

# **TVS HOLDINGS LIMITED**

**(Formerly known as SUNDARAM-CLAYTON LIMITED)**

**Annual Report of Subsidiary Companies  
for the year 2023-2024**

**Direct Indian Subsidiaries**

1. TVS Motor Company Limited (TVSM) .....	1
2. Emerald Haven Realty Limited (EHRL) .....	178

**Indian Subsidiaries of TVSM**

3. Sundaram Auto Components Limited.....	243
4. TVS Digital Limited .....	294
5. TVS Motor Services Limited .....	317
6. TVS Electric Mobility Limited .....	343
7. TVS Credit Services Limited .....	360
8. Harita ARC Private Limited .....	558
9. TVS Housing Finance Private Limited .....	569
10. Harita Two Wheeler Mall Private Limited .....	581

**Overseas Subsidiaries of TVSM**

11. TVS Motor (Singapore) Pte. Limited.....	592
12. Celerity Motor GmbH, Germany.....	611
13. The Norton Motorcycle Co Limited.....	616
14. TVS Digital Pte Limited.....	630
15. TVS Motor Company (Europe) B.V.....	649
16. PT TVS Motor Company Indonesia.....	655
17. The GO Corporation.....	682
18. EBCO Limited, UK.....	689
19. Swiss E-Mobility Group (Holding) AG.....	699

**Subsidiaries of EHRL**

20. Emerald Haven Development Limited .....	704
21. Emerald Haven Projects Private Limited .....	713
22. Emerald Haven Realty Developers (Paraniputhur) Private Limited .....	728
23. Emerald Haven Town and Country Private Limited .....	748
24. Emerald Haven Life Spaces (Radial Road) Limited .....	767
25. Emerald Haven Property Development Limited .....	786
26. Happiness Harmony Property Developers Private Limited .....	802
27. Emerald Haven Towers Limited .....	816
28. Emerald Haven Residences Private Limited .....	833
29. Emerald Haven Properties Private Limited .....	837
30. Emerald Haven Builders Private Limited.....	841



EXCITING >

# SHAPING TOMORROW'S MOBILITY, TODAY

SUSTAINABLE >

RESPONSIBLE >

SAFE >



TVS Motor Company Limited (TVSM) is a globally recognised manufacturer of two and three-wheelers, present in 80+ countries. With cutting-edge manufacturing facilities in India and Indonesia, it offers world-class products and delivers unparalleled customer experiences through its extensive network.

# Fourth-largest

Two-wheeler manufacturer in the world

# 7

of 10 awards won by TVSM in the J.D. Power 2024 India Two-Wheeler Initial Quality Study (2WIQS) and APEAL



TVSM has been certified as a 'Great Place to Work in Manufacturing – Top 50' by GPTW



## What's Inside

**Company Overview**

- Key Highlights, FY 2023-24 01
- Theme Introduction 03
- Corporate Portrait 04
- Products and Services 06
- Geographic Footprint 14
- TVS Racing 16
- Board of Directors 18
- Strategic Priorities 20

**Performance Review**

- Chairman's Communiqué 22
- Managing Director's Statement 24
- Key Performance Indicators 26
- R&D-first Approach 28

**Environmental, Social and Governance (ESG)**

- ESG Framework 34
- Environment 36
- Social 38
- Governance 56
- Corporate Information 58

**Statutory Reports and Financial Statements**

- Directors' Report 60
- Management Discussion and Analysis 67
- Annexures to Directors' Report 98
- Standalone Financial Statements 198
- Consolidated Financial Statements 262
- Notice of Annual General Meeting 338

## Key Highlights, FY 2023-24

### Financial

<b>₹ 31,925 Cr</b> Revenue 20.5% Y-o-Y	<b>11.1%</b> Operating EBITDA	<b>₹ 2,083 Cr</b> PAT 40% Y-o-Y	<b>19%</b> Increase in domestic ICE 2W sales
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<b>₹ 2,562 Cr</b> Operating Free Cash Flow	<b>₹ 983 Cr</b> Reduction in Net Debt	<b>40 Lakh mark</b> Surpassed for the first time in 2W sales	<b>1.94 Lakh units</b> EV sales
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### Non-financial

<b>16 Lakh</b> CSR beneficiaries	<b>43 MW</b> Installed capacity of solar and wind	<b>93%</b> Energy requirements met through renewable sources	<b>100%</b> Co-processing for hazardous waste
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## Shaping tomorrow's mobility, today

For decades, TVS Motor Company's emphasis on innovation, understanding of customer needs and unparalleled technical expertise, deepened through its partnerships with top global automotive players have helped it pioneer mobility solutions for diverse categories of riders. From fuel-efficient, affordable two- and three-wheelers to racing-inspired bikes, its products have met and exceeded customer expectations with their design, advanced safety features and reliability.

TVSM vehicles are everyday companions to more than 58 million users across the globe, many of them women, whose ease and convenience have been a major focus area of its product design. Its vision is to improve the quality of life of its customers and redefine mobility through technology, connectivity, and cutting-edge design. To execute this vision, today, it is at the forefront of electric two-wheeler technology, offering its customers clean, connected and highly customisable vehicles. Its flagship TVS iQube has led to mass adoption of EV mobility in India, and with the global launch of TVS X, its revolutionary electric crossover, TVSM is set to further impact and influence mobility options around the world. Through its products that promote green journeys, commitment to sustainability, environmental stewardship, and inclusivity, it is paving the way for a more sustainable and safe future of mobility.

# 101%

EV two-wheeler sales growth Y-o-Y in FY 2023-24

# 65%

Women in EV battery assembly lines

# 82%

Reduction in carbon intensity/ per vehicle in last 10 years

# 93%

Local material sourcing

# Cruising ahead with sustainable mobility

TVSM is the world's fourth-largest two-wheeler manufacturer. Building on its decades-long legacy of offering aspirational products at competitive prices, it is making personal mobility safer and more sustainable, powered by trust, value, and service.



Hosur Plant



## Fast Facts

**50** Mn  
Vehicles on road

**1** Mn+  
Customers of TVS three-wheelers across 43 countries

**#1**  
In J.D. Power Customer Service Satisfaction Survey for four consecutive years

**5**  
State-of-the-art plants in Karnataka, Tamil Nadu, Himachal Pradesh, Indonesia and UK

**650**  
EV-related patents



## VISION

To transform the quality of life of people across the world by providing mobility solutions that are **Exciting, Responsible, Sustainable and Safe.**



## MISSION

To be one of the leading companies globally in our chosen business segments, providing the most compelling mobility solutions through:

- 1 An innovation-driven culture thriving on relentless reflection and teamwork
- 2 Focus on speed and agility to seize opportunity in a Volatile Uncertain Complicated Ambiguous (VUCA) world
- 3 Scalable technology platforms & solutions with highest quality to delight customers
- 4 Commitment towards a sustainable future for societies and the environment



## CORE VALUES

### Trust

- Demonstrate transparency & fairness in all dealings
- Honor all commitments

### Customer Obsession

- Possess a strong mindset to delight customers beyond one's stated call of duty
- Proactively understand & address customer needs with deep insight & customer intimacy

### Value Maximisation

Continuously finding ways to deliver/ create highest value sustainably for customers, company and other stakeholders every time, and in everything we do.

