

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023 (Continued)

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

The residual values, useful life and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

d) Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expense in profit or loss during the financial year in which it is incurred.

e) Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss. Any amount in revaluation reserve relating to that asset is transferred to retained earnings directly.

2.5 Intangible Assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful from the point at which at asset is ready for use.

Amortisation is calculated in the straight-line method to write off the cost of intangible assets, over their estimated useful lives of 3 years.

Intangible asset refers to capitalisation of costs relating to development of software.

2.6. Associates

An associate is an entity over which the company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in the associate companies is stated at cost, less impairment if any.

2.7. Impairment of Non-Financial Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.8. Bank balances

Bank balances in statements of cash flows comprise cash at bank that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are classified as measured at amortised cost under FRS 109.

2.9. Leases

As a lessee

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-Use Asset

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life (which is determined on the same basis as those of plant and equipment).

The company also assesses the right-of-use asset for impairment when such indicators exist. In addition, the right-of-use asset is periodically adjusted for certain remeasurements of the lease liability.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate, being the rate, it would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee, lease payments arising from extension options reasonably certain to be exercised, exercise price under purchase option reasonably certain to be exercised and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise items of office equipment with individual values not exceeding S$15,000.

2.10. Revenue Recognition

Revenue from sale of goods and services in the ordinary course of business is recognised when the company satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is the amount of consideration in the contract to which the company expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the completion reflecting the progress towards complete satisfaction of that PO.

Service income

Revenue of the company is earned when the actual service is provided to the customers, fulfilling its obligations as per the contracts signed with customers. The company generates the revenue from delivering software-as-a-service to its global customers (usage of cloud hosted software developed by the company and delivered on mobile phones or PCs accessible through web browsers) and one- time services (project management & software setup).

2.11.Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

b) Deferred tax

Deferred tax is provided, using the liability method on all temporary differences at the end of reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at that time of the transaction, affects neither accounting profit or loss nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences carry-forward of unutilised tax assets and unutilised tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unutilised tax assets and unutilised tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arise from the initial recognition of an asset or liability in a transaction and at the time of transaction affects neither the accounting profit or loss nor taxable profit or loss.

The carrying amount of a deferred tax asset is reviewed at the each of reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.12. Employee Benefits

a) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

b) Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state-managed schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the company's obligations under the plans are equivalent to those arising in a defined contribution plan.

2.13. Related Parties

A related party is a person or an entity related to the company and is further defined as follows:

a) A person or a close member of that person's family is related to the company if that person:

i) has control or joint control over the company;

ii) has significant influence over the company; or

iii) is a member of the key management personnel of the company or of a parent of the company.

b) An entity is related to the company if any of the following conditions applies:

i) the entity and the company are members of the same group i.e each parent, subsidiary and fellow subsidiary is related to the others;

ii) one entity is an associate or joint venture of the other entity or an associate or joint venture of a member of a group of which the other entity is a member;

iii) both entities are joint ventures of the same third party;

iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

v) the entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the company;

vi) the entity is controlled or jointly controlled by a person identified in (a);

vii) a person identified in (a) i) has significant influence over the entity or is a member of the key management personnel of the entity or of a parent of the entity; or

viii) the entity, or any member of the group of which it is a part, provides key management personnel services to the company or to the parent of the company.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the company.

Related party transactions and outstanding balances disclosed in the financial statement are in accordance with the above definition as per FRS 24 – Related Party Disclosures.

2.14. Provisions

Provisions are recognised when the company has present obligations (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023 (Continued)

2.15. Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future event not wholly within the control of the company. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When changes in the probability of an outflow occur so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the company.

Contingent assets are not recognised but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

2.16. Events after the Reporting Period

Events after the reporting period that provide additional information about the company's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

3. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

3.1. Financial Assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the assets within the timeframe established by the market concerned.

a) Classification and subsequent measurement

Initial recognition and measurement

Financial assets are classified, at initial recognition, at amortised cost.

The classification of financial assets, at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them. The company initially measures a financial asset at its fair value.

Trade receivables are measured at the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement Financial assets at amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost using the effective interest rate (EIR) method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in other income.

As at the reporting date, the company's debt instruments at amortised cost consist of trade and other receivables and bank balances.

b) Impairment of financial assets

The company recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instruments.

The company will recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets will be estimated using a provision matrix based on the company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment pf both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the company will recognises lifetime ECL when there has been significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the company measured the loss allowance for that financial instrument at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast,12-month expected credit loss is the expected credit loss that result from default events that are possible within 12 months after the reporting date.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets gross carrying amount at the reporting date; or for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at reporting date, together with any additional amounts expected to be draw down in the future by default date determined based on historical trend, the company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows for the company in accordance with the contract and all the cash flows that the company expects to receive, discount at the original effect interest rate.

c) Derecognition of financial assets

A financial asset is derecognised where the contractual rights to receive cash flows from the asset have expired.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of (a) the consideration received and (b) any cumulative gain or loss that has been recognised directly in equity is recognised in profit or loss.

3.2. Equity and Financial Liabilities

Equity instruments issued by the company and financial liabilities are classified accordingly to the substance of the contractual arrangements entered into and the definitions of an equity instrument and a financial liability.

a) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Ordinary share capital is classified as equity.

b) Financial liabilities

Financial liabilities at amortised cost

The company determines the classification of its financial liabilities at initial recognition. Financial liabilities are initially recognised at fair value of consideration received net of transaction costs.

After initial recognition, they are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

Financial liabilities at amortised cost consist of lease liability and other payables.

c) Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payables, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in Note 2 to the financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4.1. Critical Accounting Judgements

Determination of functional currency

In determining the functional currencies of the company, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currency of the company is determined based on management's assessment of the primary economic environment in which the company operates and the company's process of determining sales prices.

4.2. Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a) Impairment of investment in associates

The company follows the guidance of FRS 36 in determining the recoverability of its investment in associates. The company determines the recoverable amount of the associates based on the associates' net assets values at the end of the reporting period as in the opinion of the management, the net assets values of these associates reasonably approximate the fair values less costs to sell.

The carrying amount of investment in associates is disclosed in Note 10 to the financial statements.

b) Impairment of plant and equipment

As the end of the reporting period, the company assesses whether plant and equipment have any indication of impairment, in accordance with relevant accounting policies. The recoverable amounts of plant and equipment have been determined based on value-in use calculations. These calculations and valuations require the use of judgement and estimates on future operating cash flows and discount rates adopted.

The carrying amount of plant and equipment are disclosed in Note 8 to the financial statements.

c) Impairment of intangible assets

Determining whether intangible assets are impaired requires an estimation of the value in use of the cash-generating units to which the intangible assets are allocated. This requires the company to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows.

The carrying amount of intangible assets is disclosed in Note 9 to the financial statements.

The cost of plant and equipment is depreciated on a straight-line basis over their estimated useful lives. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised.

d) Impairment of trade and other receivables

The company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on number of days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the company's historical observed default rates. The company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

5. FINANCIAL INSTRUMENTS, FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

5.1. Categories of financial assets and liabilities

The carrying amounts of financial assets and financial liabilities included in the statement of financial position and the headings in which they are included are as follows:

	2023	**2022**
	S$	**S$**
Financial assets		
At amortised cost:		
- Trade and other receivables	**566,113**	25,756
- Bank balances	**67,655**	745,009
	633,768	770,765
Financial liabilities		
At amortised cost:		
- Lease liability	**323,841**	-
- Other payables	**3,193,037**	2,496,133
	3,516,878	2,496,133

5.2. Financial Risk Management Policies and Objectives

The company's overall risk management policy seeks to minimise potential adverse effects on the financial performance of the company. The company, however, does not have any written risk management policies and guidelines. The management meet periodically to analyse, formulate and monitor the following risk management of the company and believe that the financial risks associated with these financial instruments are minimal. The company adopt systematic approach towards risk assessment and management. This is carried out in three phases, i.e. identification and assessment of risks, formulation and implementation of risk treatment, and monitoring and reporting of risk profile.

The company is exposed to credit risk, foreign currency exchange rate risk and liquidity risk. The company is not significantly exposed to interest rate risk.

There has been no change to the company's exposure to these financial risks or the manner in which it manages measures the risk.

a) Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations to repay amounts owing to company resulting in a loss to the company. The company's primary exposure to credit risk arises through its trade receivables and bank balance.

It is the company's policy to enter into transactions with creditworthy customers and high credit rating counter-parties to mitigate any significant credit risk. The company has procedures in place to control credit risk and that exposure to such risk is monitored on an ongoing basis.

Credit risk management

The company considers the probability of default upon initial recognition of asset and at each reporting date, assesses whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

Significant increase in credit risk

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023 (Continued)

This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and includes forward-looking information such as the following:

- Credit rating information supplied by publicly available financial information;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and
- Significant changes in the expected performance and behavior of the debtor, including changes in the payment status of debtors and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase on credit risk is presumed if a debtor is more than 30 days past due in making contractual payment unless the company has reasonable and supportable information that demonstrates otherwise.

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Low credit risk

The company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

A financial asset is considered to have low credit risk if:

- The financial instrument has a low risk of default;
- The borrower has a strong capacity to meet its contractual cash flow obligations in the near term and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Credit-impaired

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counter-party or the borrower;
- A breach of contract, such as default or past due event; or
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

Default event

The company considers the following as constituting an event of default when:

- The borrower fails to make contractual payments, within 90 days when they fall due, unless the company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate; or
- Internal or external information indicates that the borrower is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realising security (if any is held).

Write-off policy

The company categorises a receivable for potential write-off when:

- There is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery or
- When a debtor fails to make contractual payments more than 365 days past due.

Where receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Credit risk grading framework

The company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognizing expected credit loss (ECL)
I - Performing	Counterparty has a low risk of default and does not have any past due amounts and a strong capacity to meet contractual cash flows.	12-month ECL
II – Under performing	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit impaired
III – Default	Amount is > 90 days past due to or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit impaired
IV – Write off	Amount is > 365 days past due or there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.	Amount is written off

There are no significant changes to estimation techniques or assumptions made during the reporting period.

Simplified approach

The company applies the simplified approach using the provision matrix to provide for ECLs for trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

The provision matrix is based on historical credit loss experience over the past three years and adjusted for forward-looking estimates. Trade receivables are grouped based on similar credit risk characteristics and days past due.

Expected credit loss assessment

The following are qualitative information on expected credit loss for financial assets under amortised cost:

Trade receivables

These are due from customers that have a good credit record with the company with no history of default. The loss allowance is measured based on lifetime ECL using the provision matrix. Management considers the risk of default as minimal based on the past collection history and did not recognize ECL as the amount was not significant.

Other receivables

Management determined credit risk for other receivables has not increased significantly since their initial recognition. Accordingly, the company measured the impairment loss allowance at 12-month ECL and determined that the ECL is insignificant.

Bank balances

The company places its bank deposit with credit worthy financial institution. Impairment on bank balances is measured on the 12-month expected loss basis. Management considers that its bank balances have low credit risk based on the external credit ratings of the counterparty. Therefore, management considers the amount of ECL is insignificant.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the company's financial instruments will fluctuate because of changes in market interest rate.

The company has bank balances that is non-interest bearing, therefore has no exposure to cash flow interest rate risk.

No interest rate sensitivity analysis is disclosed as the impact of changes in interest rate is not expected to be material.

c) Foreign currency exchange rate risk

Foreign currency exchange rate risk arose from the change in foreign exchange rates that may have an adverse effect on the company in the current reporting period and in the future periods.

The company transacts mainly in Singapore dollar. Management believes that the foreign exchange rate risk is manageable. Hence, the company does not use derivative financial instruments to mitigate this risk.

The company's exposure to foreign currency exchange rate risk in equivalent Singapore dollar is as follows:

	2023	2022
In Singapore dollar	**US$**	**US$**
Financial assets		
Trade and other receivables	**112,494**	25,756
Bank balances	**945**	30,054
	113,439	55,810
Financial liabilities		
Other payables	**12,015**	-
Net exposure	**101,424**	55,810

Sensitivity analysis

A 10% increase or decrease is used when reporting foreign currency exchange rate risk internally to key management personnel and represents management's assessment of the possible change in foreign currency exchange rates.

A 10% strengthening of Singapore dollar against the following currency would increase/ (decrease) profit or loss and equity by the amount shown below:

	2023	2022
	S$	**S$**
US$ impact	**(10,142)**	(5,581)

A 10% weakening of Singapore dollar against the above currency would have had the equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remain constant.

d) Liquidity risk management

Liquidity risk refer to risk that the company will not have sufficient funds to pay its debts as and when they fall due.

In the management of the liquidity risk, the company monitors and maintains a level of bank balances deemed adequate by the management to finance the company's operations and mitigate the effects of fluctuations in cash flows.

The following table summarises the company's remaining contractual maturity for its non-derivative financial liabilities at the end of the reporting period based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the company is expected to pay.

			Contractual undiscounted cash flows			
2023	Effective interest rate (%)	Carrying amount	Less than a year	Within 2 to 5 years	Later than 5 years	Total
		S$	S$	S$	S$	S$
Financial liabilities						
Lease Liability	4.5%	323,841	175,419	163,254	-	338,674
Other payables	-	3,193,037	3,193,037	-	-	3,193,037
		3,516,878	3,386,456	163,254	-	3,531,711

			Contractual undiscounted cash flows			
2022	Effectiveinterest rate (%)	Carrying amount	Less than a year	Within2 to 5 years	Later than 5 years	Total
		S$	S$	S$	S$	S$
Financialliabilities						
Other payables	-	2,496,133	2,496,133	-	-	2,496,133
		2,496,133	2,496,133	-	-	2,496,133

e) Fair value of financial assets and financial liabilities

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained through discounted cash flow models as appropriate.

Management has determined that the carrying amounts of bank balances, trade and other receivables, lease liability and other payables, based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature.

5.3. Capital Risk Management Policies and Objectives

The company's objective when managing capital is to safeguard the company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

The company monitors capital using gearing ratio, which is net debt divided by total capital. Net debt is calculated as other payables plus lease liability less bank balances. Total capital is calculated as equity and net debt. The company's overall strategy remains unchanged during the period.

	2023	2022
	S$	**S$**
Other payables	3,220,592	2,496,133
Lease Liability	323,841	-
Less: Bank balances	(67,655)	(745,009)
Net debt	3,476,778	1,751,124
Total equity	22,678,172	23,720,099
Total capital	26,154,950	25,471,223
Gearing ratio	13.3%	6.9%

The company is not subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023 (Continued)

6. HOLDING COMPANY

The company is wholly-owned subsidiary of TVS Motor (Singapore) Pte. Limited, incorporated in Singapore. The company's ultimate holding company is Sundaram Clayton Limited, incorporated in India. The registered office of the holding company is at No.12, Chaitanya Building, Khader Nawaz Khan Road, Chennai – 600 006, India.

Some of the company's transactions and arrangements are between members of the company and the effects of these on the basis determined between the parties are reflected in these financial statements.

Significant holding company transactions:

	2023	2022
	S$	S$
Service income	**64,125**	-
Transfer of intangible assets and plant and equipment	**-**	1,152,393
Recovery of manpower cost	**(220,306)**	(141,968)

7. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements.

(a) Significant related parties' transactions:

	2023	2022
	S$	S$
Service income	**269,652**	-
Recovery of manpower cost	**-**	(565,567)
Rental expense	**(146,710)**	(60,000)

(b) Key management personnel compensation:

	2023	2022
	S$	S$
Salaries, bonus and allowances	**1,078,737**	657,318
Performance bonus	**698,207**	665,035
Employer's contribution to Central Provident Fund	**14,370**	5,640

8. PLANT AND EQUIPMENT

	Computer and IT Equipment	Renovation	Leasehold Property	Total
	S$	S$	S$	S$
Cost				
At 23.4.2021	-	-	-	-
Additions	12,393	217,097	-	229,490
At 31.3.2022	12,393	217,097	-	229,490
Additions	-	170,590	363,217	533,807
At 31.3.2023	**12,393**	**387,687**	**363,217**	**763,297**
Accumulated depreciation				
At 23.4.2021	-	-	-	-
Charged for the year	3,615	-	-	3,615
At 31.3.2022	3,615	-	-	3,615
Charged for the year	6,196	102,101	41,910	150,207
At 31.3.2023	**9,811**	**102,101**	**41,910**	**153,822**
Carrying amount				
At 31.3.2022	8,778	217,097	-	225,875
At 31.3.2023	**2,582**	**285,586**	**321,307**	**609,475**

At the end of the reporting period, the company carried out a review of the recoverable amount of all plant and equipment. As a result of the review, no allowances for impairment or revisions to the useful lives was found to be necessary for plant and equipment.

9. INTANGIBLE ASSETS

	Computer Software	Software Under Development	Total
	S$	S$	S$
Cost			
At 23.4.2021	-	-	-
Additions	874,945	447,299	1,322,244
At 31.03.2022	874,945	447,299	1,322,244
Additions	-	18,056	18,056
At 31.03.2023	874,945	465,355	1,340,300
Accumulated amortisation			
At 23.04.2021	-	-	-
Charged for the year	161,570	-	161,570
At 31.03.2022	161,570	-	161,570
Charged for the year	291,648	-	291,648
At 31.03.2023	453,218	-	453,218
Carrying amount			
At 31.03.2022	713,375	447,299	1,160,674
At 31.03.2023	421,727	465,355	887,082

At the end of the reporting period, the company carried out a review of the recoverable amount of all intangible assets. As a result of the review, no allowances for impairment or revisions to the useful lives was found to be necessary for intangible assets.