### Speed & Agility

- Be willing to move fast, with freedom
- Every action should be taken with speed and rigour, without any bureaucracy

### Exactness

Clarity and Sharpness in thinking, action and communication – driven by relentless reflection to identify root causes, vigorous execution of solutions, and expressed in a simple and clear manner.

### Disruptive Mindset

- Think unconstrained
- Always challenge the status-quo
- Create and grasp opportunities with boldness and determination

## KEY DIFFERENTIATORS

### Prominent multi-segment presence

From the entry-level scooter to performance scooter, and commuter to premium motorcycle segments, TVSM has a strong presence in multiple product segments, which is a key differentiator from competition.

### Exposure across geographies

With its extensive distribution in over 80 countries, the Company has established a robust global presence. This expansive reach positions it as a significant player in the international market and provides valuable growth and market diversification opportunities.

### Strategically investing in cutting-edge R&D

TVSM's R&D efforts continue to build on its in-depth customer understanding, adopting an agile transdisciplinary approach towards creating the future of mobility solutions through cutting-edge innovations.

### Harnessing the power of digital and AI

TVSM focuses on digitalising its operations, sales and retail management, manufacturing and supply chain, new product introduction and enterprise functions. The Company's TVSXverse programme focuses on improving customer journeys.

# Crafted with care for every journey

A provider of innovative mobility choices, TVSM offers a wide range of products to suit the needs of daily commuters, niche customers, and speed enthusiasts. Our products are technologically advanced, reliable, and safe. Its vehicles cater to a broad customer base and their evolving preferences, including mopeds, scooters, commuter bikes, and premium motorcycles. Its authorised service network, TVS Care, is a one-stop solution for a million happy customers each month across over 3,800 cities in India.



**2.63** Lakh

Units sold per month (MA) - India

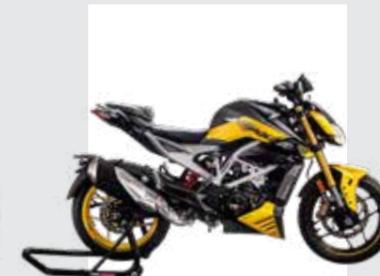
**0.74** Lakh

Units sold per month (MA) - International

## Motorcycles



TVS Apache RR 310



TVS Apache RTR 310



TVS Apache RTR 180



TVS Apache RTR 160 4V



TVS Ronin



TVS Raider



TVS Radeon



TVS StaR City+



TVS Sport

▼ Scooters



TVS Jupiter 125



TVS Ntorq



TVS Zest 110



TVS Jupiter



TVS Scooty Pep+

▼ Electric scooters



TVS X



TVS iQube

▼ Three-wheelers

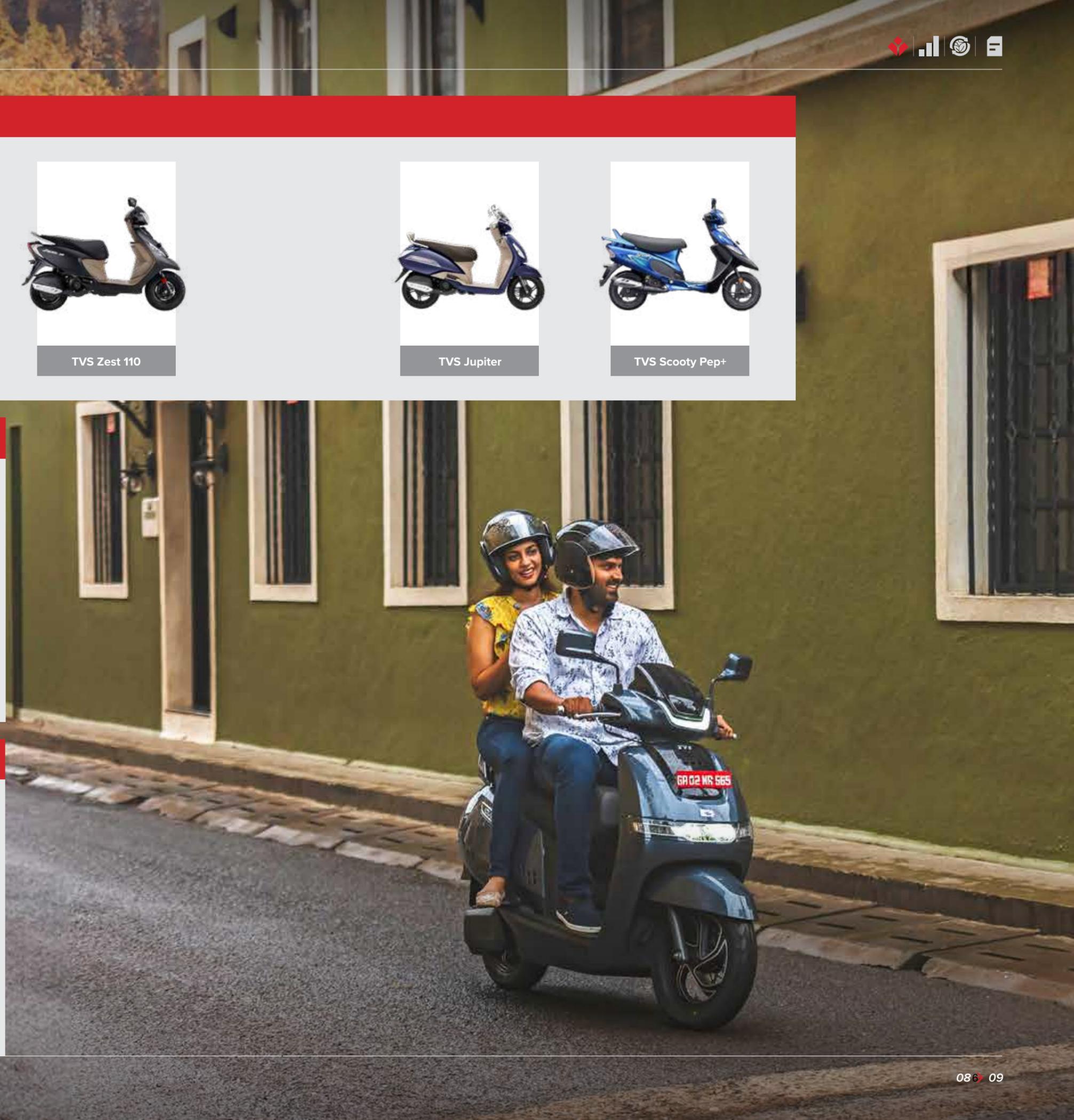


TVS King

▼ Mopeds



TVS XL 100



# Redefining the riding experience

New Product Launches in FY 2023-24



## TVS X

- Flagship electric two-wheeler with high energy efficiency
- Largest 10-inch TFT touchscreen on a 2W
- Bluetooth, WiFi, Wired connectivity



## TVS Raider SS Edition

- First Marvel-themed motorcycle in India
- Most award-winning 125cc motorcycle
- Gen-Z-propelling powerful character traits



## TVS iQUBE Electric

- Larger 31L under seat storage
- Voice assist
- Live charge status



## TVS Apache RTR 310

- Race Tuned Dynamic Stability Control
- Climate Control Seat
- 5" TFT Cluster with multiway connectivity