10. INVESTMENTS IN ASSOCIATES

	2022
	S$
Unquoted equity shares at cost:	
At date of incorporation	**-**
Additions	**24,058,918**
At end of the year	**24,058,918**

Details of the associates are as follows:

Name of associate/ Country of incorporation	Principal activity	Proportion of ownership Interest 2023	2022
Tagbox Pte Ltd Singapore	Providing Internet of Things (IoT) based solutions for sensing, monitoring and analysis across supply chain activities	**24.3%**	24.3%
Predictronics Corp. United States of America	Providing end to end customisable predictive analytics platform and best in class predictive robot monitoring solution driven by high performing proprietary machine learning Artificial Intelligence (AI) models	**23.5%**	23.5%
Altizon Inc. United States of America	Empowering Industrial Digital Revolutions globally by digiting legacy factories and helping enterprises use machine data to drive business decisions	**20.0%**	20.0%
Scienaptic Systems Inc. United States of America	A leading AI-powered credit underwriting decisioning platform company	**21.7%**	21.7%

The company did not perform equity accounting of the results of the associate as the holding company, TVS Motor Company Ltd will be preparing the consolidated financial statements, which are available for public use at their registered office at No.12, Chaitanya Building, Khader Nawaz Khan Road, Chennai 600 006, India.

11. TRADE AND OTHER RECEIVABLES

	2023	2022
	S$	**S$**
Trade receivables – third parties	**125,938**	5,842
Trade receivables – related parties	**45,028**	-
	170,966	5,842
Accrued revenue	**271,372**	-
Other receivable – third party	**3,465**	1,680
Deposits	**101,726**	-
Staff advance	**350**	-
Prepayments	**33,362**	-
Amount due from holding company (Note 6)	**18,234**	18,234
	599,475	25,756

Trade receivables are non-interest bearing and they are normally settled on 30 to 60 days' (2022: 30 days') term.

Trade receivables are not secured by any collateral or credit enhancement and are recognised at their original invoice amounts, which represents their fair values on initial recognition.

The credit risk profile of trade receivables is presented based on their past due status as follows:

						Days past due
2023	Not past due	< 30 days	31 to 60 days	61 to 90 days	>90 days	Total
	S$	S$	S$	S$	S$	S$
Trade receivables- gross amounts	128,185	26,790	3,583	10,736	1,672	170,956
Expected credit Loss (ECL)	-*	-*	-*	-*	-*	-*
						170,966

						Days past due
2022	Not past due	< 30 days	31 to 60 days	61 to 90 days	>90 days	Total
	S$	S$	S$	S$	S$	S$
Trade receivables- gross amounts	5,436	406	-	-	-	5,842
Expected credit Loss (ECL)	-*	-*	-*	-*	-*	-*
						5,842

* The company did not recognize ECL as the amount was not significant .

Trade and other receivables are denominated in the following currencies:

	2023	2022
	S$	**S$**
Singapore dollar	**140,899**	-
United States dollar	**112,494**	25,756
Indian rupee	**346,082**	-
	599,475	25,756

12. BANK BALANCES

	2023	2022
	S$	**S$**
Cash at bank	67,655	745,009

Bank balances are denominated in the following currencies:

	2023	2022
	S$	**S$**
Singapore dollar	66,710	714,955
United States dollar	945	30,054
	67,655	745,009

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023 (Continued)

13. SHARE CAPITAL

	2023	2022	2023	2022
	Number of ordinary shares		S$	S$
Issued and fully paid up:				
At beginning of year/ date of incorporation	25,158,918	1	25,158,918	1
Issued during the year	-	25,158,917	-	25,158,917
At the end of the year	25,158,918	25,158,918	25,158,918	25,158,918

At date of incorporation, the company issued 1 ordinary shares for S$1 to the subscriber according to the Memorandum of Association.

In previous financial year,

1) the company issued 1,100,000 ordinary shares in the capital of the company to TVS Motor (Singapore) Pte. Limited, holding company as consideration shares for a business transfer agreement.

2) the company issued 24,058,917 ordinary shares to TVS Motor (Singapore) Pte. Limited, holding company for the purchase of shares of the associates (Note 10).

The ordinary shares with no par value, carry one vote per share and carry a right to dividends as and when declared by the company.

14. SHARE APPLICATION MONEY

The share application money is advance receipt for future subscription of shares in the company.

15. OTHER PAYABLES

	2023	2022
	S$	S$
Maturity analysis:		
Within one year	175,419	-
Within two to five years	163,254	-
	338,674	-
Less: future finance charges	(14,833)	-
	323,841	-
Analysed as:		
Current	164,201	-
Non-current	159,640	-
	323,841	-

The company leases office for its business (Note 8). The effective borrowing rate is 4.5% per annum.

Lease liability is denominated in Singapore dollar.

16. OTHER PAYABLES

	2023	2022
	S$	S$
Amount due to intermediate holding company (Note 6)	362,274	141,968
Amount due to a related party (Note 7)	772,277	625,567
Accrued expenses	2,058,486	1,728,598
Advance billing	27,555	-
	3,220,592	2,496,133

Amounts due to intermediate holding company and a related party are unsecured, interest free and repayable on demand.

Other payables are denominated in the following currencies:

	2023	2022
	S$	S$
Indian rupee	389,829	141,968
Singapore dollar	2,818,748	2,354,165
United States dollar	12,015	-
	3,220,592	2,496,133

17. REVENUE

Disaggregation of revenue from contracts with customers:

	1 Apr 2022 To 31 Mar 2023	23 Apr 2021 To 31 Mar 2022
	S$	S$
Service income	595,929	68,788
Timing of transfer of good or service		
Over time	595,929	68,788

18. INCOME TAX

The income tax benefit varied from the amount of income tax determined by applying the Singapore income tax rate of 17% to loss before income tax as a result of the following differences:

	1 Apr 2022 To 31 Mar 2023	23 Apr 2021 To 31 Mar 2022
	S$	S$
Loss before income tax	(6,864,678)	(5,271,060)
Income tax benefit at statutory rate of 17% (2022: 17%) (1,166,995)	(896,080)	
Income tax effect of:		
- non-deductible expense	68,421	28,081
- tax losses carried forward	1,098,574	867,999
	-	-

19. LOSS FOR THE YEAR

	1 Apr 2022 To 31 Mar 2023	23 Apr 2021 To 31 Mar 2022
	S$	S$
Amortisation of intangible assets	291,648	161,570
Depreciation of plant and equipment	150,207	3,615
Foreign currency exchange loss	5,910	269
Insurance expense	114,737	11,599
Manpower costs	220,306	707,535
Office expense	208,240	80,523
Professional and consultancy fees	591,897	874,297
Short-term employee's benefits	5,525,532	3,361,051
Cost of defined benefits plans included in employee benefits expenses	222,865	100,721

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023 (Continued)

20. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the company's liabilities arising from financing activities, including both cash and non-cash changes.

Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities.

	2023	2022
Lease liability (Note 15)	S$	S$
At beginning of the year	-	-
Addition during the year	363,217	-
Financing cash flows:		
- Principal portion of lease liability	(39,376)	-
- Interest portion of lease liability	(3,940)	-
Non-cash transaction:		
- Interest expense	3,940	-
At the end of year	323,841	-

21. COMPARATIVE FIGURES

The financial statements for the financial period ended 31 March 2022 covered the period from 23 April 2021 (date of incorporation) to 31 March 2022. The financial statements for 31 March 2023 cover the financial year ended 31 March 2023. Accordingly, the comparative figures in the statement of comprehensive income and the related notes are not comparable.

22. EVENTS AFTER THE REPORTING PERIOD

No items, transactions or events of material and unusual nature have arisen between the end of the reporting period and the date of authorisation for issue of the financial statements which are likely to affect substantially the results of operations of the company for the succeeding financial year.

TVS DIGITAL PTE. LTD.

DETAILED STATEMENT OF PROFIT OR LOSS YEAR ENDED 31 MARCH 2023

	1 Apr 2022 To 31 Mar 2023 S$	23 Apr 2021 To 31 Mar 2022 S$
Revenue	**595,929**	68,788
Cost of service		
Amortisation of intangible assets	**(291,648)**	(161,570)
Cloud service cost	**(117,210)**	(17,045)
Service cost	**(5,402)**	(1,724)
Software development expense	**-**	(11,036)
	(414,260)	**(191,375)**
Gross profit/(loss)	**181,669**	(122,587)
Less: expenses		
Administrative expenses		
Auditors' remuneration	**15,000**	13,000
Bank charges	**21,181**	8,533
Book keeping charges	**7,200**	5,400
CPF contribution	**222,865**	100,721
Equipment leasing	**4,614**	-
General expense	**510**	-
Insurance expense	**114,737**	11,599
Legal and professional fee	**-**	2,800
Manpower costs	**220,306**	707,535
Medical expense	**7,214**	-
Office expense	**208,240**	80,523
Office rental	**146,710**	60,000
Postage & courier	**3,535**	-
Professional and consultancy fees	**591,897**	874,297
Printing & Stationery	**3,142**	3,155
Refreshments & entertainments	**1,222**	-
Salary and bonus	**5,185,099**	3,258,940
SDL	**2,197**	888
Service charge	**6,306**	-
Staff welfare	**-**	1,390
Subscription and membership fee	**864**	999
Telecommunications & internet	**27,665**	-
Training and development expense	**8,853**	14,809
Transport	**746**	-
Travelling expenses	**81,396**	-
Finance cost		
Interest on lease liability	**3,940**	-
Other expense		
Depreciation of plant and equipment	**150,207**	3,615
Foreign currency exchange loss	**5,910**	269
Withholding tax	**4,791**	-
	(7,046,347)	(5,148,473)
Loss before income tax	**(6,864,678)**	(5,271,060)

RE-STATED ACCOUNTS OF
TVS DIGITAL PTE. LTD.

BALANCE SHEET AS AT 31ST MARCH 2023

	Notes	SGD in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Property, plant and equipment	1	0.61	3.77
Other intangible assets	1	0.42	2.61
Intangible assets under development		0.47	2.88
Non-current investments	2	24.06	127.93
		25.56	137.19
Current assets			
Financial assets			
Trade receivables	3	0.46	2.85
Cash and cash equivalents	4	0.07	0.42
Other current assets	5	0.14	0.86
		0.67	4.13
Total Assets		26.23	141.32
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6	25.16	138.78
Other equity	7	(12.12)	(75.06)
		13.04	63.72
Share application money pending allotment		9.65	55.70
Liabilities			
Non-Current liabilities			
Financial liabilities			
Lease liability		0.16	0.99
		0.16	0.99
Current liabilities			
Financial liabilities			
(i) Lease liability		0.16	1.01
(ii) Trade payables	8		
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (i) (a) above		3.22	19.90
		3.38	20.91
Total liabilities		3.54	21.90
Total equity and liabilities		26.23	141.32

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

		Notes	SGD in Mn.	Rupees in crores
I	Revenue from operations	9	0.59	3.46
II	Other income		-	-
III	Total Income (I +II)		0.59	3.46
IV	Expenses:			
	Employee benefits expense	10	5.64	33.00
	Finance costs	11	-	0.02
	Depreciation and amortisation expense	12	0.44	2.59
	Other expenses	13	1.36	8.04
			7.44	43.65
V	Profit before exceptional items (III - IV)		(6.85)	(40.19)
VI	Exceptional items		-	-
VII	Profit before tax (V+ VI)		(6.85)	(40.19)
VIII	Tax expense			
	i) Current tax		-	-
	ii) Deferred tax		-	-
IX	Profit for the year (VII - VIII)		(6.85)	(40.19)
X	Other Comprehensive Income			
	A. Items that will not be reclassified to profit or loss		-	-
	B. Items that will be reclassified to profit or loss			
	Foreign currency translation adjustments		-	7.38
			-	7.38
XI	Total Comprehensive Income (IX + X)		(6.85)	(32.81)
XII	Earnings per equity share (Face value of SGD 1/- each)			
	Basic & Diluted earnings per share (in SGD / in rupees)		(0.02)	(1.01)

Notes on Accounts

1. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

SGD in Mn.

Description	Property, Plant & Equipment				Other Intangible	
	Building	Office equipment	Right of use asset	Total	Software	Total
	1	2	3	5	12	12
Cost of assets						
Gross carrying value as at 01-04-2022	0.22	0.01	-	0.23	0.87	0.87
Additions	0.17	-	0.36	0.53	-	-
Sub-total	0.39	0.01	0.36	0.76	0.87	0.87
Sales / deletion	-	-	-	-	-	-
Total	0.39	0.01	0.36	0.76	0.87	0.87
Depreciation / Amortisation						
Upto 31-03-2022	-	-	-	-	0.16	0.16
For the year	0.10	0.01	0.04	0.15	0.29	0.29
Sub-total	0.10	0.01	0.04	0.15	0.45	0.45
Withdrawn on assets sold / deleted	-	-	-	-	-	-
Total	0.10	0.01	0.04	0.15	0.45	0.45
Carrying value						
As at 31-03-2023	0.29	-	0.32	0.61	0.42	0.42

1 Property, Plant & Equipment

Rupees in crores

Description	Property, Plant & Equipment				Other Intangible	
	Building	Office equipment	Right of use asset	Total	Software	Total
	1	2		5	12	12
Cost of assets						
Gross carrying value as at 01-04-2022	1.22	0.07	-	1.29	4.90	4.90
Additions	1.05	-	2.24	3.29	-	-
Foreign Currency translation reserve difference	-	-		-	-	-
Sub-total	2.27	0.07	2.24	4.58	4.90	4.90
Sales / deletion	-	-		-	-	-
Total	2.27	0.07	2.24	4.58	4.90	4.90
Depreciation / Amortisation						
Upto 31-03-2022	-	0.03	-	0.03	0.91	0.91
For the year	0.59	0.04	0.25	0.88	1.71	1.71
Foreign Currency translation reserve difference	(0.08)	(0.02)		(0.10)	(0.33)	(0.33)
Sub-total	0.51	0.05	0.25	0.81	2.29	2.29
Withdrawn on assets sold / deleted	-	-	-	-	-	-
Total	0.51	0.05	0.25	0.81	2.29	2.29
Carrying value						
As at 31-03-2023	1.76	0.02	1.99	3.77	2.61	2.61

Notes on accounts - *(continued)*

	As at 31-03-2023 SGD in Mn.	As at 31-03-2023 Rupees in crores
2 NON-CURRENT INVESTMENTS		
Investment in Equity instruments		
Investment in Associates		
2,43,243 fully paidup equity shares of Tagbox Pte Limited, Singapore (face value of SGD 9.25 each)	3.01	15.42
24,827 fully paidup equity shares of Predictronics Corp, USA (face value of USD 0.01 each)	4.36	22.36
8,06,429 fully paidup equity shares of Altizon Inc, USA (face value of USD 0.00001 each)	4.66	25.34
28,05,357 fully paidup equity shares of Scienaptic Systems Inc, USA (face value of USD 0.001 each)	12.03	64.81
	24.06	127.93
3 TRADE RECEIVABLES		
Unsecured, considered good	0.46	2.85
	0.46	2.85
4 CASH AND CASH EQUIVALENTS		
Balances with banks in current accounts	0.07	0.42
	0.07	0.42
5 OTHER CURRENT ASSETS		
Prepaid expenses		
Trade deposits	0.14	0.86
Others		
	0.14	0.86
6 EQUITY SHARE CAPITAL		
Issued, subscribed and fully paid up:		
25,158,918 Ordinary shares of SGD 1 each	25.16	138.78
	25.16	138.78
7 OTHER EQUITY		
Retained earnings	(12.12)	(69.30)
Foreign currency translation reserve	-	(5.76)
	(12.12)	(75.06)

	As at 31-03-2023 SGD in Mn.	As at 31-03-2023 Rupees in crores
8 TRADE PAYABLES		
Dues to Micro and Small Enterprises**		
Dues to enterprises other than Micro and Small Enterprises	3.22	19.90
	3.22	19.90

** 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.

	For the Year Ended 31-03-2023 SGD in Mn.	For the Year Ended 31-03-2023 Rupees in crores
9 REVENUE FROM OPERATIONS		
Sale of service	0.60	3.49
Other operating revenue	(0.01)	(0.03)
	0.59	3.46
10 EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	5.41	31.65
Contribution to provident and other funds	0.22	1.30
Staff welfare expenses	0.01	0.05
	5.64	33.00
11 FINANCE COST		
Interest on lease liabilities	-	0.02
	-	0.02
12 DEPRECIATION		
Depreciation on property plant and equipment	0.11	0.63
Amortisation on right-to-use asset	0.04	0.25
Amortisation on intangible assets	0.29	1.71
	0.44	2.59
13 OTHER EXPENSES		
(a) Rent	0.15	0.86
(b) Insurance	0.11	0.67
(c) Rates and taxes (excluding taxes on income)	-	0.03
(d) Miscellaneous expenses	1.10	6.48
	1.36	8.04

RE-STATED ACCOUNTS OF
CELERITY MOTOR GMBH

BALANCE SHEET AS AT 31ST MARCH 2023

	Notes	SGD in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Capital work-in-progress		3.59	29.07
		3.59	29.07
Current assets			
Financial assets			
Trade receivables		-	-
Cash and cash equivalents		-	-
Other current assets	2	0.28	2.45
		0.28	2.45
Total Assets		3.87	31.52
EQUITY AND LIABILITIES			
Equity			
Equity share capital	3	0.03	0.22
Other equity	4	(0.36)	(2.69)
		(0.33)	(2.47)
Share application money pending allotment		3.86	30.91
Current liabilities			
Financial liabilities			
(i) Lease liability		-	-
(ii) Trade payables	5		
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (i) (a) above		0.34	3.08
		0.34	3.08
Total liabilities		0.34	3.08
Total equity and liabilities		3.87	31.52

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

		Notes	SGD in Mn.	Rupees in crores
I	Revenue from operations		-	-
II	Other income		-	-
III	Total Income (I +II)		-	-
IV	Expenses:			
	Employee benefits expense	6	0.19	1.53
	Other expenses	7	0.17	1.45
			0.36	2.98
V	Profit before exceptional items (III - IV)		(0.36)	(2.98)
VI	Exceptional items		-	-
VII	Profit before tax (V+ VI)		(0.36)	(2.98)
VIII	Tax expense			
	i) Current tax		-	-
	ii) Deferred tax		-	-
IX	Profit for the year (VII - VIII)		(0.36)	(2.98)
X	Other Comprehensive Income			
	A. Items that will not be reclassified to profit or loss		-	-
	B. Items that will be reclassified to profit or loss			
	Foreign currency translation adjustments		-	0.29
			-	0.29
XI	Total Comprehensive Income (IX + X)		(0.36)	(2.69)
XII	Earnings per equity share (Face value of SGD 1/- each)			
	Basic & Diluted earnings per share (in SGD / in rupees)		(14.40)	(1,192.00)

CELERITY MOTOR GMBH

Notes on Accounts

1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

1000000

GBP in Mn.

Description	Property, Plant & Equipment							Other Intangible		
	Building	Plant & equipments	Furniture and fixtures	Office equipments	Vehicles	Right of use	Total	Trade Mark	Design Development	Total
Cost of assets										
Gross carrying value as at 01-04-2022	4.87	2.45	1.96	0.62	1.45	2.12	13.47	23.89	-	23.89
Additions	0.04	1.54	0.14	0.30	0.39	0.37	2.78	0.12	4.75	4.87
Sub-total	4.91	3.99	2.10	0.92	1.84	2.49	16.25	24.01	4.75	28.76
Sales / deletion	-	0.02	0.01	-	0.11	-	0.14	-		-
Total	4.91	3.97	2.09	0.92	1.73	2.49	16.10	24.01	4.75	28.76
Depreciation / Amortisation										
Upto 31-03-2022	0.19	0.19	0.30	0.13	0.19	0.44	1.44	-	-	-
For the year	0.61	0.21	0.68	0.23	0.24	0.47	2.45	2.25	0.80	3.05
Sub-total	0.80	0.40	0.98	0.36	0.43	0.91	3.89	2.25	0.80	2.25
Withdrawn on assets sold / deleted	-	0.00	0.00	-	0.03	-	0.03	-	-	-
Total	0.80	0.40	0.98	0.36	0.40	0.91	3.86	2.25	0.80	2.25
Carrying value										
As at 31-03-2023	4.11	3.57	1.11	0.55	1.33	1.58	12.25	21.76	3.95	25.71

Rupees in crores

Description	Property, Plant & Equipment							Other Intangible		
	Building	Plant & equipments	Furniture and fixtures	Office equipments	Vehicles	Right of use	Total	Trade Mark	Design Development	Total
Cost of assets										
Gross carrying value as at 01-04-2022	48.45	24.31	19.49	6.17	14.47	21.68	134.57	237.65	-	237.65
Additions	0.37	15.61	1.47	3.04	4.01	-	24.50	1.23	48.29	49.52
Foreign Currency translation reserve difference	1.07	0.54	0.43	0.13	0.32	-	2.49	5.24	-	5.24
Sub-total	49.89	40.46	21.39	9.34	18.80	21.68	161.56	244.12	48.29	292.41
Sales / deletion	-	0.21	0.12	-	1.21	-	1.54	-	-	-
Total	49.89	40.25	21.27	9.34	17.59	21.68	160.02	244.12	48.29	292.41
Depreciation / Amortisation										
Upto 31-03-2022	1.96	1.87	2.96	1.32	1.83	4.94	14.88	-	-	-
For the year	5.92	2.02	6.62	2.27	2.32	4.56	23.71	21.81	7.76	29.56
Foreign Currency translation reserve difference	0.34	0.14	0.38	0.13	0.14	(3.90)	(2.76)	1.08	0.38	1.47
Sub-total	8.22	4.03	9.96	3.72	4.29	5.60	35.83	22.89	8.14	31.03
Withdrawn on assets sold / deleted	-	0.01	0.03	-	0.28	-	0.33	-	-	-
Total	8.22	4.02	9.93	3.72	4.01	5.60	35.50	22.89	8.14	31.03
Carrying value										
As at 31-03-2023	41.67	36.23	11.34	5.62	13.58	16.08	124.52	221.23	40.15	261.38

Notes on accounts - *(continued)*

		As at 31-03-2023	
		SGD in Mn.	Rupees in crores
2	**OTHER CURRENT ASSETS**		
	GST/VAT/IT/Excise receivable	0.25	2.23
	Others	0.03	0.22
		0.28	**2.45**
3	**EQUITY SHARE CAPITAL**		
	Issued, subscribed and fully paid up:		
	25,158,918 Ordinary shares of SGD 1 each	0.03	0.22
		0.03	**0.22**
4	**OTHER EQUITY**		
	Retained earnings	(0.36)	(2.98)
	Foreign currency translation reserve	-	0.29
		(0.36)	**(2.69)**
5	**TRADE PAYABLES**		
	Dues to Micro and Small Enterprises**		
	Dues to enterprises other than Micro and Small Enterprises	0.34	3.08
		0.34	**3.08**

** 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.

		For the Year Ended 31-03-2023	
		SGD in Mn.	Rupees in crores
6	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries, wages and bonus	0.19	1.53
	Contribution to provident and other funds	-	-
	Staff welfare expenses	-	-
		0.19	**1.53**
7	**OTHER EXPENSES**		
	(a) Rent	0.01	0.12
	(b) Insurance	-	-
	(c) Rates and taxes (excluding taxes on income)	-	-
	(d) Miscellaneous expenses	0.16	1.33
		0.17	**1.45**

REPORT OF THE DIRECTOR FOR THE YEAR ENDED 31 MARCH 2023

The director presents his report with the financial statements of the company for the year ended 31 March 2023.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of buying and selling of electric bikes.

DIRECTORS

The directors who have held office during the period from 1 April 2022 to the date of this report are as follows:

RA G Stanforth - resigned 1 April 2022

PM Stanforth - resigned I April 2022 S M Mishra - appointed I April 2022

RM Watller - appointed I April 2022 - resigned 7 October 2022

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

select suitable accounting policies and then apply them consistently;

make judgements and accounting estimates that are reasonable and prudent;

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors arc aware of that information.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.On behalf of the Board

S M MISHRA

Director

3rd May 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EBCO LIMITED

I\tatters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Director.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opm1on:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or certain disclosures of director's remuneration specified by law arc not made; or
- we have not received all the infonnation and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Director.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page two, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director 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 the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with JSAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The audit process includes an assessment of the entity's risk environment, through enquiry of and discussion with management, including an assessment of any key laws and regulations with which the company must comply in the ordinary course of its business.

Additionally, the overall risks of irregular transactions occurring arc c1sscsscd following our observations and confirmation of the design and implementation of management's controls. Whilst we are mindful of these risks, our audit focus is geared towards the risk of material misstatement in the financial statements as a whole.

As such, our procedures cannot guarantee that all transactions have been fully compliant with all relevant laws and regulations, including those regulations relating to fraud, as our procedures arc not designed to detect all instances of non-compliance. By definition, the risk of our detection of non-compliance is greater where compliance with a law or regulation is removed from the events and transactions reflected in the financial statements. The risk is also greater regarding irregularities due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description fonns part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Ashfield BA FCA
(Senior Statutory Auditor) for and on behalf of Harrison Beale & Owen Limited Chartered Accountants and Statutory Auditor Highdown House
11 Highdown Road
Leamington Spa Warwickshire CV31 IXT
10 May 2023

EBCO LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Year ended 31.3.23	Period 1.7.21 to 31.3.22
		£	£
TURNOVER		440,553	796,678
Cost of sales		400,884	604,397
GROSS PROFIT		39,669	192,281
Administrative expenses		609,216	363 975
		(569,547)	(171,694)
Other operating income		1,828	31,287
OPERATING LOSS	4	(567,719)	(140,407)
Interest payable and similar expenses		35,054	26 204
LOSS BEFORE TAXATION		(602,773)	(166,611)
Tax on loss		(602,773)	(166,611)
LOSS FOR THE FINANCIAL YEAR			

BALANCE SHEET AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
Intangible assets	5		37,146		11,522
Tangible assets	6		10,583		11,892
			47,729		23,414
CURRENT ASSETS Stocks	7	805,610		342,783	
Debtors	8	332,582		242,876	
Cash at bank		142		41,088	
		I,138,334		626,747	
CREDITORS Amounts falling due within one year	9	2,237,485		1,098,810	
NET CURRENT LIABILITIES			(1,099,151)		(472,063)
TOTAL ASSETS LESS CURRENT LIABILITIES			(1,0SI,422)		(448,649)
CAPITAL AND RESERVES					
Called up share capital			100		100
Share premium			219,970		219,970
Retained earnings			(1,271,492)		(668,719)
			(I,051,422)		(448,649)

The financial statements have been prepared in accordance with tl1e provisions applicable to companies subject to the small compames regime.

The financial statements were approved by the director and authorised for issue on 3 May 2023 and were signed by:

S M Mishra
Director
Company Registration No. 07176978

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 STATUTORY INFORMATION

EBCO Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling(£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard I 02 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section IA "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The accounts have been prepared in accordance with applicable accounting standards. The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year.

Going concern

The company has made significant losses in the current financial year as it has been investing in advertising and additional staffing costs to accommodate future sales of a new bike range that is due to be launched. At the balance sheet date the company had net current liabilities of £1,099,151 (2022 - £472.063) and total net liabilities of£ 1,051,422 (2022 - £448,649).

Management have prepared cashflow forecasts and undertaken a review of the future financing requirements on the basis of both the expected further investment required into the next financial year as well as for ongoing operations of the company. Management are satisfied that sufficient cash facilities being secured from its bankers and from the parent company to meet its working capital requirements for at least 12 months following the date of approval of these financial statements.

The parent company has expressed its willingness to continue to support the company and their intention to continue supporting the company with working capital as and when required. The director and shareholders are therefore both confident that the company has adequate resources and working capital to continue in operational existence for the foreseeable future to meet its ongoing liabilities.

The financial statements have therefore been prepared on the going concern basis. Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial

Reporting Standard applicable in the UK and Republic of Ireland'. not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods). the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measure reliably.

Goodwill

Goodwill is the difference between amounts paid on the acquisition of the trade and assets of a business and the fair value of the identifiable assets and liabilities acquired. For each acquisition, its goodwill is amortised to the profit and loss account over its estimated economic life of five years.

Intangible assets

Intangible assets are recognised at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the initial cost can be measured reliably.

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measure at cost less any accumulated amortisation and any ilccumulated impairment losses.

Website, trademarks, and branding are being amortised evenly over their estimated useful life of five years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant & machinery	15% on reducing balance
Fixtures & fittings	33% on cost
Motor vehicles	25% on cost
Office equipment	33% on cost

Stocks arc valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

<u>Goods in transit</u>

Amounts are recognised as part of goods in transit when the risks and rewards of the stock have transferred and the goods have been shipped but not yet delivered.

At each reporting date, an assessment is made for stock impairment and obsolescence as well as estimated warranty prov1s1ons:

<u>Impairment</u>

Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impainnent loss in profit and loss. Reversals of impainnent losses are also recognised in profit or loss.

<u>Warranty provisions</u>

A provision of estimated future parts to be supplied under the standard two year bike warranties will be made at the reporting date each year, based upon a percentage of year end components stock held. Any such warranty provision will be recognised as such in profit and loss. Reversals of warranty provisions are also recognised in profit or loss.

<u>Stock obsolescence provisions</u>

At each balance sheet date the directors assess stock for obsolescence, with any such provision being calculated based upon an estimate of the remaining life of the stock held at the balance sheet date. Any provision of stock obsolescence will be recognised in profit or loss.

Financial instruments

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses i11 tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets arc recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies arc translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023 (Continued)

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 9 (2022 - 4).

4. OPERATING LOSS

The operating loss is stated after charging:

	Year ended 31.3.23	Period 1.7.21 to 31.3.22
	£	£
Depreciation - owned assets		
Goodwill amortisation	5,000	3.750
Website, trademarks and branding amortisation	3,036	926
Auditors' remuneration	8,820	5 368

5. INTANGIBLE FIXED ASSETS

	Goodwill	Website, trademarks and branding	Totals
	£	£	£
COST			
At I April 2022	25,000	39,570	64,570
Additions		33,660	33,660
At 31 March 2023	25,000	73,230	98,230
AMORTISATION			
At I April 2022	16,250	36,798	53,048
Amotiisation for year	5,000	3,036	8,036
At 31 March 2023	21,250	39,834	61,084
NET BOOK VALUE			
At 31 March 2023	3,750	33,396	37,146
At 31 March 2022	8 750	2 772	11 522

6. TANGIBLE FIXED ASSETS

	Plant & machinery	Fixtures & fittings	Motor vehicles	Office equipment	Totals
	£	£	£	£	£
COST					
At 1 April 2022	15,000	3,064	15,974	II,I82	45,220
Additions				3 494	3 494
At 31 March 2023	I5,000	3,064	I5,974	14,676	48,7I4
DEPRECIATION					
At 1 April 2022	6,230	3,064	12,979	11,055	33,328
Charge for year	I,483		2,995	325	4,803
At 31 March 2023	7 713	3,064	15 974	11,380	38,131
NET BOOK VALUE					
At 31 March 2023	7 287			3 296	10,583
At 31 March 2022	8 770		2 995	127	11 892

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2023 (Continued)

	2023	2022
	£	£
7. STOCKS		
Raw materials	34,520	16.959
Finished goods	568,6l7	325,824
Goods in transit	202,473	
	805,610	342 783

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Trade debtors	45,950	225,812
Other debtors	286,632	17.064
	332,582	242 876

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank loans and overdrafts	307,774	
Trade creditors	375,340	348,127
Amounts owed to related parties	1,480,051	
Taxation and social security	24,162	47,630
Other creditors	50 158	703 053
	2,237,485	1 098 810

10. LEASING AGREEMENTS

Minimum lease payments under nan-cancel lable operating leases fall due as follows:

Within one year	15,667	23,500
Between one and five years		15.667
	15,667	39 167

11. SECURED DEBTS

The following secured debts are included within creditors:

Bank overdrafts	307,774	
Invoice factoring	33,767	190,389
Debentures		336,930
	341,541	527 319

The invoice factoring liability is secured by a fixed and floating charge over the undertaking and all property and assets present and future, including goodwill. book debts. uncalled capital, buildings. fixtures. fixed plant and machinery.

The directors loan accounts are secured by way of debentures that were entered into in December 2018, whereby the company has entered into the debenture for the purposes of securing obligations to the directors both now and in the future in respect of the loans due.

In April 2022, the directors have fully repaid the debentures and therefore satisfied the fixed and floating charges over the undertaking and all property and assets present and future, including investments, goodwill, intangible assets dividends, uncalled capital and any present or further book debts.

12. PENSIUN CUMMITMENTS

The company operates defined contribution pension schemes in respect of certain employees. The schemes and their assets are held by independent managers. Contributions payable by the company to the pension scheme for the year amounted to
£l, 948 (2022 - £1,408).

The outstanding pension contributions due from the company and amounted to £411 (2022 - £nil).

13. ULTIMATE CONTROLLING PARTY

At the reporting date, the company was 100% owned by TVS Motor (Singapore) Pte Ltd, a company incorporated in Singapore. The ultimate parent company waj TVS Motor Company Limited, a company incorporated in India. This company is the parent of the smallest group for which consolidated accounts are drawn up of which the company is a member. The registered office is Chaitanya No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai 600006, Tamil Nadu, India.

RE-STATED ACCOUNTS OF
EBCO LIMITED

BALANCE SHEET AS AT 31ST MARCH 2023

	Notes	GBP in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Property, plant and equipment	1	0.01	0.11
Capital work-in-progress			
Goodwill			
Other Intangible assets	1	0.04	0.43
Deferred tax Assets			
		0.05	0.54
Current assets			
Inventories	2	0.80	8.19
Financial assets			
Trade receivables	3	0.05	0.47
Cash and cash equivalents	4	-	-
Other current assets	5	0.29	2.91
		1.14	11.57
Total Assets		1.19	12.11
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6	-	-
Other equity	7	(1.05)	(10.65)
		(1.05)	(10.65)
Liabilities			
Non-Current liabilities			
Financial liabilities			
(i) Borrowing	8	1.76	17.84
		1.76	17.84
Current liabilities			
Financial liabilities			
(i) Trade payables	9		
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (i) (a) above		0.41	4.16
Other current liabilities	10	0.07	0.76
		0.48	4.92
Total liabilities		2.24	22.76
Total equity and liabilities		1.19	12.11

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

		Notes	GBP in Mn.	Rupees in crores
I	Revenue from operations	11	0.44	4.27
II	Other income	12	-	0.02
III	Total Income (I +II)		0.44	4.29
IV	Expenses:			
	Purchases of stock-in-trade		1.17	11.72
	Changes in inventories of Stock-in -trade		(0.77)	(7.84)
	Employee benefits expense	13	0.29	2.81
	Finance costs	14	0.03	0.35
	Depreciation and amortisation expense	15	-	0.08
	Other expenses	16	0.33	3.01
			1.05	10.13
V	Profit before exceptional items (III - IV)		(0.61)	(5.84)
VI	Exceptional items		-	-
VII	Profit before tax (V+ VI)		(0.61)	(5.84)
VIII	Tax expense			
	i) Current tax		-	-
	ii) Deferred tax		-	-
IX	Profit for the year (VII - VIII)		(0.61)	(5.84)
X	Other Comprehensive Income			
	A. Items that will not be reclassified to profit or loss		-	-
	B. Items that will be reclassified to profit or loss			
	Foreign currency translation adjustments		-	(0.41)
			-	(0.41)
XI	Total Comprehensive Income (IX + X)		(0.61)	(6.25)
XII	Earnings per equity share (Face value of CHF .01/- each)			
	Basic & Diluted earnings per share (in CHF/ in rupees)		(6100)	(584000)

Notes on Accounts

1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

GBP in Mn.