## TVS HLX 150F

- Model enhanced with powerful Ecothrust engine
- Added safety features
- Better styling and superior suspension



## TVS Ronin

- USB charger
- Visor
- New EFI cover



## TVS NEO AMI 125

- All-in-one lock
- Intelligent access (IXS) for the last parked location
- Twin USB-charging and tubeless tyres

## ONE-STOP SOLUTION FOR EVERY SERVICE NEED

-  Service centres open all days
-  Pick-up and drop facility
-  Repairs by certified technicians
-  Annual maintenance contract with warranty
-  Wide range of TVS consumables
-  24x7 roadside assistance
-  Accidental claim and cashless insurance
-  Genuine parts purchase
-  Tyre and battery replacement support



### ▼ The TVS Care Advantage

**3,800+**  
Cities of presence

**4,500+**  
Authorised service centres

**10,000+**  
Certified technicians

**1 Mn+**  
Happy customers served a month

**30** years  
Customer service expertise

**75%**  
Customer satisfaction score

### ▼ TVS Motoverse

TVSM is the world's first two-wheeler company to launch its own Motoverse solution, designed to captivate customers, particularly the tech-savvy Gen Z, who are seeking authentic and immersive experiences. The Company has exciting plans to host diverse events within Motoverse, providing engaging and meaningful interactions for the targeted demographic.



#### TVS Care

Drop us a Hi on Whatsapp to avail these services, or contact:

**1800 258 7111**

# Expanding global presence

Having begun its journey in India, TVSM is now a global brand, operating in Asia, Africa, Latin America and Europe. The Company's four manufacturing units, three in India and one in Indonesia, multiple distribution centres, and offices serve 80+ markets across the world.

TVSM is strategically expanding its international presence by fortifying its EV offerings and strengthening its distribution network across the world. In fiscal 2024, the Company announced its entry into European markets through a distribution partnership. TVSM will initially introduce its premium EV and ICE range in France and Italy, a move that will pave the way for further expansion into select EU markets. TVSM's EVs & ICE vehicles, including the Jupiter 125, NTORQ, iQube S, TVS X, Ronin 250, Apache RR 310, and Apache RTR 310, will be available in Europe.

-  Global offices
-  Manufacturing locations



Map not to scale and for representation purpose only

## Present in 80+ countries

### Investments and Partnerships



We are excited about our strategic entry into the European market which marks a significant milestone in our journey as a truly global brand. This move is not just about offering our high-quality two wheelers to a wider market, but also about providing comprehensive mobility solutions for tomorrow, as is evident from our significant investments in electric mobility and partnerships.

Our recent decisions also align with our commitment to premiumisation and towards enhancing our brand and product portfolio to cater to discerning customers globally. We look forward to shaping the future of mobility and delivering unparalleled experiences to our customers at home and abroad.”

**Sudarshan Venu**  
Managing Director

# Moving ahead in the race

## TVS Racing: Wins and Collaborations

TVS Factory racer Harith Noah made history by becoming the first Indian to win the Dakar Rally 2 Class race of 2024 and finish among the top 11. The rally, which tests rider's endurance for two gruelling weeks in the Saudi Arabian desert, is considered one of the toughest races in the world.



TVS Racing's association with Petronas, the oil giant, completed two years. Known since 2022 as Petronas TVS Racing Team, the partnership has led to the team's participation in several important races in the national circuit, will see the introduction of co-branded merchandise.



TVSM has been instrumental in shaping the evolution of motorsports in India since the early 1980s. Through its factory racing team, TVS Racing, it has introduced several sporting formats, and groomed talent for international events in its bid to democratise the sport. It has also been used the track to pioneer technologies and finetune the performance of powerful vehicles like TVS Apache, executing its 'track to road' philosophy.



TVSM launched the Electric One Make Championship (e-OMC), an exclusive format of racing on the electric TVS Apache RTE race motorcycles, that have been developed solely for the championship



A new endurance record was set with the Apache RR 310 at the 24-Hour Indian National Speed Endurance. A distance of 3,658 kms was covered at an average speed of 152 kmph, which once again testified to the power of the sporting bike



At the flagship motorcycle fest, TVS MotoSoul, the new TVS Apache RTR 160 4V was unveiled, and partnerships with Alpinestars, the world's leading manufacturer of high-performance riding wear and accessories, was announced

# Driving corporate excellence forward



**Prof. Sir Ralf Dieter Speth**  
Chairman



**Venu Srinivasan**  
Chairman Emeritus and Managing Director



**Dr. Deepali Pant Joshi**  
Independent Director



**Kuok Meng Xiong**  
Independent Director



**Sudarshan Venu**  
Managing Director



**K N Radhakrishnan**  
Director and CEO



**Vijay Sankar**  
Independent Director



**H K Singh**  
Independent Director



**C R Dua**  
Independent Director



**Shailesh Haribhakti**  
Independent Director



**B Sriram**  
Independent Director



**Dr. Lakshmi Venu**  
Non-Executive Director

## Committees

- Audit Committee
- Nomination and Remuneration Committee
- Risk Management Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee

Chairman/Chairperson (C)    Member (M)

# Building up our momentum



All stunts on our products are performed by trained professionals under controlled conditions

A progressive vision to lead the transformation towards sustainable mobility and impact the lives of its customers drives TVSM's choice of strategic priorities. Its growth as a global brand is underpinned by its emphasis on excellence, enhanced customer experience, brand premiumisation and technology integration.

TVSM strives to move forward rapidly in the EV business through innovation. It is India's sole OEM with complete in-house EV and connected capabilities, including battery manufacturing, management systems, vehicle control units, and infotainment. TVSM plans to invest in future technologies and products, focusing on shaping mobility's future, shared mobility, and international expansion.

Strategic Objectives	What TVSM Intends to do?	Priorities Going Forward
 <p><b>Enhancing Premiumisation across the Portfolio</b></p>	<p>Build an aspirational global brand through exciting riding experiences</p>	<ul style="list-style-type: none"> <li>• Create a premium brand experience and global community of riding enthusiasts</li> <li>• Build new desirable solutions</li> </ul>
 <p><b>Attaining Leadership in the EV Business</b></p>	<p>Deliver cutting-edge electric mobility solutions across the world</p>	<ul style="list-style-type: none"> <li>• Develop innovative product formats</li> <li>• Lower TCO by battery and propulsion system R&amp;D</li> </ul>
 <p><b>Scaling up of Commercial Mobility Business</b></p>	<p>Establish TVS as a global, leading, and trusted commercial mobility brand</p>	<ul style="list-style-type: none"> <li>• Build products and solutions for new and diverse use cases</li> <li>• Invest and build sustainable solutions for commercial mobility</li> <li>• Provide services and solutions for fleet owners</li> </ul>
 <p><b>Embracing Sustainability across the Value chain</b></p>	<ul style="list-style-type: none"> <li>• Ensuring environmental development</li> <li>• Creating prosperous communities</li> <li>• Building sustainable livelihoods</li> </ul>	<ul style="list-style-type: none"> <li>• Prevent pollution due to emission, effluents, waste and contribute to conserve resources</li> <li>• Contribute to combatting climate change by improving energy efficiency and renewable energy</li> <li>• Protect natural habitats</li> <li>• Provide safe work environment</li> <li>• Provide education, training and counselling to employees</li> <li>• Support suppliers, dealers and contractors in adopting sound EHS practices</li> <li>• Empower rural power through awareness, skills and training programmes</li> </ul>

# TVSM roadmap for the future

## Dear Stakeholders,

TVSM's stellar performance in FY 2023-24 has once again proved our commitment to excellence, our agility and our abiding dedication to the customer.