Description	Property, Plant and Equipment					Other Intangible		
	Plant & equipments	Furniture and fixtures	Office equipment	Vehicles	Total	Goodwill	Trade marks	Total
Cost of assets								
Gross carrying value as at 01-04-2022	-	-		-	-	-	-	-
Acquired on Business Combination	0.01	0.00	0.00	0.00	0.02	0.01	0.04	0.05
Sub-total	0.01	0.00	0.00	0.00	0.02	0.01	0.04	0.05
Sales / deletion	-	-	-	-	-	-	-	-
Total	0.01	0.00	0.00	0.00	0.02	0.01	0.04	0.05
Depreciation / Amortisation								
Upto 31-03-2022	-	-		-	-	-	-	-
For the year	0.00	-	0.00	0.00	0.01	-	0.01	0.01
Sub-total	0.00	-	0.00	0.00	0.01	-	0.00	0.00
Withdrawn on assets sold / deleted	-	-	-	-	-	-	-	-
Total	0.00	-	0.00	0.00	0.01	-	0.01	0.01
Carrying value								
As at 31-03-2023	0.01	0.00	0.00	(0.00)	0.01	0.01	0.03	0.04
								-

Rupees in crores

Description	Property, Plant and Equipment					Other Intangible		
	Plant & equipments	Furniture and fixtures	Office equipment	Vehicles	Total	Goodwill	Trade marks	Total
Cost of assets								
Gross carrying value as at 01-04-2022	-	-	-	-	-	-	-	-
Acquired on Business Combination	0.09	0.00	0.05	0.04	0.18	0.10	0.39	0.49
Foreign Currency translation reserve difference	(0.01)	-	-	-	(0.01)	-	(0.01)	(0.01)
Sub-total	0.08	0.00	0.05	0.04	0.17	0.10	0.38	0.48
Sales / deletion					-			-
Total	0.08	0.00	0.05	0.04	0.17	0.10	0.38	0.48
Depreciation / Amortisation								
Upto 31-03-2022	-	-	-	-	-	-	-	-
For the year	0.01	-	0.01	0.03	0.05	-	0.03	0.03
Foreign Currency translation reserve difference	-	-	-	0.01	0.01	-	0.01	0.01
Sub-total	0.01	-	0.01	0.04	0.06	-	0.04	0.04
Withdrawn on assets sold / deleted					-	-	-	-
Total	0.01	-	0.01	0.04	0.06	-	0.04	0.04
Carrying value								
As at 31-03-2023	0.07	0.00	0.04	(0.00)	0.11	0.10	0.34	0.44
								-

Notes on accounts - *(continued)*

		As at 31-03-2023	
		GBP in Mn.	Rupees in crores
2	**INVENTORIES**		
	Raw materials and components	0.03	0.35
	Work-in-process	0.20	2.06
	Finished goods	0.57	5.78
		0.80	**8.19**
3	**TRADE RECEIVABLES**		
	Unsecured, considered good	0.05	0.47
	Less: Loss allowance	-	-
		0.05	**0.47**
4	CASH AND CASH EQUIVALENTS		
	Cash and cash equivalents	-	-
		-	-
5	**OTHER CURRENT ASSETS**		
	Trade deposits	0.29	2.91
		0.29	**2.91**
6	**EQUITY SHARE CAPITAL**		
	Issued, subscribed and fully paid up:		
	100 Ordinary shares of GBP 1 each	-	-
		-	**-**
7	**OTHER EQUITY**		
	Retained earnings	(1.27)	(12.43)
	Captal reserve	0.22	1.78
		(1.05)	**(10.65)**
8	**FINANCIAL LIABILITIES - BORROWINGS (NON CURRENT)**		
	Unsecured		
	Term Loan from :		
	Bank	0.31	3.13
	Others	1.45	14.71
		1.76	**17.84**
9	**TRADE PAYABLES**		
	Dues to Micro and Small Enterprises**	-	-
	Dues to enterprises other than Micro and Small Enterprises	0.41	4.16
		0.41	**4.16**

** 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.

10	**OTHER CURRENT LIABILITIES**		
	Statutory dues	0.02	0.25
	Advance from customers	0.05	0.51
		0.07	**0.76**

		For the Year Ended 31-03-2023	
		GBP in Mn.	Rupees in crores
11	**REVENUE FROM OPERATIONS**		
	Sale of Product	0.44	4.27
		0.44	**4.27**
12	**OTHER INCOME**		
	Interest Income	-	0.02
		-	**0.02**
13	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries, wages and bonus	0.26	2.52
	Contribution to provident and other funds	0.03	0.29
		0.29	**2.81**
14	**FINANCE COST**		
	Interest	0.03	0.34
	Other borrowing cost	-	0.01
		0.03	**0.35**
15	**DEPRECIATION**		
	Depreciation on property plant and equipment	-	0.05
	Amortisation on intangible assets	-	0.03
		-	**0.08**
16	**OTHER EXPENSES**		
		*	00.4
	(a) Power and Fuel	0.04	0.37
	(b) Rent	0.04	0.37
	(c) Insurance	0.05	0.49
	(d) Rates and taxes (excluding taxes on income)	0.02	0.15
	(e) Audit fees	0.01	0.12
	(f) Other marketing expenses	0.04	0.43
	(g) Miscellaneous expenses	0.17	1.41
		0.33	**3.01**

Independent Auditors' Report

No. 00273/2.1265/AU.1/04/1208-3/1/IV/2023

The Stockholders, Board of Commissioners and Director
PT. TVS Motor Company Indonesia

Opinion

We have audited the financial statements of PT TVS Motor Company Indonesia (the "Company"), which comprise the statement of financial position as at March 31, 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2023, and its financial performance and its cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements paragraph of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Indonesia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

IMELDA & REKAN

Theodorus Bambang Dwi K.A
License of Public Accountant No. AP.1208

STATEMENT OF FINANCIAL POSITION
MARCH 31, 2023

	Notes	March 31, 2023	March 31, 2022
		Rp	Rp
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	78,449,689,897	84,752,191,380
Trade accounts receivable	6		
Related party	25	502,646,052	1,529,986,908
Third parties - net		849,063,727,241	383,236,201,551
Other accounts receivable Related party	7,25	7,231,960,164	2,628,437,734
Third parties		3,782,678,100	4,887,616,814
Inventories - net	8	351,150,143,776	318,251,282,690
Prepaid taxes	9	147,658,240,336	105,180,152,225
Advances to suppliers	10	16,349,405,408	17,695,358,184
Other current assets		6,668,712,225	4,748,570,131
Total Current Assets		1,460,857,203,199	922,909,797,617
NONCURRENT ASSETS			
Deferred tax assets - net	24	27,405,651,353	26,426,175,998
Right-of-use assets - net		4,224,355,887	1,822,019,256
Property, plant, and equipment - net	11	405,075,850,500	411,197,437,743
Security deposits		1,467,731,900	735,032,465
Total Noncurrent Assets		438,173,589,640	440,180,665,462
TOTAL ASSETS		1,899,030,792,839	1,363,090,463,079

See accompanying notes to financial statements which are an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION
MARCH 31, 2023 *(Continued)*

	Notes	March 31, 2022 Rp	March 31, 2021 Rp
LIABILITIES AND EQUITY CURRENT LIABILITIES			
Bank loans	12	499,556,210,289	390,857,189,876
Trade accounts payable	13		
Related party	25	676,733,124,162	350,120,803,126
Third parties		37,934,757,369	46,901,317,950
Other accounts payable	14		
Related party	25	16,586,937,580	8,900,742,990
Third parties		13,329,943,053	7,186,446,734
Taxes payable	15	967,291,393	754,219,285
Accrued expenses	16	56,026,568,330	38,989,696,304
Deposit from customers		2,625,566,354	3,999,451,801
Contract liabilities		7,515,931,533	8,254,294,414
Lease liabilities		2,956,492,266	1,515,026,434
Total Current Liabilities		1,314,232,822,329	857,479,188,914
NONCURRENT LIABILITIES			
Lease liabilities		960,651,759	-
Post-employment benefits obligation	17	20,290,921,000	22,375,157,000
Total Noncurrent Liabilities		21,251,572,759	22,375,157,000
TOTAL LIABILITIES		1,335,484,395,088	879,854,345,914
EQUITY			
Capital stock - Rp 97,400 (USD 10) par value per share Authorized - 17,500,000 shares Subscribed and paid-up - 16,791,187 ordinary shares at March 31, 2023 and March 31, 2022	18	1,635,461,613,800	1,635,461,613,800
Foreign exchange rate difference on paid-in capital	19	216,192,517,840	216,192,517,840
Revaluation surplus	20	276,495,214,244	276,495,214,244
Other comprehensive income		10,824,177,440	7,471,671,140
Accumulated deficit		(1,575,427,125,573)	(1,652,384,899,859)
TOTAL EQUITY		563,546,397,751	483,236,117,165
TOTAL LIABILITIES AND EQUITY		1,899,030,792,839	1,363,090,463,079

See accompanying notes to financial statements which are an integral part of the financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended March 31, 2023

	Notes	2023 Rp	2022 Rp
NET SALES	21,25	1,583,091,599,000	1,164,515,080,355
COST OF GOODS SOLD	22,25	(1,355,669,032,347)	(1,031,413,632,664)
GROSS PROFIT		227,422,566,653	133,101,447,691
Marketing expenses	23	(31,443,971,082)	(8,788,075,363)
General and administrative expenses	23,25	(82,549,134,426)	(67,325,103,609)
Finance cost		(30,580,481,689)	(22,876,832,949)
(Loss) gain on foreign exchange - net		(8,859,946,888)	2,267,193,756
Interest income		112,711,339	116,980,974
(Loss) gain on disposal of property, plant and equipment	11	(10,387,667)	116,644,219
Others - net		941,363,991	7,203,785,469
PROFIT BEFORE TAX		75,032,720,231	43,816,040,188
INCOME TAX BENEFIT	24	1,925,054,055	34,496,957,895
PROFIT FOR THE YEAR		76,957,774,286	78,312,998,083
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefits obligation	17	4,298,085,000	612,688,000
Related tax expense	24	(945,578,700)	(134,791,360)
Total other comprehensive income, net of tax		3,352,506,300	477,896,640
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		80,310,280,586	78,790,894,723

See accompanying notes to financial statements which are an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

				Other comprehensive income		
	Capital stock	Foreign exchange rate difference on paid-in capital	Revaluation surplus	Remeasurement of defined benefits obligation	Accumulated deficit	Total equity
	Rp	Rp	Rp	Rp	Rp	Rp
Balance as of March 31, 2021	1,635,461,613,800	216,192,517,840	276,495,214,244	6,993,774,500	(1,730,697,897,942)	404,445,222,442
Profit for the year	-	-	-	-	78,312,998,083	78,312,998,083
Other comprehensive income, net of tax	-	-	-	477,896,640	-	477,896,640
Balance as of March 31, 2022	1,635,461,613,800	216,192,517,840	276,495,214,244	7,471,671,140	(1,652,384,899,859)	483,236,117,165
Profit for the year	-	-	-	-	76,957,774,286	76,957,774,286
Other comprehensive income, net of tax	-	-	-	3,352,506,300	-	3,352,506,300
Balance as of March 31, 2023	1,635,461,613,800	216,192,517,840	276,495,214,244	10,824,177,440	(1,575,427,125,573)	563,546,397,751

See accompanying notes to financial statements which are an integral part of the financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2023

	Note	2023 Rp	2022 Rp
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax per statement of profit or loss			
and other comprehensive income		75,032,720,231	43,816,040,188
Adjustments for:			
Interest and finance charges		27,159,709,903	20,039,652,081
Depreciation of property, plant and equipment and right-of-use assets		16,294,108,203	17,087,169,919
Loss (gain) on sale and disposal of property, plant and equipment	11	10,387,667	(116,644,219)
Provision for employee benefits expense	17	4,185,179,000	4,486,672,000
Provision for inventory obsolescence	8	13,525,729,541	1,696,862,504
Provision for credit losses	6	17,762,118,149	11,066,752,331
Interest income		(112,711,339)	(116,980,974)
Net unrealized loss (gain) on foreign exchange		5,265,442,763	(766,418,685)
Operating cash flows before changes in working capital		159,122,684,118	97,193,105,145
Changes in working capital:			
Trade accounts receivable		(482,562,302,983)	(72,451,610,976)
Other accounts receivable		(3,498,583,716)	3,284,818,156
Inventories		(46,424,590,627)	(45,057,209,728)
Prepaid taxes		(138,421,503,481)	(96,403,914,472)
Advances to suppliers		1,345,952,777	(1,438,302,407)
Other current assets		(1,920,142,093)	(752,128,670)
Trade accounts payable		317,645,760,455	135,877,220,905
Other accounts payable		13,829,690,908	6,647,304,337
Taxes payable		213,072,108	(63,441,365)
Accrued expenses		17,036,872,026	(2,397,288,760)
Deposit from customers		(1,373,885,447)	(4,482,296,947)
Contract liabilities		(738,362,881)	1,725,459,513
Net cash (used in) generated from operations		(165,745,338,836)	21,681,714,731
Employee benefits paid	17	(1,971,330,000)	(1,881,163,000)
Income tax paid	24	(1,628,688,893)	(5,125,879,729)
Proceeds from tax refund		97,572,104,263	57,943,375,635
Net Cash (Used in) Provided by Operating Activities		(71,773,253,466)	72,618,047,637
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment	11	(8,257,989,324)	(11,191,011,376)
(Decrease) increase in security deposits		(732,699,435)	33,879,478
Proceeds from sale of property, plant and equipment	11	37,837,837	242,272,727
Interest received		112,711,339	116,980,974
Net Cash Used in Investing Activities		(8,840,139,583)	(10,797,878,197)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of bank loans		(1,474,636,959,865)	(1,709,517,412,584)
Interest and finance charges paid		(26,932,732,655)	(19,795,804,989)
Payments of lease liabilities		(3,181,055,575)	(2,691,517,000)
Proceeds from bank loans		1,579,061,639,661	1,731,676,946,198
Net Cash Provided by (Used in) Financing Activities		74,310,891,566	(327,788,375)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(6,302,501,483)	61,492,381,065
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		84,752,191,380	24,377,134,810
Effect of foreign exchange rate changes		-	(1,117,324,495)
CASH AND CASH EQUIVALENTS AT END OF YEAR		78,449,689,897	84,752,191,380

See accompanying notes to financial statements which are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS
March 31, 2023 and for the year then ended

1. GENERAL

PT TVS Motor Company Indonesia (the "Company") was established within the framework of the Foreign Capital Investment Law No. 1 Year 1967 as amended by Law No. 11 Year 1970 based on Notarial Deed No. 21 of Siti Rayhana, S.H., dated August 8, 2005, substitute of Bandoro Raden Ayu Mahyastoeti Notonagoro, S.H., notary in Jakarta. The Deed of Establishment was approved by the Minister of Law and Human Rights of the Republic of Indonesia in his Decision Letter No. C-24361 HT.01.01.TH.2005 dated September 5, 2005. The Company's Articles of Association have been amended several times, most recently by Notarial Deed No. 40 dated March 19, 2021 of Susana Tanu, S.H., notary in Jakarta, regarding the reappointment of Board of Commissioners by the Minister of Law and Human Rights of the Republic of Indonesia in his Notification Letter No. AHU-AH.01.03- 0187516 dated March 24, 2021.

In accordance with Article 3 of the Company's Articles of Association, the scope of its activities includes production of motorcycles, motorcycle component parts and accessories, three wheelers and its components. The Company started commercial operations on April 29, 2007.

The Company's domicile is in Jakarta and its head office is located at Wirausaha Building, 3rd Floor, Jl. HR. Rasuna Said, Kav. C5 Kuningan, Jakarta. As of March 31, 2023, the Company has 493 employees (2022: 490 employees).

At March 31, 2023 and 2022, the Company's management is composed of the following:

President Commissioner	: Kunnath Narayanan Radhakrishnan
Commissioners	: Ramgopal Dilip Ramaswami Anandakrishnan
President Director	: Jeyanandan Thangarajan
Director	: Rajesh Ramani

2. ADOPTION OF NEW AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS (PSAK) AND INTERPRETATIONS OF PSAK (ISAK)

a. Change in Accounting Policy

Attribution of Benefits to Periods of Services

In April 2022, the Indonesian Financial Accounting Standards Board of the Institute of Indonesia Chartered Accountants (DSAK-IAI) has issued a press release and clarified the attribution of benefits to the periods of service for the pension program under the Manpower Act or the Job Creation Law and its implementing regulations (Manpower Act).

The Company has implemented the guidance in the press release and applied the necessary changes to its accounting policies. The Company has determined that the impact is not material to its current and prior period financial statements.

b. Amendments/ Improvements to Standards Effective in the Current Year

In the current year, the Company has applied a number of amendments/ improvements to PSAK that are relevant to its operations and effective for accounting period beginning on or after April 1, 2022. The adoption of these new/revised PSAKs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported in these financial statements.

c. Standard and Amendments/ Improvements to Standards Issued not yet Adopted

At the date of authorization of these financial statements, the following amendments to PSAK relevant to the Company were issued but not effective, with early application permitted:

<u>Effective for periods beginning on or after January 1, 2023</u>

- PSAK 1 (amendment) Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
- PSAK 16 (amendment) Property, Plant and Equipment: Proceeds before Intended Use
- PSAK 25 (amendment) Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- PSAK 1 (amendment) Presentation of Financial Statements: Disclosure of Accounting Policies
- PSAK 46 (amendment) Income Taxes: Deferred Tax related to Assets and Liabilities Arising from a Single Transaction
- Effective for periods beginning on or after January 1, 2024
- PSAK 73 (amendment) Leases: Lease Liability in a Sale and Leaseback
- PSAK 1 (amendment) Presentation of financial statements: Non-current Liabilities with Covenants

As of the issuance date of the financial statements, the effects of adopting these standards, amendments and interpretations on the financial statements are not known nor reasonably estimable by management.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indonesian Financial Accounting Standards.

b. Basis of Presentation

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The statement of cash flows is prepared using the indirect method with classifications of cash flows into operating, investing, and financing activities.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

c. Foreign Currency Transactions and Balances

The financial statements of the Company are measured and presented in Indonesian Rupiah which is also the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise.

d. Transactions with Related Parties

A related party is a person or entity that is related to the Company (the reporting entity):

a. A person or a close member of that person's family is related to the reporting entity if that person:
   i. has control or joint control over the reporting entity;
   ii. has significant influence over the reporting entity; or
   iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b. An entity is related to the reporting entity if any of the following conditions applies:
   i. The entity, and the reporting entity are members of the same group (which means that each parent, subsidiary, and fellow subsidiary is related to the others).
   ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
   iii. Both entities are joint ventures of the same third party.
   iv. One entity is a joint venture of a third entity, and the other entity is an associate of the third entity.
   v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity, or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
   vi. The entity is controlled or jointly controlled by a person identified in (a).
   vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
   viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Significant transactions with related parties are disclosed in the financial statements.

e. Financial Instruments

Financial assets and financial liabilities are recognized on the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition.

<u>Classification of financial assets</u>

Debt instruments that meet the following conditions are subsequently measured at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipt (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest is recognized using the effective interest method for debt instruments measured subsequently at amortized cost, except for short term balances when the effect of discounting is immaterial.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses ("ECL") on financial assets measured at amortized cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime ECL for trade accounts receivable. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit impaired at the reporting date or an actual default occurring.

Significant increase in credit risk

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 as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

The Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 120 days past due unless the Company has reasonable and supportable information that demonstrates otherwise.

The Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Company considers that default has occurred when a financial asset is more than 365 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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 that financial asset have occurred.

Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade accounts receivable, when the amounts are over 360 days past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Measurement and recognition of ECL

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determine at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size, and industry of debtors;
- External credit ratings where available.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial Liabilities

Financial liabilities, including trade and other payables, accrued expenses and deposit from customers are initially measured at fair value and subsequently measured at amortized cost, using the effective interest method, except for short-term balances when the effect of discounting is immaterial.

Bank loans

Interest-bearing bank loans are initially measured at fair value and subsequently measured at amortized cost, using the effective interest method. Interest expense calculated using the effective interest method is recognized over the term of the borrowing in accordance with the Company's accounting policy for borrowing costs.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

f. Cash and Cash Equivalents

For cash flow presentation purposes, cash and cash equivalents consist of cash on hand and in banks with maturities of three months or less from the date of placement.

g. Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Cost is determined using the weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

h. Property, Plant and Equipment

Property, plant, and equipment held for use in the production or supply of goods or services or for administrative purposes, are stated at cost less accumulated depreciation and any impairment losses.

Land is not depreciated.

Depreciation is recognized so as to write off the cost of assets less by residual values using the straight-line method based on the estimated useful lives of the assets as follows:

	Years
Buildings	20
Machinery and tools	4 - 10
Office equipment and furniture	4
Vehicles	5

Moulds and dies are depreciated based on units of production of 125,000 - 150,000 units in 2023 and 2022.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Land stated in the statement of financial position at its revalued amount, being the fair value at the date of the revaluation. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting date.

Any revaluation increase arising on the revaluation of land is credited in other comprehensive income and accumulated in equity and presented as revaluation surplus, under other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit of loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation land is charged in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

The cost of maintenance and repairs is charged to operations as incurred. Other costs incurred subsequently to add to, replace part of, or service an item of property, plant, and equipment, are recognized as asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. When assets are retired or otherwise disposed of, their carrying values and the related accumulated depreciation and any impairment loss are removed from the accounts and any resulting gain or loss is reflected in the current operations.

Items of property, plant, and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant, and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Fully depreciated assets still in use are retained in the financial statements.

i. Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amount of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Estimated recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of a non-financial asset (cash generating unit) is less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount and an impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

j. Leases

The Company as lessee

The Company assesses whether a contract is or contains a lease, at the inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect the interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of the exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurements of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The costs are included in the related right-of-use asset unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying assets. If a lease transfers ownership of the underlying assets or the cost of the right-of-use assets reflects that of the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying assets. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

Variable rents that do not depend on an index or rate are not included in the measurements of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occur and are included in the line 'Others - net' in the statement of profit or loss and other comprehensive income.

As a practical expedient, PSAK 73 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient.

k. After Sales Warranty

The Company makes a provision to cover possible cost on after sales warranty granted to customers. Such provision is recognized based on certain percentage of sales by comparing the actual claim with sales.

l. Revenue Recognition

The Company recognizes revenue from sale of goods. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control of a product to a customer. The Company has generally concluded that it is the principal in its revenue arrangements and records revenue on a gross basis because it typically controls the goods or services before transferring them to the customer.

Revenue is recognized at the point in time when service is delivered and control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 90 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points, shipping, and handling).

m. Employee Benefits

The Company established defined benefit pension plans covering all the local permanent employees in accordance with Job Creation Law no. 11/2020 and Government Regulation No. 35/2021 (collectively referred to as "Job Creation Law").

Defined benefit plan

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement comprising actuarial gains and losses are recognized immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurements recognized in other comprehensive income are reflected immediately in "retained earnings" and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss when the plan amendment or curtailment occurs, or when the Company recognizes related restructuring costs or termination benefits, if earlier. Curtailment gains and losses are accounted for as past service costs. Interest is calculated by applying a discount rate at the beginning of the period to the defined benefit liability. Defined benefit costs are divided into three categories:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements).
- Interest expense.
- Remeasurement.

The Company presents the first two components of defined benefit costs in profit or loss.

Termination

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognized any related restructuring costs.

n. Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognized for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted, or substantively enacted, by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of their assets and liabilities.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside of profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside of profit or loss.

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity when there is an intention to settle its current tax assets and current tax liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 3, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgments in Applying Accounting Policies

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognized in the financial statements, apart from those involving estimations, which are presented separately below.

Key Sources of Estimation Uncertainty

The key assumptions concerning future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Calculation of Loss Allowance

When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions, and expectations of future conditions.

The carrying amounts of receivables are disclosed in Note 6. Allowance for Decline in Value of Inventories

The Company provides allowance for decline in value of inventories based on estimated future usage of such inventories. While it is believed that the assumptions used in the estimation of the allowance for decline in value of inventories are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of the allowance for decline in value of inventories, which ultimately will impact the result of the Company's operations. The carrying amount of inventories is disclosed in Note 8.

Income Taxes and Realization of Deferred Tax Assets

The Company is exposed to assessments on its income taxes and significant judgment is involved in determining the provision for income taxes. In certain circumstances, the Company may not be able to determine the exact amount of its current or future tax liabilities due to ongoing investigations by, or negotiations with, the taxation authority. Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. The Company recognizes liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recognized, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Company recognizes deferred tax assets on deductible temporary differences and fiscal loss carry forwards to the extent that it is probable that taxable income will be available in future periods against which the deductible temporary differences and fiscal loss can be utilized. In assessing whether deferred tax assets should be recognized, management makes judgement as to the assumptions used in estimating future taxable income. Any significant changes in the assumptions may materially affect the amount of deferred tax assets and ultimately will have an impact on its results of operations.

The carrying amounts of the prepaid taxes, taxes payable and deferred tax assets (net of deferred tax liabilities) at the end of the reporting period are disclosed in Notes 9, 15 and 24.

Fair Value of Land

Effective April 1, 2013, the Company's land is measured at fair value. In estimating the fair value of land, management engages third party qualified appraisal to perform the valuation. Management works closely with the qualified external appraisal to establish the appropriate valuation techniques and inputs. Any changes in the inputs and valuation techniques may have a material effect in the financial statements.

The carrying value of land is disclosed in Note 11.

NOTES TO FINANCIAL STATEMENTS
March 31, 2023 and for the year then ended*(Continued)*

5. CASH AND CASH EQUIVALENTS

	2023	2022
	Rp	Rp
Cash on hand Rupiah	18,124,900	27,824,900
US Dollar	126,159,463	52,474,436
Subtotal	144,284,363	80,299,336
Cash in banks		
Rupiah		
PT Bank Mandiri (Persero) Tbk	24,078,805,239	2,236,227,554
PT Bank Danamon Indonesia Tbk	1,302,661,035	6,873,198,950
PT Bank DBS Indonesia	994,958,778	2,174,660,920
MUFG Bank Ltd., Jakarta Branch	526,143,970	72,657,412
PT Bank SBI Indonesia	97,516,732	83,169,131
Deutsche Bank AG, Jakarta Branch	70,782,967	1,331,440,999
Standard Chartered Bank Indonesia	54,064,000	54,364,000
Subtotal	27,124,932,721	12,825,718,966
US Dollar		
PT Bank DBS Indonesia	34,147,086,257	33,900,944,387
Deutsche Bank AG, Jakarta Branch	7,490,351,126	29,448,570,649
MUFG Bank Ltd., Jakarta Branch	6,269,475,713	2,284,894,726
Standard Chartered Bank Indonesia	2,514,930,457	6,159,063,887
PT Bank Mandiri (Persero) Tbk	758,629,260	52,699,429
Subtotal	51,180,472,813	71,846,173,078
Total	78,449,689,897	84,752,191,380

6. TRADE ACCOUNTS RECEIVABLE

	2023	2022
	Rp	Rp
a. By debtor		
Related party (Note 25) -		
TVS Motor Company Limited, India	502,646,052	1,529,986,908
Third parties		
Global Automobile Traders FZCO	816,044,631,195	281,061,485,410
Wandel International Nigeria Limited	22,518,280,430	10,413,997,004
Robustrade Dmcc	19,492,863,850	32,498,516,880
Sunshine., Ltd	9,701,335,092	48,784,935,871
Stargold Motorcycle Co	5,663,131,256	8,695,324,842
Manalebish Bekele Importe	4,270,077,000	-
PT Karya Utama Jayamegah	3,250,536,758	158,978,777
PT Super Sukses Anugerah	1,873,414,426	3,394,320,061
Bodhi Yana Gemilang	1,150,032,340	1,068,997,204
PT Utama Sulawesi Makmur	111,019,677	2,419,996,007
G-Two FZCO	-	9,491,866,808
Car and General Trading Limited	-	2,859,182,736
Others (below Rp 1,000,000,000 each)	5,326,002,040	4,964,078,625
Subtotal	889,401,324,064	405,811,680,225
Allowance for credit losses	(40,337,596,823)	(22,575,478,674)
Net	849,063,727,241	383,236,201,551
Total	849,566,373,293	384,766,188,459
b. By currency		
US Dollar	879,177,427,588	395,645,819,115
Rupiah	10,726,542,528	11,695,848,018
Subtotal	889,903,970,116	407,341,667,133
Allowance for credit losses	(40,337,596,823)	(22,575,478,674)
Total	849,566,373,293	384,766,188,459

The average credit period on sale of goods are 30 to 150 days in 2023 and 2022. No interest is charged on the outstanding balance.

Allowance for credit losses for trade accounts receivable has been measured at an amount equal to lifetime ECL. The ECL on trade accounts receivable is estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The following table details the risk profile of trade accounts receivable from contracts with customers based on the Company's provision matrix.

NOTES TO FINANCIAL STATEMENTS
March 31, 2023 and for the year then ended *(Continued)*

ECL on trade accounts receivable using provision matrix - assessed collectively

		March 31, 2023							
		Past due							
	Not past due	< 30 days	31 - 60 days	61 - 90 days	91 - 120 days	121 - 180 days	> 180 days	Total
	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp
Expected credit loss rate on collective assessment	4.74%	10.57%	13.18%	16.43%	21.18%	23.19%	27.17%	
Estimated total gross carrying amount at default	41,264,360,954	17,618,184,155	307,222,225	7,706,571,740	56,934,360	64,069,854	6,841,995,633	73,859,338,921
Lifetime ECL	(1,956,836,560)	(1,861,724,331)	(40,497,024)	(1,265,985,761)	(12,056,216)	(14,860,467)	(1,858,962,202)	(7,010,922,560)
Total								66,848,416,361

		March 31, 2022						
		Past due						
	Not past due	< 30 days	31 - 60 days	61 - 90 days	91 - 120 days	121 - 180 days	> 180 days	Total
	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp
Expected credit loss rate on collective assessment	4.26%	2.70%	7.22%	7.82%	30.04%	48.55%	45.39%	
Estimated total gross carrying amount at default	60,104,599,277	37,999,744,750	9,883,459,357	2,832,289,706	57,574,636	40,239,067	15,362,274,979	126,280,181,771
Lifetime ECL	(2,559,061,288)	(1,025,399,940)	(713,752,396)	(221,399,408)	(17,297,095)	(19,536,498)	(6,973,461,611)	(11,529,908,237)
Total								114,750,273,534

The movements in allowance for credit losses are as follows:

	2023		
	Lifetime ECL - Not credit impaired		
	Assessed collectively	*Assessed individually*	*Total*
Balance at beginning of year	11,529,908,237	11,045,570,437	22,575,478,674
Loss allowance (reversed) recognized in profit or loss during the year (Note 23)	(4,518,985,677)	22,281,103,826	17,762,118,149
Balance at end of year	7,010,922,560	33,326,674,263	40,337,596,823

	2022		
	Lifetime ECL - Not credit impaired		
	Assessed collectively	*Assessed individually*	*Total*
Balance at beginning of year	11,529,908,237	-	11,529,908,237
Loss allowance recognized in profit or loss during the year (Note 23)	21,181,894	11,045,570,437	11,066,752,331
Write-off	(21,181,894)	-	(21,181,894)
Balance at end of year	11,529,908,237	11,045,570,437	22,575,478,674

7. OTHER ACCOUNTS RECEIVABLE FROM A RELATED PARTY

Other accounts receivable from a related party represents service fees and claim for reimbursements in 2023 and 2022 from TVS Motor Company Limited, India (Note 25).

NOTES TO FINANCIAL STATEMENTS
March 31, 2023 and for the year then ended*(Continued)*

8. INVENTORIES

	2023	2022
	Rp	Rp
Finished goods	34,912,658,874	30,664,826,775
Materials, components and spare parts	331,536,737,380	291,561,897,632
Others	1,763,052,082	2,320,787,079
Total	368,212,448,336	324,547,511,486
Allowance for inventory obsolescence	(17,062,304,560)	(6,296,228,796)
Net	351,150,143,776	318,251,282,690

The change in allowance for inventory obsolescence is as follows:

	2023	2022
	Rp	Rp
Balance at beginning of year	6,296,228,796	5,447,797,544
Provision during the year	13,525,729,541	1,696,862,504
Write-off during the year	(2,759,653,777)	(848,431,252)
Balance at end of year	17,062,304,560	6,296,228,796

Management believes that allowance for inventory obsolescence is adequate.

9. PREPAID TAXES

	2023	2022
	Rp	Rp
Income tax (Note 24) Value added tax (VAT)	8,317,253,983	7,260,861,090
2023	139,340,986,353	-
2022	-	96,776,770,175
2021	-	1,142,520,960
Total	147,658,240,336	105,180,152,225

VAT - 2021

In February 2022, the Company received Rp 57,079,253,635 out of its total claim of Rp 58,236,330,848. The difference of Rp 14,556,253 was recorded as expense and Rp 1,142,520,960 was retained as prepaid tax.

In February 2023, the Company received Rp 1,111,241,000 out of its remaining claim of Rp 1,142,520,960. The difference of Rp 31,279,960 was recorded as expense.

VAT - 2022

In February 2023, the Company received Rp 96,460,863,263 out of its total claim of Rp 96,776,770,175. The difference of Rp 315,906,912 was recorded as expense.

10. ADVANCES TO SUPPLIERS

This account represents advances made by the Company to its suppliers for the purchase of raw materials, tools, and other components.

This account represents advances made by the Company to its suppliers for the purchase of raw materials, tools and other components.

NOTES TO FINANCIAL STATEMENTS
March 31, 2023 and for the year then ended *(Continued)*

11. PROPERTY, PLANT AND EQUIPMENT

	April 1, 2022	Additions	Deductions	March 31, 2023
	Rp	Rp	Rp	Rp
Revalued amount:				
Land	304,162,000,000	-	-	304,162,000,000
Cost:				
Buildings	89,763,669,109	1,492,449,651	-	91,256,118,760
Machinery and tools	117,815,862,786	3,398,238,609	(323,341,903)	120,890,759,492
Moulds and dies	102,838,078,141	2,328,203,351	-	105,166,281,492
Office equipment and furnitures	12,855,833,460	1,039,097,713	(91,899,116)	13,803,032,057
Vehicles	1,516,367,941	-	-	1,516,367,941
Total	628,951,811,437	8,257,989,324	(415,241,019)	636,794,559,742
Accumulated depreciation:				
Buildings	60,563,523,846	4,510,338,183	-	65,073,862,029
Machinery and tools	100,603,907,145	3,361,544,687	(275,116,399)	103,690,335,433
Moulds and dies	45,088,221,152	5,249,839,761	-	50,338,060,913
Office equipment and furnitures	10,408,141,588	1,036,520,208	(91,899,116)	11,352,762,680
Vehicles	1,090,579,963	173,108,224	-	1,263,688,187
Total	217,754,373,694	14,331,351,063	(367,015,515)	231,718,709,242
Net Book Value	411,197,437,743			405,075,850,500

	April 1, 2021	Additions	Deductions	March 31, 2022
	Rp	Rp	Rp	Rp
Revalued amount:				
Land	304,162,000,000	-	-	304,162,000,000
Cost:				
Buildings	88,144,280,996	1,619,388,113	-	89,763,669,109
Machinery and tools	112,353,343,957	6,810,974,899	(1,348,456,070)	117,815,862,786
Moulds and dies	101,823,108,358	1,014,969,783	-	102,838,078,141
Office equipment and furnitures	11,946,266,649	1,448,674,224	(539,107,413)	12,855,833,460
Vehicles	1,219,363,584	297,004,357	-	1,516,367,941
Total	619,648,363,544	11,191,011,376	(1,887,563,483)	628,951,811,437
Accumulated depreciation:				
Buildings	56,130,204,773	4,433,319,073	-	60,563,523,846
Machinery and tools	98,878,603,643	2,948,131,065	(1,222,827,563)	100,603,907,145
Moulds and dies	38,583,075,603	6,505,145,549	-	45,088,221,152
Office equipment and furnitures	10,140,020,489	807,228,511	(539,107,412)	10,408,141,588
Vehicles	965,607,626	124,972,337	-	1,090,579,963
Total	204,697,512,134	14,818,796,535	(1,761,934,975)	217,754,373,694
Net Book Value	414,950,851,410			411,197,437,743

NOTES TO FINANCIAL STATEMENTS
March 31, 2023 and for the year then ended *(Continued)*

Depreciation expense was allocated to the following:

	2023	2022
	Rp	Rp
Manufacturing cost	13,121722631	13,886,595,687
General and administrative expenses (Note 23)	1,209,628,432	932,200,848
Total	14,331,351,063	14,818,796,535

The Company owns land located in Karawang, Ciampel - Kutanegara, Jawa Barat, with a total area of 126,541 square meters as of March 31, 2023 and 2022, with Building Use Rights (HGB) expiring on November 11, 2028. Management believes that there will be no difficulty in the extension of the land rights since the land were acquired legally and supported by sufficient evidence of ownership.