In the ever-evolving landscape of mobility, TVSM offers a compelling combination of advanced technology and reliable design by creating attractive products and solutions that seamlessly integrate cutting-edge features with immersive experiences to captivate customers and deliver value.

## Strong Business Performance

We surpassed 4 million two-wheeler sales for the first time and posted a record revenue of ₹ 31,925 crore. Within India, ICE two-wheeler sales went up by 19%, outpacing the industry's 13% growth, while the EV two-wheeler sales increased to 101%, vis-à-vis industry growth of 32%, showcasing our capability in leading the shift towards high-tech, energy-efficient, and smart mobility solutions.

## Market Outlook

The global two-wheeler market is set for substantial advancement, driven by increasing demand from developing countries seeking innovative mobility solutions. Key factors include, the expanding e-commerce sector, shared micromobility services, and a growing young workforce with rising disposable incomes.

The global automotive industry is transitioning from ICE to EVs due to numerous advantages such as lower Total Cost of Ownership (TCO), advanced technology, operational ease, and reduced environmental impact. Government regulations are accelerating EV adoption. Emerging technologies like artificial intelligence, machine learning, and blockchain are being leveraged to enhance product quality and customer experience.

## Focus on Highest Quality

At TVSM, we maintain an unwavering focus on the highest quality across the value chain. Our commitment to top-tier product quality and service is anchored in the philosophy of Total Quality Management. This ensures every vehicle we produce delivers exceptional reliability and performance, significantly enhancing customer trust and satisfaction. Our relentless efforts to develop superior products and solutions stem from a deep understanding of the mobility aspirations of the customer.

This dedication to quality enables us to create products that consistently exceed expectations. TVSM winning 7 out of 10 categories in the J.D. Power 2024 India Two-Wheeler Initial Quality Study (IQS), underscores this commitment. This award is an outcome of direct endorsement of vehicle quality by customers within the first six months of ownership. Further solidifying our position, our products also received top awards in the J.D. Power APEAL Study for being the most 'appealing' in the economy, executive, and premium segments.

## Dynamic Leadership

Our remarkable growth in the past few years has been made possible by the dynamic leadership team, headed by Mr. Sudarshan Venu, MD, and Mr. KN Radhakrishnan, Director & CEO, duly supported by our dedicated employees, partners, stakeholders, and shareholders. Under their visionary leadership, we have fostered a passionate, motivated, and aligned team working towards one goal.

In TVSM, women constitute 13% of the overall workforce. This representation extends across all levels, including senior leadership. We are committed to fostering diversity and inclusion, ensuring that women have equal opportunities for growth and advancement within the Company.

We have developed comprehensive, indigenous, end-to-end capabilities spanning the modern mobility value chain. We have created advanced electronic architecture and connected solutions, aimed at elevating the new-age mobility experience. The TVS SmartXconnect, our homegrown connected solution, is now available on

multiple products enabling a wide range of customers to experience connected mobility.

We have built a future-ready, diverse, and multi-cultural workforce. Our focus is on leadership development, continuous education, skill building, and integrating new capabilities in software, data analytics, and AI. TVSM has been certified as a 'Great Place to Work in Manufacturing - Top 50' in 2023-24.

## Building a Sustainable Ecosystem

Our achievements are supported by co-operation partners like BMW Motorrad and various supply chain collaborators. Together, we are creating a sustainable, closed-loop circular ecosystem. This collaboration benefits customers, the community, and the planet. With our new vision, we aim to deliver the highest sustainable value for our stakeholders.

With our focus on providing electric mobility solutions, advanced safety systems and notably with the usage of 93% of our infrastructure energy needs by renewable and clean energy, we commit to driving a positive change towards a sustainable future.

## Impacting the Society

The Srinivasan Services Trust (SST), our CSR arm, enhances its impact on rural development. SST transforms attitudes and empowers people through long-term engagement. The goal is to foster collaboration and self-sufficiency, creating positive change in rural India. Partnering with communities, SST drives sustainable development and improves quality of life.

## The Road Ahead for India and TVSM

India is making steady progress towards becoming one of the largest economies in the world. With a young, intelligent, thriving workforce with a global outlook, the nation is well-positioned to leverage its advantages.

At TVSM, we are committed to holistic, qualitative, and sustainable growth. We are leveraging this talent pool, coupled with our core values of trust, customer obsession, maximising value, speed, agility, exactness, and a disruptive mindset, to deliver the best.

## Making EVs the Fulcrum of Future Growth

Our focus on EVs as one of our future growth enablers fits perfectly with our 2030 vision. EVs represent a commitment to sustainable innovation, addressing environmental concerns while meeting customer demands for energy-efficient transportation solutions. To realise our vision, it is essential to align technological advancements with strategic infrastructure development and proactive collaboration between industry and Government.

At TVSM, we are gearing up for exciting times ahead as we transition to a high-tech, global, and smart mobility company. With our technology adoption, strategic partnerships, and a start-up mindset within the organisation, we are confident in our leadership and our ability to delight the 'new-age customer'.

Once again, I take this opportunity to sincerely thank the leadership team, employee union, employees, partners and all stakeholders.

With best wishes,

**Prof. Sir Ralf Dieter Speth**  
Chairman

# Gearing up for an exciting ride

**Dear Stakeholders,**

I am proud to state that TVSM has yet again demonstrated its strength by exceeding expectations and achieving all-time high sales in FY 2023-24. This outstanding accomplishment showcases the Company's remarkable growth trajectory and solidifies its position as a formidable market leader. In FY 2023-24, TVSM's total sales soared by 14%, reaching an impressive 4.2 million units, up from 3.7 million units in the previous fiscal.



TVSM's success in FY 2023-24 was driven by the two-wheeler segment, which saw a 15% increase to 40.45 lakh units from 35.13 lakh units in FY 2022-23. The three-wheeler segment also grew, reaching 1.46 lakh units in FY 2023-24. Despite a slight decline in total exports, the Company's overall performance remained robust, showing resilience and adaptability in the market.

**Remarkable Business Performance**

In FY 2023-24, TVSM achieved significant milestones in the two-wheeler ICE segment, surpassing sales of 3.85 million units, a remarkable increase from 3.42 million units in the previous year. Despite challenges in the global market, the Company's two-wheeler exports totalled 0.89 million units, reflecting a slight decline of 3.0% year-on-year. Looking ahead, the Company anticipates a rebound in its two-wheeler business, particularly in the African market, supported by the expected improvements in the global economic situation as inflation moderates further and currency stabilises. TVSM has implemented strategic measures to mitigate challenges and is poised for a strong recovery in international markets.