The fair value of land was obtained from independent sources and was determined based on market approach that considers current market value from identical or comparable assets transaction and is classified as level two. Level two fair value measurements are those derived from inputs that are observable for the asset either directly or indirectly.

Disposal of property, plant and equipment are as follows:

	2023	2022
	Rp	Rp
Net book value	48,225504	125,628,508
Proceeds from disposal of property, plant and equipment	(37,837,837)	(242,272,727)
Loss (gain) on disposal	10,387,667	(116,644,219)

12. BANK LOANS

	2023	2022
	Rp	Rp
Short-term bank loans		
Rupiah		
Deutsche Bank AG, Jakarta Branch	15,000,000,000	-
PT Bank DBS Indonesia	3,971,983,049	2,987,801,312
MUFG Bank, Ltd., Jakarta Branch	-	15,488,756,399
US Dollar		
Deutsche Bank AG, Singapore Branch (USD 12,500,000 in 2023 and USD 12,000,000 in 2022)	188,275,000,000	172,188,000,000
MUFG Bank, Ltd., Jakarta Branch (USD 9,179,800 in 2023 and USD 7,008,315 in 2022)	138,266,147,600	100,562,310,500
Standard Chartered Indonesia (USD 5,000,000 in 2023)	75,310,000,000	-
PT Bank SBI Indonesia (USD 3,854,256 in 2023 and USD 4,386,518 in 2022)	58,052,802,968	62,942,149,259
Deutsche Bank AG, Jakarta Branch (USD 1,000,000 in 2023 and USD 1,716,256 in 2022)	15,062,000,000	24,626,556,053
PT Bank DBS Indonesia (USD 212,359 in 2023 and USD 711,626 in 2022)	3,198,548,246	10,211,120,657
China Yuan		
PT Bank DBS Indonesia (CNH 1,105,136 in 2023 and CNH 819,972 in 2022)	2,419,728,426	1,850,495,696
Total	499,556,210,289	390,857,189,876

The amortized cost of the bank loans are as follows:

	2023	2022
	Rp	Rp
Bank loans	499,556,210,289	390,857,189,876
Accrued interest (Note 16)	6,086,916,580	3,227,060,337
Amortized cost	505,643,126,869	394,084,250,213

PT. Bank DBS Indonesia

In May 2013, the Company obtained the trade finance facility for accounts payable financing from PT Bank DBS Indonesia with a maximum limit of USD 5,000,000 which also can be drawn in Indonesian Rupiah and Chinese Yuan. The facility is secured by lien on receivables and inventory to the extent of credit limit.

In 2023, interest rate per annum is at 7.30% (2022: 6.80%) for US Dollar denominated loans, at 10.00% (2022: 9.85%) for IDR denominated loans and at 6.50% (2022: 6.50%) for CNH denominated loans.

The facility expires on March 31, 2023. As the issuance date of the financial statements, the extension of this short-term loan agreement is still in process.

The above loan facilities with PT Bank DBS Indonesia contains certain covenants such as maintaining gearing ratio not to exceed mor e than 6 times, computed based on the financial statements. The loan facilities require the Company to maintain certain positive covenants. As of March 31, 2023, and 2022 the Company is compliant to the loan covenants.

PT Bank SBI Indonesia

In 2022, the Company renewed the revolving credit facility from PT Bank SBI Indonesia with a maximum credit limit of USD 5,050,000 which is a combination of cash credit, demand loan, foreign exchange facility which is due valid up to March 31, 2023. The facilities are secured by a Standby Letter of Credit (SBLC) issued by State Bank of India, CAG, Chennai-India amounting to USD 5,000,000. The loan bears an interest rate of 6.00% per annum.

As per renewal agreement with PT Bank SBI Indonesia, the facility were extended until February 5, 2024.

The above loan facilities with Bank SBI Indonesia contains certain covenants which, among others, require the Company to submit a quarterly financial report, with submission no later than 30 days from the reporting date and annual financial statement, with submission no later than 90 days from reporting date. As of March 31, 2023, and 2022, the Company is compliant to the loan covenants.

Deutsche Bank AG, Singapore Branch

In March 2019, the Company obtained a working capital loan facility of USD 15,000,000 from Deutsche Bank AG, Singapore Branch. The loan bears an interest rate of three-month SOFR + 3.95%. The Company availed and repaid several tranches and had outstanding balance of USD 12,500,000 as of March 31, 2023 and USD 10,500,000 as of March 31, 2022. The facility is secured by lien on receivables and inventory to the extent of credit limit.

As per loan agreement entered with banks, all the above short-term loans are renewable in nature and has no expiration date until both parties agreed to end the agreement.

Deutsche Bank AG, Jakarta Branch

In 2021, the Company obtained a revolving credit facility with Deutsche Bank, Jakarta Branch, for USD 3,000,000 which is renewable every 12 months and the interest rate is 4.68%. In 2022, the Company obtained a credit facility from Deutsche Bank, Jakarta in association with Exim Bank of Indonesia under the Jaminan Program (Program Pemulihan Ekonomi Nasional (PEN) for USD 10,000,000 wherein the Exim Bank provides credit guarantee up to 80% credit limit.

In 2023, the revolving credit facility is merged with credit facility balance under Jaminan Program. The combined credit limit is USD 10,000,000 and the outstanding as of March 31, 2023 is USD 1,000,000 and Rp 15,000,000,000. The interest rate is 9.33% for USD and 10.52% for IDR.

As per loan agreement entered with banks, all the above short-term loans are renewable in nature and the next renewal is due by December 15, 2024.

The above loan facilities with Deutsche Bank AG, Singapore Branch and Jakarta Branch contains certain covenants which, among others, require the Company to submit a half-yearly financial report, with submission no later than 90 days from the reporting date, and annual financial statement, with submission no later than 180 days from reporting date. As of March 31, 2023, and 2022, the Company is compliant to the loan covenants.

MUFG Bank, Ltd.

In 2022, the Company signed a credit agreement with MUFG Bank Ltd, Jakarta for USD 10,000,000 which is an omnibus facility with sub limits comprising of invoice financing, foreign exchange facilities, trade loan and uncommitted short-term loan.

This facility is valid up to December 31, 2023. The facility is secured by lien on receivables and inventory to the extent of credit limit. As of March 31, 2023, the outstanding loan for USD-denominated loans is USD 9,179,800 (2022: USD 7,008,315) and for IDR-denominated loans is Nil (2022: Rp 15,488,756,399). The loan bears an interest rate of 7.74% for USD-denominated loans and 6.12% for IDR-denominated loans per annum.

Standard Chartered Bank, Indonesia

In 2023, the Company obtained an uncommitted banking facility for USD 10,000,000 with sub limits of Short-term Loan (STL) for USD 5,000,000 and Export Financing for USD 5,000,000. The outstanding as of March 31, 2023 is USD 5,000,000 towards STL. The facility is unsecured in nature without any collateral as on reporting date. The loan bears an interest rate of 8.55% per annum.

NOTES TO FINANCIAL STATEMENTS
March 31, 2023 and for the year then ended*(Continued)*

As per loan agreements entered with banks, all the above short-term loans are renewable in nature and the next renewal is due by April 30, 2023.

The above loan facilities with Standard Chartered Bank contains certain covenant regarding submission of audited financial statements latest 6 months from the financial year end date. As of March 31, 2023, and 2022, the Company is compliant to the loan covenants.

13. TRADE ACCOUNTS PAYABLE

	2023	2022
	Rp	Rp
a. By Creditors		
Related party - TVS Motor Company Limited,		
India (Note 25)	676,733,124,162	350,120,803,126
Third parties		
PT National Assemblers	7,014,040,978	497,520
PT GS Battery	4,166,150,180	4,581,834,000
PT Setia Guna Sejati	3,515,248,345	5,345,974,474
Chongqing Ben-So Import & Export Trde Co., Ltd.	2,892,901,908	893,480,364
PT Mitrametal Perkasa	2,291,921,644	1,674,044,714
PT Daijo Industrial	1,672,663,024	2,224,433,274
PT Dharma Polimetal	1,395,085,557	1,250,294,664
PT Insako Jaya Sejahtera	1,231,226,576	1,349,012,730
PT Gajah Tunggal Tbk	1,046,446,384	2,666,549,070
Chongqing Xinxing Gear Wheel Co., Ltd	-	4,391,736,825
Others (below Rp 2,000,000,000 each)		
	12,709,072,773	22,523,460,315
Subtotal	37,934,757,369	46,901,317,950
Total	714,667,881,531	397,022,121,076
b. By Currency		
US Dollar	681,380,447,478	362,322,888,905
Rupiah	30,343,625,572	33,084,407,542
Chinese Yuan	2,943,808,481	1,573,285,129
India Rupee	-	41,539,500
Total	714,667,881,531	397,022,121,076

14. OTHER ACCOUNTS PAYABLE

	2023	2022
	Rp	Rp
Related party - TVS Motor Company Limited,		
India (Note 25)	16,586,937,580	8,900,742,990
Third parties		
PT TVS SCS Indonesia	3,665,051,491	-
PT Talisman Insurance Brokers	2,395,889,908	1,121,882,125
PT Halsindo Jaya	1,167,227,401	96,331,680
PT Wefreight Shipping and Logistic	1,097,047,054	-
PT Ecu Worldwide Indonesia	947,497,531	1,099,658,565
Moon Princess Co., Ltd.	907,256,859	-
PT Pan Asia Logistics Indonesia	708,096,211	720,864,377
TXM Logistics (China) Co., Ltd	630,571,986	-
Others (below Rp 500,000,000 each)		
	1,811,304,612	4,147,709,987
Subtotal	13,329,943,053	7,186,446,734
Total	29,916,880,633	16,087,189,724

Other accounts payable to a related party mostly represents information technology service fees and freight fees.

15. TAXES PAYABLE

	2023	2022
Income taxes Article 21	Rp	Rp
Article 22	44,135,914	12,183,934
Article 23	181,960,922	157,078,241
Article 26	25,328,862	118,275,311
Article 4(2) Final	127,985,284	108,557,240
Total	967,291,393	754,219,285

16. ACCRUED EXPENSES

	2023	2022
	Rp	Rp
Sales and marketing expense	28,347,461,989	18,571,165,142
Warranty expense	4,465,642,475	3,375,033,190
Interest	6,086,916,580	3,227,060,337
Professional fees	2,830,000,000	518,700,000
Employees' social security	517,984,274	485,844,299
Others	13,778,563,012	12,811,893,336
Total	56,026,568,330	38,989,696,304

17. POST-EMPLOYMENT BENEFITS OBLIGATION

The Group provides post-employment benefits to qualifying employees in accordance with

Job Creation Law No.11/2020 and Government Regulation No.35/2021. The number of employees entitled to the benefits was 410 employees in 2023 (2022: 401 employees).

The defined benefit pension plan typically exposes the Company to actuarial risks such as interest rate and salary risks.

Interest risk

A decrease in the bond interest rate will increase the plan's liability. Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Amounts recognized in the statement of profit or loss and other comprehensive income with respect to these post-employment benefits are as follows:

	2023	2022
	Rp	Rp
Service cost:		
Current service cost	3,726,435,000	3,271,002,000
Past service cost and gain on settlements	-	(277,520,000)
Interest cost	1,181,007,000	1,493,190,000
Adjustment due to change in attribution method	(722,263,000)	-
Components of defined benefits cost recognised in profit or loss	4,185,179,000	4,486,672,000
Remeasurement on the net defined benefit obligation:		
Actuarial losses arising from changes in financial assumptions	418,360,000	874,028,000
Actuarial gains arising from experience adjustments	(14,299,000)	(1,486,716,000)
Adjustment due to change in attribution method	(4,702,146,000)	-
Components of defined benefit costs recognised in other comprehensive income	(4,298,085,000)	(612,688,000)
Total	(112,906,000)	3,873,984,000

NOTES TO FINANCIAL STATEMENTS
March 31, 2023 and for the year then ended*(Continued)*

Past service cost and gain on settlement is recorded under Others - net in the statement of profit or loss and other comprehensive income

Changes in the present value of unfunded defined benefits obligations are as follows:

	2023	2022
	Rp	Rp
Balance at beginning of year	22,375,157,000	20,382,336,000
Adjustment due to change in attribution method	(5,424,409,000)	-
Component of defined benefit cost recognized in profit or loss	4,907,442,000	4,486,672,000
Component of defined benefit cost recognized in other comprehensive income	404,061,000	(612,688,000)
Benefits payment	(1,971,330,000)	(1,881,163,000)
Balance at end of year	20,290,921,000	22,375,157,000

The cost of providing post-employment benefits is calculated by independent actuary, KKA Halim & Rekan. The actuarial valuation was carried out using the following key assumptions:

	2023	2022
Discount rate per annum	7.25%	7.25%
Salary increment rate per annum	7.0%	7.0%
Normal retirement age	56 years old and can be extended up to 60 years old	56 years old and can be extended up to 60 years old
Mortality rate	TMI III	TMI III
Resignation rate	5% p.a. at age of 25 and decreasing linearly to 0% p.a. at age 45 and thereafter	5% p.a. at age of 25 and decreasing linearly to 0% p.a. at age 45 and thereafter
Disability	10% of TMI III	10% of TMI III

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate is 1% higher (lower), the defined benefits obligation would decrease to Rp 19,237,157,000 (increase to Rp 22.921,479,000) (2022: decrease to Rp 20,006,741,000 (increase to Rp 25,178,432,000)).

If the expected salary growth is 1% higher (lower), the defined benefits obligation would increase to Rp 23,115,977,000 (decrease to Rp 19,042,413,000) (2022: increase to Rp 25,392,368,000 (decrease to Rp 19,794,336,000)).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

The average duration of the benefit obligation on March 31, 2023 is 9.6 years (March 31, 2022: 12.4 years).

18. CAPITAL STOCK

Name of Stockholders	March 31, 2023 and 2022 Ordinary Shares	Percentage of Ownership	Total Capital Stock
		%	Rp
TVS Motor (Singapore) Pte., Limited	8,597,000	51%	837,347,800,000
TVS Motor Company (Europe) B.V.	5,324,187	32%	518,575,813,800
TVS Motor Company Limited, India	2,870,000	17%	279,538,000,000
Total	16,791,187	100%	1,635,461,613,800

19. FOREIGN EXCHANGE RATE DIFFERENCE ON PAID-IN CAPITAL

This account represents the difference between the exchange rate stated in the Articles of Association and the actual exchange rate at the date the payments for capital subscription were received.

20. REVALUATION SURPLUS

This amount represents the increase in value of land due to revaluation.

21. NET SALES

	2023	2022
	Rp	Rp
Type of goods		
Sale of vehicles	1,528,449,025,807	1,112,996,556,804
Sale of spare parts	54,642,573,193	51,518,523,551
Total	1,583,091,599,000	1,164,515,080,355
Geographical markets		
Export	1,477,216,430,370	1,083,916,327,043
Domestic	105,875,168,630	80,598,753,312
Total	1,583,091,599,000	1,164,515,080,355

The aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) for sales of goods on March 31, 2023 is Rp 7,515,931,533 (2022: Rp 8,254,294,414) and are presented as contract liabilities.

0.1% (2022: 0.9%) of the total revenues were made with related parties in 2023 (Note 25).

Details of net sales to dealers representing more than 10% of the sales are as follows:

Name of Customers	2023	2022
	Rp	Rp
Global Automobile Traders FZCO	720,755,395,675	323,732,716,705
Robustrade Dmcc	235,945,919,984	128,884,783,977
Sunshine., Ltd	221,483,668,383	177,520,482,980
Premier Top Trading Limited	-	220,318,728,100
Total	1,178,184,984,042	850,456,711,762

22. COST OF GOODS SOLD

	2023	2022
	Rp	Rp
Raw materials and components used	1,224,392,367,036	903,395,195,173
Direct labor	20,871,535,767	19,443,044,418
Overhead	114,652,961,643	102,243,051,485
Total manufacturing cost	1,359,916,864,446	1,025,081,291,076
Finished goods		
At beginning of year	30,664,826,775	36,997,168,363
At end of year	(34,912,658,874)	(30,664,826,775)
Cost of goods sold	1,355,669,032,347	1,031,413,632,664

66% (2022: 53%) of the total purchases of raw materials and components were Company Limited, India, the ultimate holding company, in 2023 (Note 25).