**Leading in Sustainable Mobility**

The year saw us achieve the highest VAHAN retail sales in March 2024 - a testament to our commitment to innovation and environmental stewardship. We are investing significantly in the EV segment to improve design, deploy future technologies, and enhance digital capabilities. This was evident in the launch of TVS X, a premium product with advanced features, superior design, powertrain, and battery technology.

**Prioritising Partnerships**

Since acquiring Norton Motorcycles in 2020, TVSM has been ramping up its investment in the Company. Through knowledge sharing and leveraging our mutual engineering and design capabilities, Norton aims to expand its product portfolio. Our associations with EBCO in the UK, Drive X, ION Mobility, and Swiss E-Mobility Group AG (SEMG), among others, will further aid our strategy of transitioning to a smart mobility company by leveraging our mutual strengths and know-how.

**Remaining Invested in the Future**

In keeping with this plan, we made a strategic investment of ₹ 88 crore in Norton to enhance the appeal of the Norton brand. We have also made significant new launches and introduced new variants of existing models of our motorcycles and e-bikes. This ability to innovate and diversify is one of TVSM's core strengths.

We have outlined a product pipeline for FY 2025-26, with additional time allocated for the development of high-quality products in the premium and super-premium segments. Although our European subsidiaries, such as SEMG, were impacted by the economic slowdown, we remain committed to long-term investments to rebuild their strength.

We aim to drive growth by investing in new products and premiumisation. Our investments in digital connectivity strengthen our EV and ICE capabilities, and we anticipate elevating customer satisfaction with customer-centric investments in software, electronics, and digital connectivity. Our product innovations are tested on the track as part of our 'Track to Road' philosophy, enhancing the capabilities of our Apache sports motorcycles. We will continue to support sports enthusiasts through TVS Racing and enrich our premium offerings.

**Driving Market Expansion**

We focus on building enduring relationships with retailers, stockists, and dealers to expand our market presence. Our hub-and-spoke model ensures careful supply chain management while balancing the interests of our partners and our Company. Our recent partnership with Emil Frey in France will help us tap into new markets and expand our distribution network. Additionally, we aim to increase our presence in the evolving rural market in India.

**Dual Technology Capability**

TVSM considers its investments crucial for the future and aims to drive topline growth by investing in new products and various technologies to strengthen its EV and ICE capabilities. These endeavours will further elevate customer satisfaction. We also understand that the scooter segment is likely to grow significantly, with market share projected to increase to 35-40%.

This growth will create opportunities for both ICE and EV segments, allowing consumers to choose as per their convenience and comfort. The Company's dedication to investing in both technologies reflects its commitment to meeting the diverse preferences of its customers.

**Growing Sustainability**

TVSM's business strategy prioritises Environmental, Social, and Governance (ESG) elements. It focuses on resource efficiency, with a 10% reduction in water usage and 93% of its electricity coming from renewable sources. The Company is committed to becoming a 'Net Zero' carbon emitter. Its ESG efforts have led to cost reductions, market opportunities, and better risk management.

**Promising Future**

With improvements in road infrastructure and increasing mobility demands, the two- and three-wheeler industry is waiting to see a greater demand surge in the future. We aim to capitalise on the opportunities by deepening our international presence in the African, Latin American, European, Southeast Asian, and Middle Eastern markets. The past year has shown that TVSM remains resilient, adaptable, and geared for the future. We appreciate the support of the Board, TVSM team, and stakeholders and look forward to an exciting journey ahead.