NOTES TO FINANCIAL STATEMENTS
March 31, 2023 and for the year then ended*(Continued)*

23. OPERATING EXPENSES

	2023	2022
	Rp	Rp
Marketing		
Advertising and market research	27,038,063,950	7,045,094,630
Free service charges	1,290,785,000	827,010,000
Warranty	635,461,855	668,947,421
Others	2,479,660,277	247,023,312
Total	31,443,971,082	8,788,075,363
General and administrative		
Salaries and allowances	26,719,070,046	27,730,177,581
Loss allowance (Note 6)	17,762,118,149	11,066,752,331
Short term and low value leases	7,295,304,246	5,909,569,953
Consultancy fees	6,258,046,698	5,020,991,134
Training and development	4,657,458,822	4,373,700,611
Travel and transportation	4,251,158,995	2,029,628,863
Taxes, permit and license	2,997,734,468	1,903,927,401
Right-of-use assets depreciation	1,962,757,140	2,268,373,384
Insurance	1,664,432,882	1,452,868,546
Data processing (Note 25d)	1,547,527,510	1,457,216,389
Research and development	1,471,867,610	232,838,982
Professional fees	1,335,947,500	913,515,350
Property, plant, and equipment depreciation (Note 11)	1,209,628,432	932,200,848
Office supplies	1,109,089,314	557,033,387
Telecommunication	363,974,620	313,026,677
Postage and courier	293,284,797	148,269,431
Business meeting	266,388,250	19,409,600
Recruitment	99,599,462	224,205,070
Others	1,283,745,485	771,398,071
Total	82,549,134,426	67,325,103,609

24. INCOME TAX

Income tax benefit of the Company consists of the following:

	2023	2022
	Rp	Rp
Current tax		
Adjustment of Tax Assessment Letter - 2019	-	241,000
Deferred tax	(1,925,054,055)	(34,497,198,895)
Total	(1,925,054,055)	(34,496,957,895)

Current tax

Reconciliation between profit before tax per statements of profit or loss and other comprehensive income and fiscal profit (loss) is as follows:

	2023	2022
	Rp	Rp
Profit before tax per statements of profit or loss and other comprehensive income	75,032,720,231	43,816,040,188
Temporary differences:		
Provision for credit losses	17,762,118,149	11,066,752,331
Provision for accrued expenses	10,866,906,132	2,673,492,538
Depreciation of property, plant and equipment	5,241,231,790	7,697,763,203
Provision for employee benefits - net	2,119,447,783	2,605,509,000
Total	35,989,703,854	24,043,517,072
Permanent differences:		
Provision for inventory obsolescence	13,525,729,541	1,696,862,504
Employee welfare	5,474,279,725	4,694,624,037
Tax expenses	652,158,105	837,314,451
Interest income already subjected to final tax	(112,711,339)	(116,980,974)
Others	154,435,074	296,286,349
Total	19,693,891,106	7,408,106,367
Fiscal profit before fiscal loss carryforward	130,716,315,191	75,267,663,627
Fiscal loss carryforward - net of expired portion	(222,950,009,791)	(298,217,673,418)
Total accumulated fiscal loss	(92,233,694,600)	(222,950,009,791)
Current tax	Nil	Nil

	2023	2022
	Rp	Rp
Prepaid taxes		
2023	1,628,688,893	-
2022	5,125,879,729	5,125,879,729
2021	1,562,797,363	1,562,797,363
2018	-	572,183,998
Prepaid taxes (Note 9)	8,317,365,985	7,260,861,090

The Company received Notification Letter from Tax Office in April 2022, which stated the Tax Office rejected the Preliminary Refund of Tax Overpayment for fiscal year 2018. The Company did not file an objection to the Tax Office and the overpayment of Rp 572,183,998 was recorded as expense.

Deferred Tax

The details of the Company's deferred tax assets (liabilities) are as follows:

	April 1, 2021	Credited to profit or loss for the year	Charged to Other Comprehensive Income	March 31, 2022	Charged (credited) to profit or loss for the year	Credited to Other Comprehensive Income	March 31, 2023
	Rp	Rp	Rp	Rp	Rp	Rp	Rp
Deferred tax asset (liabilities): Fiscal loss	1,285,092,467	31,178,343,495	-	32,463,435,962	(12,172,023,150)	-	20,291,412,812
Provision for credit losses	-	-	-	-	8,874,271,301	-	8,874,271,301
Accrued expenses	972,446,447	588,168,358	-	1,560,614,805	5,658,268,177	-	7,218,882,982
Property, plant and equipment	(14,270,237,651)	1,749,828,342	-		(12,520,409,309)	(922,509,053)	(13,442,918,362)
Post-employment benefits obligation 4,076,467,200	980,858,700	(134,791,360)	4,922,534,540	487,046,780	(945,578,700)	4,464,002,620	
Deferred Tax Asset - Net	(7,936,231,537)	34,497,198,895	(134,791,360)	26,426,175,998	1,925,054,055	(945,578,700)	27,405,651,353

NOTES TO FINANCIAL STATEMENTS
March 31, 2023 and for the year then ended*(Continued)*

Based on the Company's estimates, the Company will be able to realize the fiscal loss against taxable income in any of the five years following the year in which the fiscal loss is incurred, thus a deferred tax asset of Rp 20,291,412,812 was recognized as of March 31, 2023 (2022: Rp 32,463,435,962).
A reconciliation between the tax benefit and the amounts computed by applying the effective tax rates to profit before tax is as follows:

	2023	2022
	Rp	Rp
Profit before tax per statements of profit or loss and other comprehensive income	75,032,720,231	43,816,040,188
Tax expense at effective tax rates	16,507,198,451	9,639,528,841
Tax effect of permanent differences	4,332,656,043	4,064,468,914
Tax effect from utilization of fiscal loss previously not recognized	(16,585,566,192)	(47,737,229,493)
Others	(6,179,342,357)	(463,726,157)
Tax benefit	(1,925,054,055)	(34,496,957,895)

The Company received Advance Tax Overpayment Refund Decree (SKPPKP) KEP- 00257. PPH/WPJ.07/KP.03/2021 dated September 29, 2021, which stated that for fiscal year 2020, the Company has an overpayment related to income taxes amounting to Rp 864,122,000 instead of Rp 864,363,000 and the difference amounting to Rp 241,000 was recorded under tax expense.

25. NATURE OF RELATIONSHIP AND TRANSACTIONS WITH RELATED PARTIES

Nature of Relationship

a. TVS Motor Company Limited, India (TVS India) is the ultimate holding company and a stockholder of the Company
b. TVS Motor Company (Europe) B.V. and TVS Motor (Singapore) Pte., Limited, are stockholders of the Company.
c. Related party which conforms to the criteria on Note 3d is TVS Digital Pte., Ltd.

Transactions with Related Parties

The Company entered into certain transactions with related parties, including the following:

a. Compensation paid to the Board of Commissioners and Directors of the Company amounted to Rp 5,577,826,261 in 2023 (2022: Rp 4,535,309,098).
b. Net sales to related parties accounted for 0.1% in 2023 (2022: 0.9%), of the total net sales. At reporting date, the receivables for these sales were presented as trade accounts receivable which constituted 0.1% of the total assets as of March 31, 2023 (2022: 0.1%).

c. Purchases from a related party constituted 66% in 2023 (2022: 53%) of the total purchases of raw materials and components. At reporting date, the liabilities for these purchases were presented as trade accounts payable which constituted 51% as of March 31, 2023 (2022: 40%) of the total liabilities.
d. The Company also entered non-trade transactions such as service fee (Note 26b), claim for reimbursements (Note 7), and information technology services fees with a related party (Notes 14 and 23).

26. SIGNIFICANT CONTRACTS AND AGREEMENTS

a. On April 1, 2022, the Company and TVS Motor Company Limited, India, entered into a License and Technical Assistance Agreement, whereas the Company is engaged in the manufacture, assembly, and sale of certain models of TVS powered two-wheelers and thee-wheelers, including electric power train and obtain the right to use industrial property rights and technical information in connection with the manufacture, assembly, sale, and service of TVS two-wheelers and three- wheelers brands. As per agreement, the Company has to pay royalty of 2% on the net ex-factory price of every product and part sold. The payment of royalty will only begin when the combined production of two-wheelers and three-wheelers exceeds 20,000 units per month. This agreement will be valid for 5 years from effective date.
b. The Company and TVS Motor Company Limited entered into a Memorandum of Understanding on March 21, 2022 and valid for period 1st Apr 2022 to 31st Mar 2023. As per Memorandum, the Company is entitled to receive service fee of every three wheeled vehicle , sold by TVS Motor Company Limited in the Cambodia region. During the year, the income from such service fee amounted to Rp.501.668,975,- in 2023 (2022: Nil).

27. MONETARY ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

		2023		2022	
		Foreign Currency	Equivalent in Rp	Foreign Currency	Equivalent in Rp
Monetary Assets					
Cash and cash equivalents	USD	3,406,363	51,306,632,276	5,007,047	71,846,173,078
Trade accounts receivable Related party	USD	33,372	502,646,052	106,627	1,529,986,908
Third parties	USD	58,337,192	878,674,781,536	27,488,994	394,115,832,207
Other accounts receivable Related party	USD	480,146	7,231,960,164	183,179	2,628,437,734
Third parties	USD	172,775	2,602,337,050	322,940	4,633,866,814
Security deposits	USD	21,420	322,628,040	7,712	110,658,914
Total Monetary Assets			940,640,985,118		474,864,955,655
Monetary Liabilities					
Bank loans	USD	31,542,159	475,087,998,858	25,822,697	370,530,136,470
	CNH	1,105,136	2,419,728,426	819,972	1,850,495,695
Trade accounts payable					
Related party	USD	44,929,832	676,733,124,162	24,400,346	350,120,803,126
Third parties	USD	308,546	4,647,323,316	850,378	12,202,085,779
	RMB	1,344,493	2,943,808,481	18,382	41,539,500
Other accounts payable	CNH	-	-	697,137	1,573,285,129
Related party	USD	1,101,244	16,586,937,580	620,304	8,900,742,990
Third parties	USD	263,178	3,963,989,295	114,847	1,647,946,921
Total Monetary Liabilities			1,182,382,910,118		746,867,035,610
Net Monetary Liabilities			(241,741,925,000)		(272,002,079,955)

The conversion rates used by the Company are as follows:

	2023	2022
	Rp	Rp
USD	15,062	14,349
RMB	2,190	2,259
CNH	2,190	2,257

28. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

a. Categories and Classes of Financial Instruments

	2023		2022	
	Financial assets at amortized cost	Financial liabiities at amortized cost	Financial assets at amortized cost	Financial liabiities at amortized cost
	Rp	Rp	Rp	Rp
Financial Assets				
Cash in banks	78,305,405,534	-	84,671,892,044	-
Trade accounts receivable				
Related party	502,646,052	-	1,529,986,908	-
Third parties				
Other accounts receivable	849,063,727,241	-	383,236,201,551	-
Related party	7,231,960,164	-	2,628,437,734	-
Third parties	3,782,678,100	-	4,887,616,814	-
Other current assets	3,506,833,533	-	2,424,961,839	-
Security deposits	1,467,731,900	-	735,032,465	-
Financial Liabilities				
Bank loans	-	499,556,210,289	-	390,857,189,876
Trade accounts payable				
Related party	-	676,733,124,162	-	350,120,803,126
Third parties	-	37,934,757,369	-	46,901,317,950
Other accounts payable				
Related party	-	16,586,937,580	-	8,900,742,990
Third parties	-	13,329,943,053	-	7,186,446,734
Accrued expenses	-	56,026,568,330	-	38,989,696,304
Deposit from customers	-	2,625,566,354	-	3,999,451,801
Lease liabilities	-	3,917,144,025	-	1,515,026,434
Total	943,860,982,524	1,306,710,251,162	480,114,129,355	848,470,675,215

b. Capital Risk Management

The Company manages capital risk to ensure that it will be able to continue as a going concern, in addition to maximizing the profits of the shareholders through the optimization of the balance of debt and equity. The Company strategy remains unchanged from 2022. The Company's capital structure consists of bank loans (Note 12) offset by cash and cash equivalents (Note 5), lease liabilities and equity consisting of capital stock (Note 18), foreign exchange rate difference on paid-in capital (Note 19), revaluation surplus (Note 20), other comprehensive income and deficit.

The gearing ratio at reporting date is as follows:

	2023	2022
	Rp	Rp
Debt	503,473,354,314	392,372,216,310
Cash and cash equivalents	78,449,689,897	84,752,191,380
Debt - net	425,023,664,417	307,620,024,930
Equity	563,546,397,751	483,236,117,165
Net debt to equity ratio	75%	64%

c. Financial risk management objectives and policies

The Company's overall financial risk management and policies seek to ensure that adequate financial resources are available for operation and development of its business, while managing its exposure to foreign exchange, interest rate, price, credit, and liquidity risks. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

i. Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market interest rates. The Company's exposure to the market interest fluctuation arises primarily from borrowings with variable interest rates.

To manage the interest rate exposure on its borrowings, the Company reviews the interest rate movements to enable management to take appropriate measures such as maintaining an appropriate mix between fixed and variable rate borrowings to help manage the exposure.

Financial instruments of the Company that are exposed to cash flow interest rate risk are included in liquidity and interest rate risks table in section (iv) below.

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

NOTES TO FINANCIAL STATEMENTS
March 31, 2022 and for the year then ended*(Continued)*

In 2023, if interest rate had been 23 basis points (2022: 298 basis points) higher (lower) and the other variables held constant, the Company's profit after tax would decrease (increase) by Rp 522,048,960 (2022: Rp 4,570,470,594).

The Company's sensitivity to interest rates has increased during the current year mainly due to the increase in variable rate debt instruments.

ii. Foreign currency risk management

The Company is exposed to the effect of foreign currency exchange rate fluctuation mainly because of sale of goods, inventory purchases and borrowings denominated in foreign currency.

The Company manages the foreign currency exposure by matching, as far as possible, receipts and payments in each individual currency. The Company's net foreign currency exposure as of reporting dates is disclosed in Note 27.

The Company is mainly exposed to the US Dollar. The following table details the Company's sensitivity to changes in Indonesian Rupiah against US Dollar. The sensitivity analysis represents management's assessment of the effect to the financial statements caused by the reasonably possible change in foreign exchange rates, on outstanding foreign currency denominated monetary financial assets and liabilities.

	2023		2022	
	Percentage of change in exchange rate	Effect on profit or loss after tax	Percentage of change in exchange rate	Effect on profit or loss after tax
		Rp		Rp
US Dollar	1%	1,843,751,427	1%	2,164,276,998

Based on management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting year does not reflect the exposure during the year.

iii. Credit risk management

The Company develops and maintains its credit risk gradings to categorize exposures according to their degree of risk of default. The Company uses its own trading records to rate its major customers and other debtors.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognizing ECL
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >120 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is >365 days past due or there is evidence indicating the asset is creditimpaired.	Lifetime ECL – creditimpaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Company's financial assets as well as maximum exposure to credit risk by credit risk rating grades:

	Internal Credit Rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
			Rp	Rp	Rp
March 31, 2023					
Cash in banks (Note 5)	Performing	12-month ECL	78,305,405,534	-	78,305,405,534
Trade accounts receivable (Note 6)	(i)	Lifetime ECL (simplified approach)	889,903,970,116	(40,337,596,823)	849,566,373,293
Other accounts receivable	Performing	12-month ECL	11,014,638,264	-	11,014,638,264
Other current assets	Performing	12-month ECL	3,506,833,533	-	3,506,833,533
Security deposits	Performing	12-month ECL	1,467,731,900		1,467,731,900
				(40,337,596,823)	
March 31, 2022					
Cash in banks (Note 5)	Performing	12-month ECL	84,671,892,044	-	84,671,892,044
Trade accounts receivable (Note 6)	(i)	Lifetime ECL (simplified approach)	407,341,667,133	(22,575,478,674)	384,766,188,459
Other accounts receivable	Performing	12-month ECL	7,516,054,548	-	7,516,054,548
Other current assets	Performing	12-month ECL	2,424,961,839	-	2,424,961,839
Security deposits	Performing	12-month ECL	735,032,465	-	735,032,465
				(22,575,478,674)	

(i) The Company determines the ECL on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

The Company has adopted procedures in extending credit terms to customers and in monitoring its credit risk. The Company only grants credit to creditworthy counterparties. Cash is held with creditworthy institutions and is subject to immaterial credit loss.

The Company's credit exposure has no significant concentration of credit risk with any single customer or group of customers.

Further details of credit risks on trade and other accounts receivable are disclosed in Notes 6 and 7, respectively.

iv. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium, and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and for the year then ended*(Continued*)

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

	March 31, 2023					
	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Total
		Rp	Rp	Rp	Rp	Rp
Non-interest bearing						
Trade accounts payable						
Related party	-	-	163,491,496,468	513,241,627,694	-	676,733,124,162
Third parties	-	13,183,316,203	19,993,989,345	4,757,451,821	-	37,934,757,369
Other accounts payable						
Related party	-	-	16,586,937,580	-	-	16,586,937,580
Third parties	-	126,786,275	10,313,465,568	2,889,691,208	-	13,329,943,050
Accrued expense	-	7,328,176,902	24,715,199,320	23,983,192,108	-	56,026,568,330
Variable interest rate instruments						
Bank loans	4.43% - 10.50%	72,096,481,749	250,607,602,827	125,303,438,416	-	448,007,522,993
Fixed interest rate instruments						
Bank loans	5.16% - 13%	5,512,413,394	6,312,459,139	60,673,988,050	-	72,498,860,584
Lease liabilities	10.70% - 12.86%	260,318,294	1,035,195,476	1,889,031,686	1,529,862,522	4,714,407,976
Total		98,507,492,817	493,056,345,723	732,738,420,982	1,529,862,522	1,325,832,122,043

	March 31, 2022					
	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Total
		Rp	Rp	Rp	Rp	Rp
Non-interest bearing						
Trade accounts payable						
Related party	-	14,810,761,437	76,616,853,632	258,693,188,057	-	350,120,803,126
Third parties	-	18,319,378,636	17,906,824,899	10,675,114,415	-	46,901,317,950
Other accounts payable						
Related party	-	8,900,742,990	-	-	-	8,900,742,990
Third parties	-	4,433,318,141	1,567,941,495	1,185,187,098	-	7,186,446,734
Accrued expense	-	23,295,536,687	298,382,567	9,373,676,404	6,022,100,646	38,989,696,304
Variable interest rate instruments Bank loans	3% - 6%	1,370,536,875	2,741,073,749	395,821,284,726	-	399,932,895,350
Fixed interest rate instruments						
Bank loans	6% - 13.5%	66,335,327	132,670,655	7,967,719,873	-	8,166,725,855
Lease liabilities	10.85%	58,167,711	1,557,513,597	-	-	1,615,681,308
Total		71,254,777,804	100,821,260,594	683,716,170,573	6,022,100,646	861,814,309,617

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non- derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

d. Fair Value Measurements

Fair value of financial instruments carried at amortized cost

Management considers that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair values because they have either short- term maturities or carry market interest rate.

NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and for the year then ended*(Continued)*

29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

	April 1, 2022	Financing cash flows	Non-cash transaction changes	March 31, 2023
	Rp	Rp	Rp	Rp
Bank loans	390,857,189,876	77,491,947,141	31,207,073,272	499,556,210,289
Lease liabilities	1,515,026,434	(3,181,055,575)	5,583,173,166	3,917,144,025
	392,372,216,310	74,310,891,566	36,790,246,438	503,473,354,314

	April 1,2021	Financing cash flows	Non-cash transaction changes	March 31, 2022
	Rp	Rp	Rp	Rp
Bank loans	370,870,203,368	2,363,728,625	17,623,257,883	390,857,189,876
Lease liabilities	1,970,434,182	(2,691,517,000)	2,236,109,252	1,515,026,434
	372,840,637,550	(327,788,375)	19,859,367,135	392,372,216,310

30. MANAGEMENT'S RESPONSIBILITY AND APPROVAL OF FINANCIAL STATEMENTS

The preparation and fair presentation of the financial statements on pages 1 to 41 were the responsibilities of the management and were approved by Director and authorized for issue on April 24, 2023.

RE-STATED ACCOUNTS OF
PT. TVS MOTOR COMPANY INDONESIA

BALANCE SHEET AS AT 31ST MARCH 2023

	Notes	IDR in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Property, plant and equipment	1	4,31,325.44	185.25
Other Non Current Assets	2	1,467.73	0.80
Deferred tax Assets		27,405.65	15.00
		4,60,198.82	201.05
Current assets			
Inventories	3	3,51,150.15	192.26
Financial assets			
i. Trade receivables	4	8,52,846.40	466.94
ii. Cash and cash equivalents	5	78,449.69	42.95
Current tax assets (Net)		8,317.25	4.55
Other current assets	6	1,62,359.11	88.89
		14,53,122.60	795.59
Total Assets		19,13,321.42	996.64
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	16,35,461.61	906.08
Other equity	8	(10,49,889.97)	(636.38)
		5,85,571.64	269.70
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Lease Liabilities		960.65	0.53
Provisions	9	20,290.92	11.11
		21,251.57	11.64
Current liabilities			
Financial liabilities			
i. Borrowings	10	4,99,556.21	273.51
ii. Lease Liabilities		2,956.49	1.62
iii. Trade payables	11		
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues other than (iii) (a) above		7,86,271.82	430.48
iv. Other financial liabilities	12	8,712.49	4.77
Other current liabilities	13	9,001.20	4.92
		13,06,498.21	715.30
Total liabilities		13,27,749.78	726.94
Total equity and liabilities		19,13,321.42	996.64

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

		Notes	IDR in Mn.	Rupees in crores
I	Revenue from operations	14	15,84,382.11	844.42
II	Other income	15	415.72	0.22
III	Total Income (I +II)		15,84,797.83	844.64
IV	Expenses:			
	Cost of material consumed	16	12,19,142.53	650.42
	Changes in inventories of finished goods, stock-in -trade and work-in-progress	16	(4,247.83)	(2.93)
	Employee benefits expense	17	86,951.21	46.34
	Finance costs	18	39,440.43	21.02
	Depreciation and amortisation expense	19	18,559.66	9.83
	Other expenses	20	1,51,615.06	80.82
			15,11,461.06	805.50
V	Profit before exceptional items,(III - IV)		73,336.77	39.14
VI	Exceptional items		-	-
VII	Profit before tax (V+ VI)		73,336.77	39.14
VIII	Tax expense			
	i) Current tax		569.55	0.30
	ii) Deferred tax		(1,925.05)	(1.03)
IX	Profit for the year (VII - VIII)		74,692.27	39.87
X	Other Comprehensive Income			
	A. Items that will not be reclassified to profit or loss			
	Remeasurements of post employment benefit obligations		4,298.09	2.29
	Income tax relating to the above items		(945.58)	(0.50)
	B. Items that will be reclassified to profit or loss			
	Foreign currency translation adjustments		-	9.21
			3,352.51	11.00
XI	Total Comprehensive Income (IX+X)		78,044.78	50.87
XII	Earnings per equity share (Face value of IDR.97,400/- each)			
	Basic & Diluted earnings per share (in IDR / in rupees)		4,448.30	23.74

Notes to Accounts

1 Property, Plant & Equipment

IDR in Millions

Description	Property, Plant & Equipment						
	Land	Buildings	Plant & equipment	Vehicles	Furniture, fixtures and eqipments	Right of use asset	Total
	1	2	3	4	5	5	6
Cost of assets							
Gross carrying value as at 01-04-2022	2,22,928.86	1,03,824.95	3,32,585.18	1,516.65	12,855.82	5,675.38	6,79,386.84
Additions	-	1,492.45	5,726.44	-	1,039.10	4,365.09	12,623.08
Sub-total	2,22,928.86	1,05,317.40	3,38,311.62	1,516.65	13,894.92	10,040.47	6,92,009.92
Sales / deletion	-	-	323.34	-	91.90	-	415.24
Total	2,22,928.86	1,05,317.40	3,37,988.28	1,516.65	13,803.02	10,040.47	6,91,594.68
Depreciation / Amortisation							
Upto 31-03-2022	-	66,788.41	1,59,936.12	1,090.58	10,408.13	3,853.36	2,42,076.60
For the year	-	5,213.40	10,173.87	173.11	1,036.52	1,962.76	18,559.66
Sub-total	-	72,001.81	1,70,109.99	1,263.69	11,444.65	5,816.12	2,60,636.26
Withdrawn on assets sold / deleted	-	-	275.12	-	91.90	-	367.02
Total	-	72,001.81	1,69,834.87	1,263.69	11,352.75	5,816.12	2,60,269.24
Carrying value							
As at 31-03-2023	2,22,928.86	33,315.59	1,68,153.41	252.96	2,450.27	4,224.35	4,31,325.44

Rupees in crores

Description	Property, Plant & Equipment						
	Land	Buildings	Plant & equipment	Vehicles	Furniture, fixtures and eqipments	Right of use asset	Total
	1	2	3	4	5	5	6
Cost of assets							
Gross carrying value as at 01-04-2022	117.59	54.17	169.17	0.80	6.78	2.94	351.45
Additions	-	0.82	3.13	-	0.57	2.40	6.92
Foreign Currency translation reserve difference	4.46	1.80	4.40	0.03	0.26	-	10.95
Sub-total	122.05	56.79	176.70	0.83	7.61	5.34	369.32
Sales / deletion	-	-	0.18	-	0.05	-	0.23
Total	122.05	56.79	176.52	0.83	7.56	5.34	369.09
Depreciation / Amortisation							
Upto 31-03-2022	-	34.77	126.82	0.58	5.50	1.98	169.65
For the year	-	2.74	5.40	0.09	0.55	1.05	9.83
Foreign Currency translation reserve difference	-	1.28	3.04	0.02	0.22	-	4.56
Sub-total	-	38.79	135.26	0.69	6.27	3.03	184.04
Withdrawn on assets sold / deleted	-	-	0.15	-	0.05	-	0.20
Total	-	38.79	135.11	0.69	6.22	3.03	183.84
Carrying value							
As at 31-03-2023	122.05	18.00	41.41	0.14	1.34	2.31	185.25

Notes on accounts - *(continued)*

		IDR in Mn. As at 31-03-2023	Rupees in crores As at 31-03-2023
2	OTHER NON-CURRENT ASSETS		
	Advances other than capital advances:		
	Deposits made	1,467.73	0.80
		1,467.73	0.80
3	INVENTORIES		
	Raw materials and components	3,14,474.44	172.18
	Finished goods	34,912.66	19.11
	Stores and spares	1,763.05	0.97
		3,51,150.15	192.26
4	TRADE RECEIVABLES		
	Secured, considered good		
	Unsecured, considered good	8,93,184.00	489.02
		8,93,184.00	489.02
	Less : Loss allowance	40,337.60	22.08
		8,52,846.40	466.94
5	CASH AND CASH EQUIVALENTS		
	Balances with banks in current accounts	78,305.41	42.87
	Cash on hand	144.28	0.08
		78,449.69	42.95
6	OTHER CURRENT ASSETS		
	Vendor advance	16,349.41	8.95
	VAT receivable	1,39,340.99	76.29
	Others	6,668.71	3.65
		1,62,359.11	88.89
7	EQUITY SHARE CAPITAL		
	Authorised, issued, subscribed and fully paid up:		
	Authorised:		
	17,500,000 Ordinary shares of IDR.97,400 each	17,04,500.00	944.33
	Issued, subscribed and fully paid up:		
	16,791,187 Ordinary shares of IDR.97,400 each	16,35,461.61	906.08
		16,35,461.61	906.08

		IDR in Mn. As at 31-03-2023	Rupees in crores As at 31-03-2023
8	OTHER EQUITY		
	General reserve	(8,135.60)	(0.81)
	Retained earnings	(12,57,946.89)	(623.54)
	Foreign currency translation reserve	2,16,192.52	(12.03)
		(10,49,889.97)	(636.38)
9	NON - CURRENT LIABILITIES - PROVISIONS		
	Provision for employee benefits - Pension	20,290.92	11.11
		20,290.92	11.11
10	FINANCIAL LIABILITIES - BORROWINGS (CURRENT)		
	Borrowings repayable on demand from banks		
	Secured	4,99,556.21	273.51
	Unsecured	-	-
		4,99,556.21	273.51
11	TRADE PAYABLES		
	Current		
	Dues to Micro and Small Enterprises **		
	Dues to enterprises other than Micro and Small Enterprises	7,86,271.82	430.48
		7,86,271.82	430.48

** 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.

		IDR in Mn. As at 31-03-2023	Rupees in crores As at 31-03-2023
12	OTHER FINANCIAL LIABILITIES		
	Interest accrued but not due on loans	6,086.92	3.33
	Trade deposits	2,625.57	1.44
		8,712.49	4.77
13	OTHER CURRENT LIABILITIES		
	Statutory dues	967.29	0.53
	Employee related	517.98	0.28
	Advance received from customers	7,515.93	4.11
		9,001.20	4.92

Notes on accounts - *(continued)*

		IDR in Mn. For the year ended 31-03-2023	Rupees in crores For the year ended 31-03-2023
14	REVENUE FROM OPERATIONS		
	Sale of products	15,83,091.60	843.73
	Sale of service	501.67	0.27
	Other operating revenue	788.84	0.42
		15,84,382.11	844.42
15	OTHER INCOME		
	Interest income	112.71	0.06
	Profit on sale of fixed asset	-	-
	Other non-operating income	303.01	0.16
		415.72	0.22
16	MATERIAL COST :		
	Cost of Materials Consumed		
	Opening stock of raw materials and components	2,85,265.67	150.48
	Add: Purchases	12,48,351.30	672.12
		15,33,616.97	822.60
	Less: Closing stock of raw materials and components	3,14,474.44	172.18
	Consumption of raw materials and components	12,19,142.53	650.42
	Changes in inventories of finished goods, work-in-progress and stock-in-trade:		
	Opening stock:		
	Finished goods	30,664.83	16.18
	(A)	30,664.83	16.18
	Closing stock:		
	Finished goods	34,912.66	19.11
	(B)	34,912.66	19.11
	(A)-(B)	(4,247.83)	(2.93)

		IDR in Mn. For the year ended 31-03-2023	Rupees in crores For the year ended 31-03-2023
17	EMPLOYEE BENEFITS EXPENSE		
	Salaries, wages and bonus	76,278.12	40.65
	Contribution to provident and other funds	3,360.30	1.79
	Staff welfare expenses	7,312.79	3.90
		86,951.21	46.34
18	FINANCE COSTS		
	Interest	30,580.48	16.30
	Exchange differences	8,859.95	4.72
	Interest on lease liabilities	-	-
		39,440.43	21.02
19	DEPRECIATION AND AMORTISATION EXPENSE		
	Depreciation on property plant and equipment	16,596.90	8.78
	Depreciation on right of use asset	1,962.76	1.05
		18,559.66	9.83
20	OTHER EXPENSES		
	(a) Consumption of stores, spares and tools	4,052.09	2.16
	(b) Power and fuel	3,220.75	1.72
	(c) Rent	11,391.37	6.07
	(d) Repairs - buildings	3,183.58	1.70
	(e) Repairs - plant and equipment	2,807.73	1.50
	(f) Insurance	1,664.43	0.89
	(g) Rates and taxes (excluding taxes on income)	3,080.34	1.64
	(h) Audit fees	-	-
	(i) Packing and freight charges	54,717.72	29.16
	(j) Advertisement and publicity	27,038.06	14.41
	(k) Loss on sale of fixed Assets	10.39	0.01
	(l) Miscellaneous expenses (under this head there is no expenditure which is in excess of 1% of revenue from operations or Rs.10 lakh, whichever is higher)	40,448.60	21.56
		1,51,615.06	80.82

RE-STATED ACCOUNTS OF
TVS MOTOR COMPANY (EUROPE) B.V.

BALANCE SHEET AS AT 31 MARCH 2023

Balance Sheet as at 31st March 2023

	Notes	USD in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Non-current investments	1	-	-
		-	-
Current assets			
Financial assets			
Cash and cash equivalents	2	0.01	0.10
		0.01	0.10
Total Assets		0.01	0.10
EQUITY AND LIABILITIES			
Equity			
Equity share capital	3	31.06	126.52
Other equity	4	(31.13)	(127.15)
		(0.07)	(0.63)
Liabilities			
Non-Current liabilities			
Financial liabilities			
Borrowings	5	0.07	0.66
		0.07	0.66
Liabilities			
Current liabilities			
Financial liabilities			
Trade payables	6		
a. Total outstanding dues of micro and small enterprises		0.01	0.07
b. Total outstanding dues of other than (iii) (a) above			
		0.01	0.07
Total liabilities		0.08	0.73
Total equity and liabilities		0.01	0.10

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2023

		Notes	USD in Mn.	Rupees in crores
I	Revenue from operations	7	-	(0.03)
II	Other income		-	-
III	Total Income (I +II)		-	(0.03)
IV	Expenses:			
	Finance costs	8	-	0.01
	Other expenses	9	0.07	0.60
			0.07	0.61
V	Profit before exceptional items (III - IV)		(0.07)	(0.64)
VI	Exceptional items		-	-
VII	Profit before tax (V+ VI)		(0.07)	(0.64)
VIII	Tax expense			
	i) Current tax		-	-
	ii) Deferred tax		-	-
IX	Profit for the year (VII - VIII)		(0.07)	(0.64)
X	Other Comprehensive Income			
	A. Items that will not be reclassified to profit or loss		-	-
	B. Items that will be reclassified to profit or loss			
	Foreign currency translation adjustments		-	-
			-	-
XI	Total Comprehensive Income (IX + X)		(0.07)	(0.64)
XII	Earnings per equity share (Face value of EUR 100/- each)			
	Basic & Diluted earnings per share (in USD / in rupees)		(0.31)	(28.41)

Notes on Accounts

		As at 31-03-2023	
		USD in Mn.	Rupees in crores
1	NON-CURRENT INVESTMENTS		
	Investment in Equity instruments		
	28,70,000 fully paidup equity shares of PT.TVS Motor		
	Company Indonesia (face value of IDR 97,400 each)	-	-
		-	-
2	CASH AND CASH EQUIVALENTS		
	Balances with banks in current accounts	0.01	0.10
		0.01	0.10
3	EQUITY SHARE CAPITAL		
	Authorised, issued, subscribed and fully paid up:		
	Authorised:		
	500,000 Ordinary shares of EURO 100/- each	66.78	311.64
	Issued, subscribed and fully paid up:		
	225,301 Ordinary shares of Euro 100/- each	31.06	126.52
		31.06	126.52
4	OTHER EQUITY		
	Retained earnings	(31.13)	(138.86)
	Foreign currency translation reserve	-	11.71
		(31.13)	(127.15)
5	FINANCIAL LIABILITIES - BORROWINGS (NON CURRENT)		
	Loan from Holding	0.08	0.66
		0.08	0.66
6	TRADE PAYABLES		
	Current		
	Dues to Micro and Small Enterprises**	-	-
	Dues to enterprises other than Micro and Small Enterprises	0.01	0.07
	Trade payables to related parties (note XXX)		
		0.01	0.07

** 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.

		For the YE 31-03-2023	
		USD in Mn.	Rupees in crores
7	REVENUE FROM OPERATIONS		
	Sale of service	-	-
	Other operating revenue	-	(0.03)
		-	(0.03)
8	FINANCE COST		
	Interest expenses	-	0.01
		-	0.01
9	OTHER EXPENSES		
	(a) Foreign exchange loss (Net)	-	-
	(b) Miscellaneous expenses	0.07	0.60
		0.07	0.60