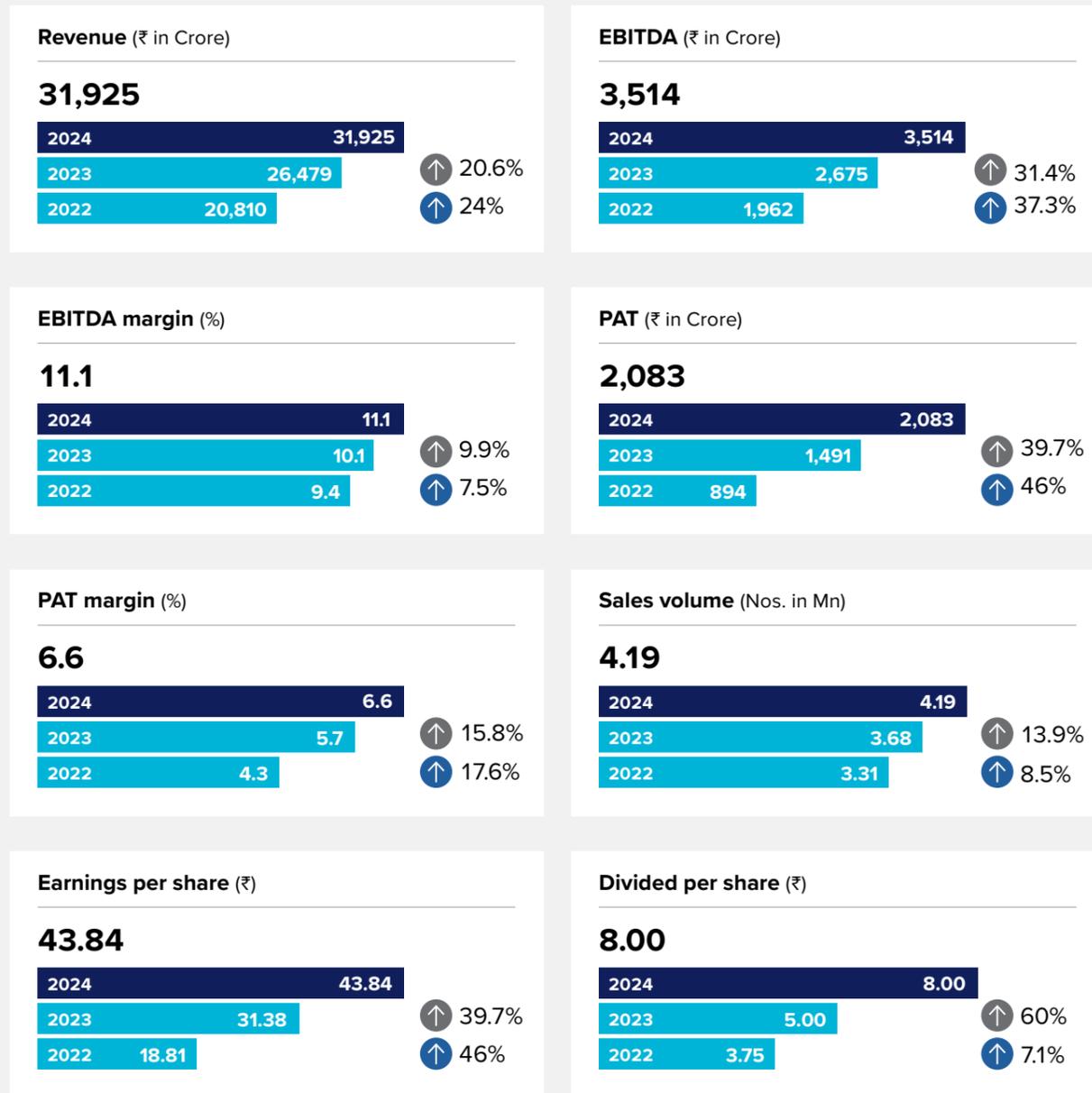
Regards,

**Sudarshan Venu**  
Managing Director

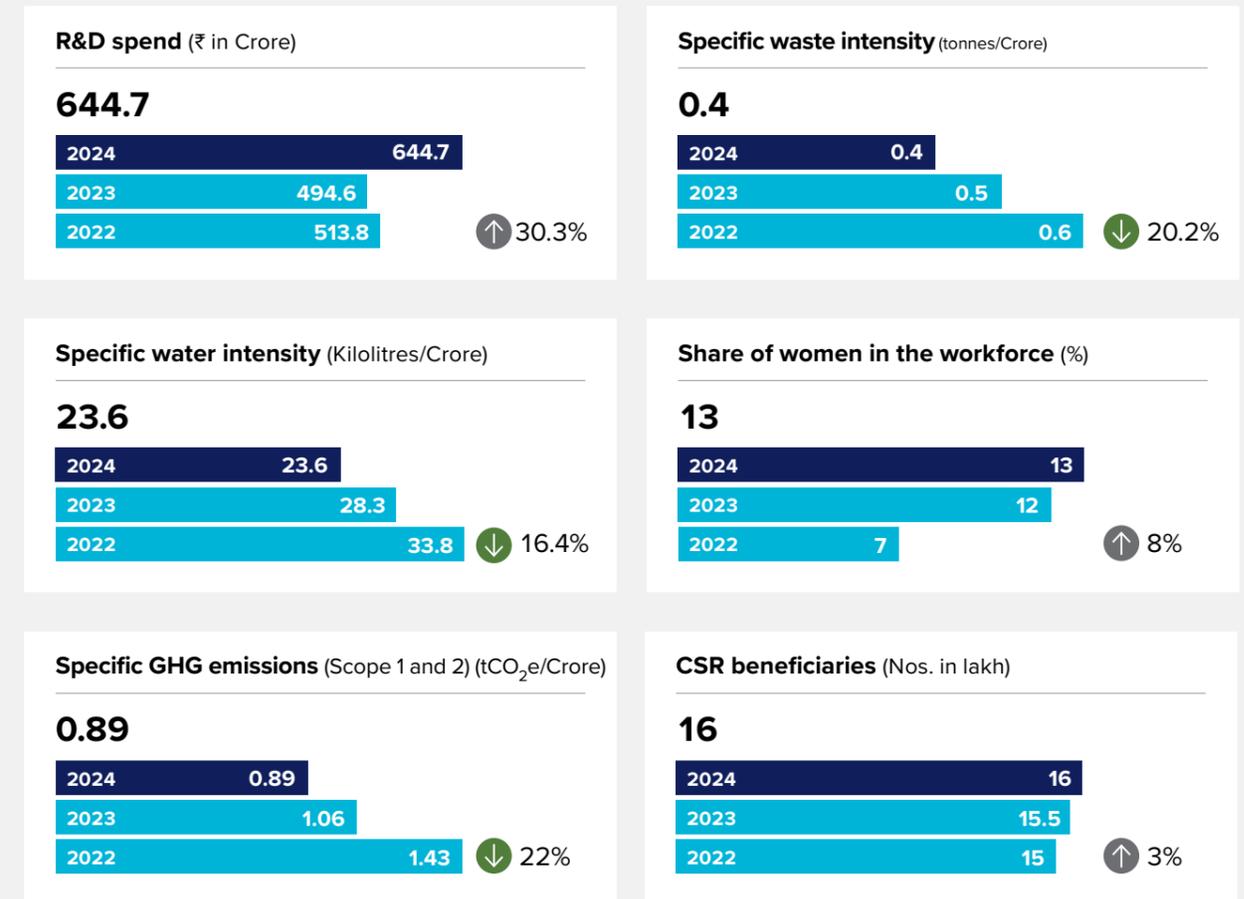
# Revving up remarkable success

TVSM achieved remarkable success in FY 2023-24, with record-breaking revenues and profits, driven by 15% growth in motorcycle sales and an astounding 100% increase in EV sales. A well-balanced product mix, competitive pricing, and a strong emphasis on electric mobility power the journey ahead.

## FINANCIAL



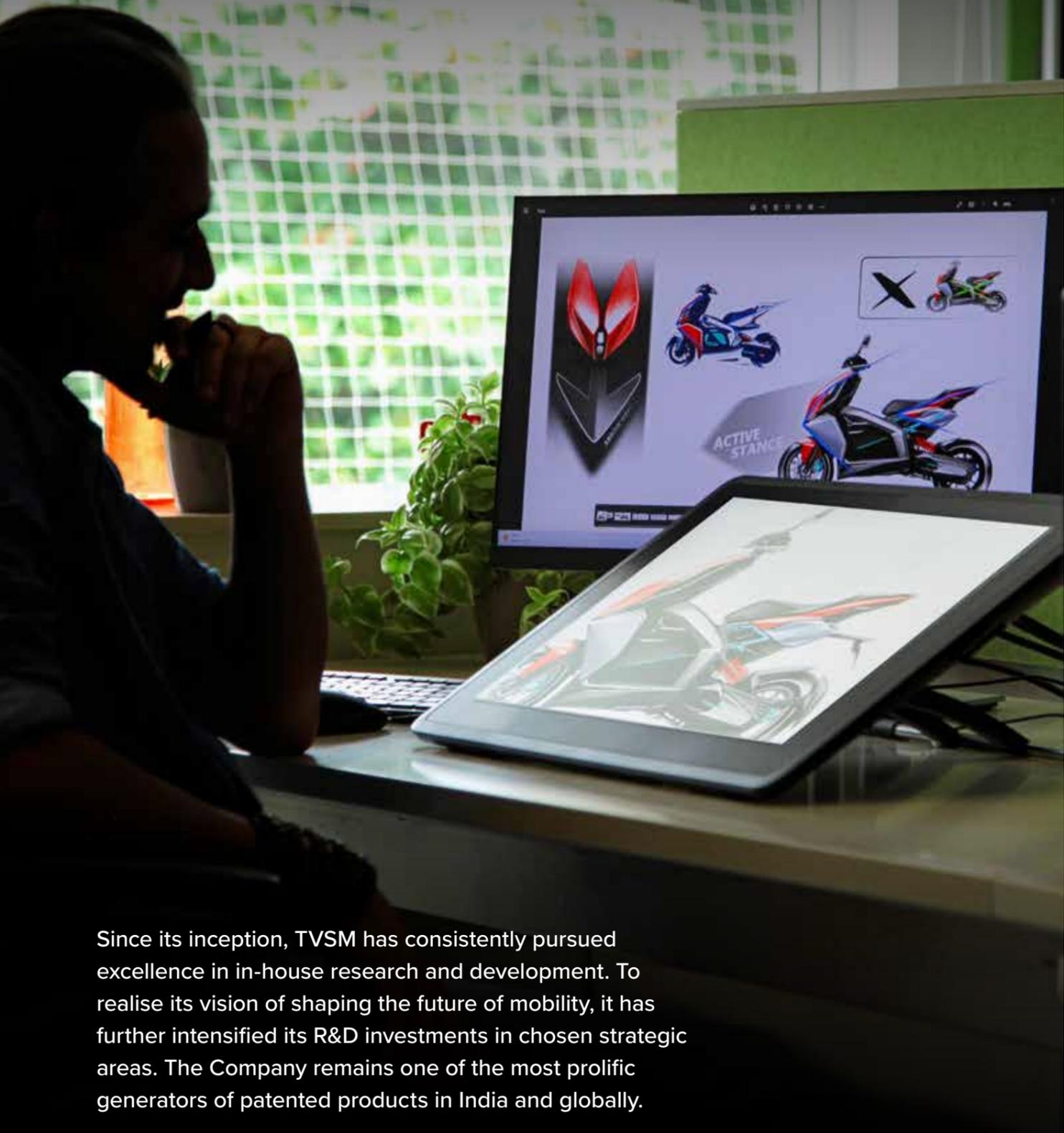
## NON-FINANCIAL



↑ y-o-y growth
↓ y-o-y (lesser the better)

↑ y-o-y growth
⬆ 3-year CAGR

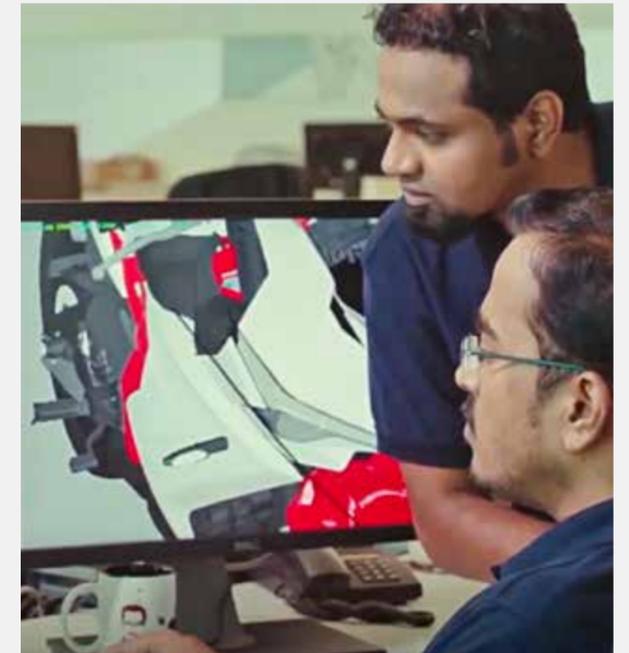
# Unleashing potential through relentless innovation



Since its inception, TVSM has consistently pursued excellence in in-house research and development. To realise its vision of shaping the future of mobility, it has further intensified its R&D investments in chosen strategic areas. The Company remains one of the most prolific generators of patented products in India and globally.



With a strategic focus on building a world-class skill set in technology research, product design, and development, TVSM has formed an exclusive team of specialised engineers for in-house software development. As mobility solutions become smarter, more connected, and increasingly reliant on software, electronics, and



control, the Company is focusing on investing in embedded systems and improving its digital capabilities. The Company's R&D has adopted an agile, vigorous trans-disciplinary approach towards creating mobility solutions that are exciting, responsible, safe, and sustainable.

## Driving Deeper Global Market Penetration with State-of-the-art EV Technology

Nearly 12 years ago, the Company embarked on a strategic journey into electric mobility, laying the groundwork for what would become a pivotal aspect of its strategy. It established centres of excellence dedicated to advancing electric powertrain technology and developing key EV components like batteries, motors, and controllers while refining design, supply chain, and industrialisation processes.

In 2020, TVSM launched its first electric product, the TVS iQube and has since expanded its offerings across a diverse range, empowering its customers with choice across design and price variants.

With the launch of TVS X, one of the world's most advanced, electric two-wheeler, proudly made in India, TVSM is expected to make a major impact on the global EV market with this premium offering. This stylish, efficient, and innovative vehicle has an impressive range

as well as a powerful motor backed by cutting-edge battery technology. The top-notch R&D team has also built a highly advanced, all-new technology solution for infotainment and control architecture, which delivers an unparalleled product experience with high security and cutting-edge OTA capability. Given the rapid adoption of E-mobility around the world, the TVS X is set to capture global imagination.

TVSM acknowledges the pivotal role of government policies and OEM initiatives in shaping market dynamics. The Company's proactive stance in aligning product offerings with policy changes emphasises our commitment to staying ahead of the curve. As it navigates the evolving electric mobility landscape, TVSM focuses on enabling new market segments and gradually expanding its global footprint.

2,000+

Engineers working on advanced technologies

650

EV-related patents



→  
Bharat Mobility, February 2024



We constantly look at the white spaces in both the ICE and EV segments. Customers are technology-agnostic and will choose products based on their usage, convenience, and comfort. With a well-planned product line-up and improvements in supply chain and infrastructure, we are confident that we will continue to be a formidable player in the EV segment. We are investing in many technologies which will be incorporated into both EV and ICE models. Our focus is on delighting customers across the portfolio through best-in-class infotainment, digital connectivity, and new technologies with attractive features”.

**K N Radhakrishnan**  
Director & CEO



## LEVERAGING DIGITALISATION AND AI

The Company has been digitalising operations across various domains, such as customer experience, service management, manufacturing, supply chain, new product introduction (NPI), and enterprise functions. Under the TVS Xverse programme in FY 2023-24, the Company significantly enhanced customer-facing digital and AI capabilities, strengthening its global web presence to boost organic traffic and lead generation. AI technologies are being used in retail and service operations.

Read more on digitalisation and AI technologies being used in page 79.

# Environmental, Social and Governance



93%

Renewable power contribution to  
overall share of power

58,000+ tCO<sub>2</sub>e

Emissions avoidance

2,500

Villages impacted by our CSR initiatives

2,000+

Kaizens implemented every year

→  
*This bird is one of the many that inhabit  
the precincts of our plant in Mysuru*

In the current context, Environmental, Social, and Governance (ESG) considerations are increasingly pertinent for manufacturing industries like TVS Motor Company, influencing the Company's long-term viability, reputation, regulatory compliance, and financial health. Embracing ESG principles can help TVS Motor Company mitigate potential environmental impacts, foster social goodwill, and ensure robust corporate governance, crucial for competitiveness, compliance, and meeting global stakeholder demands. Furthermore, robust ESG practices can drive operational efficiencies, innovate product development, and enhance brand recall. Integrating ESG into our business strategy is not only a moral imperative but also a strategic move for long-term growth and success.

✓ **Embracing a Sustainable Future: Our ESG Commitment**

In today's dynamic VUCA world, TVSM recognises the pivotal role Environmental, Social, and Governance (ESG) factors play in shaping our long-term success and positive global impact. Driven by the vision of achieving a sustainable future for all stakeholders, we strive to consistently adhere to sustainability standards across the entire value chain.

✓ **Our ESG Aspirations**

**Environmental Stewardship:** We commit to minimising our environmental footprint through innovative solutions, resource conservation, and a transition to cleaner energy sources.

**Social Progress:** We empower employees, foster diversity and inclusion, and contribute to the well-being of the communities where we operate.

**Governance Excellence:** Upholding ethical standards, transparency, accountability, and responsible decision-making across our value chain.

✓ **A Strategic Path Forward: Integrating ESG Principles**

By weaving ESG principles into our core business strategy, we fulfil a moral imperative and unlock growth, innovation, and resilience opportunities. Collaborating on this inspiring path, ESG excellence becomes more than a goal—it's a fundamental commitment to shaping our way forward.



## High-level view of our ESG Framework

### Environment

#### Forging a Sustainable Future

- **Renewable Energy Revolution:** Committed to 100% renewable energy (RE100 & EP100) across our operations
- **Science-based Action:** Aligned with the Science Based Targets initiative (SBTi) for net-zero emissions
- **Net Water Positive:** Not just minimising water footprint; actively replenishing it
- **Biodiversity Champions:** Our Centre for Biodiversity Excellence protects life's diversity
- **Circular Pioneers:** Eliminating waste, pursuing zero landfill certification
- **Sustainable Innovation:** Designing greener, lighter, safer, and future-ready mobility solutions

### Social

#### Together, we thrive

- **Diversity and Inclusivity:** Our diverse and inclusive workplace brings together unique talents, celebrating the strength that arises from diverse perspectives
- **Safety First:** Our relentless pursuit of a zero-injury workplace safeguards our most valuable asset — our people
- **Empowered Well-Being:** 'My Health Index' investments ensure employee health and happiness, fuelling our success
- **Community Partners:** We empower local communities, fostering growth and development
- **Sustainability Core:** Collaborating with value chain partners to protect the planet and uphold ethics
- **Customer Trust:** Our mission—to exceed customer expectations—drives exciting, sustainable mobility solutions

### Governance

#### Leading with Purpose

- **Robust Governance** to ensure seamless integration spanning from Board oversight to CEO supervision of EHS and Sustainability performance
- **Ethical Excellence:** Upholding ethical business and management practices within & beyond the organisation
- **Resilience through Adaption:** Proactively identifying climate and nature risks aligned to TCFD and TNFD
- **Sustainability Goals:** Integrating measurable targets into our long-range plan and individual performance metrics
- **Guarding Data, Building Trust:** Robust data privacy and cybersecurity protect digital assets and strengthen stakeholder trust
- **Global Transparency:** Aligning disclosures with international frameworks (CSRD, GRI, UN SDGs) for clarity and accountability



# Commitment to environmental stewardship

As a responsible corporate citizen, TVSM optimises resource use while combating climate change, improving energy efficiency, and progressively ramping up our use of renewable energy. The Company ensures protection of natural habitats in the areas where it operates and encourages its employees to positively contribute to its environmental stewardship goals.



The Company follows sustainable manufacturing practices that ensures minimum harm to the environment. It has set itself measurable targets to promote its environmental stewardship and undertakes various projects to execute these targets. During the year, the Company further emphasised the integration of sustainability into the business vision document to seamlessly incorporate sustainability into the Company's long-term strategy and business goals.

## Major Environmental Achievements in FY 2023-24

Reducing specific water consumption by over 10%	Direct harvest and usage of rainwater to the tune of 16 million litres (in addition to groundwater recharging)
Continuing efforts towards biodiversity preservation	Rare, Endangered and Threatened plant species were planted as a part of celebrations on World Environment Day 2023
Home to 900+ flora and fauna	

Committed to achieving water positivity

**100%**  
Co-processing of hazardous waste



### Recognition for our 'Renewable Energy - 100%' programme

- 1 Achieving renewable power contribution of 93% in overall share of power and 58,462.89 tCO<sub>2</sub>e emissions avoidance
- 2 The Company won the '4th India Green Energy Award – 2023', by Indian Federation of Green Energy – IFGE - in recognition of Excellence in two- and three-wheeler category
- 3 Won 2<sup>nd</sup> place as the highest 'Outstanding Green Energy User' in India for Industrial/Commercial sector

### Biodiversity Conservation

During FY 2023-24, the Company received the 'Excellence' level award in the Biodiversity category at the CII-ITC Sustainability Awards. This accolade was in recognition of its exemplary promotion of biodiversity within the campus.

The Company's policy of maintaining 15% of its factory site area for wild and native forest has allowed natural flora and fauna to flourish. Ornithologists documented the presence of previously unseen bird species in the Company's Hosur plant – the White-bellied Sea Eagle, Cinnamon Bittern, and Garganey Teal. The sea eagle's appearance was particularly remarkable because it is rarely sighted far from the coast.

Wild cats, including leopards and tiger, and wild dogs (Dhole) have been sighted at TVSM's Mysuru plant campus, indicating that the plant's green cover, which was created through meticulous efforts, have turned into natural habitats for these species.

To further its biodiversity conservation efforts, the Company has enrolled naturalists to observe, analyse, and implement measures to improve the richness of the flora. For instance, with expert guidance, we converted an obsolete solar pond at the Hosur plant location into a wetland, leading to the arrival of several species of birds.

The Company's TVS Greening Minds initiative has been extended to six schools in Mysuru, creating a sense of environmental awareness and ownership among 130 young students. The Centre for Environment Education, Bengaluru, has been engaged in running this programme at the Mysuru location. At Hosur, the programme has been extended to cover five schools, deeply energising 157 students towards environmental action.



→→ Glimpse of one of the rare species present in our Mysuru plant

# Building social capital

TVSM is committed to creating an open, enabling, and inclusive workplace, recognising social responsibility, and promoting long-term ties with communities, partners, and customers. Through its CSR arm, the Srinivasan Services Trust (SST), it has driven positive change in rural communities. TVSM ensures a responsible and sustainable supply chain and engages customers in sustainability initiatives. It prioritises customer satisfaction through product excellence, customer-centric services, and continuous innovation.



## PEOPLE-POWERED EXCELLENCE



TVSM is committed to building a high-performance, future-ready organisation that values its people and invests in their development and long-term success.

**TVSM has been certified as a 'Great Place to Work in Manufacturing – Top 50' by GPTW**



### Enhancing Diversity

The Company has always prioritised workplace diversity, and has won recognition as the 'Best Company for Women in India'. It has also received the prestigious Helen Keller Award for its commitment to creating equal opportunities for Persons with Disabilities (PwD).

The Company has implemented several leadership-driven initiatives aimed at enhancing gender diversity within the organisation. These include providing on-campus childcare facilities, offering industry-leading maternity and paternity policies, extending medical coverage to parents and in-laws, offering flexible working hours, implementing POSH directives together with sensitisation on gender diversity.

### Offering Fair Working and Living Conditions

- Hybrid working policy
- Flexible working hours
- Menstrual leave policy
- Guidelines for the engagement of expectant and nursing mothers in the workplace

**>12%**

Share of Women in the Workforce

**2%**

Share of PwDs in the Workforce

**11<sup>th</sup>**

Rank in 'Best Companies for Women' across All Companies and Industries in India

## Creating an Efficient Workplace



Great Place to Work certified organisation

Best Companies for Women in India (BWCI) consecutively for past 3 years

Great Place to Work Accredited for Inclusive Practices

Most Inclusive Companies in India (MICI) consecutively for 3 years

Awarded Diversity Champion by NASSCOM for our Inclusive Practices

### Building People Capabilities

The Company employs a multi-faceted approach to building competencies, including leadership development through in-house programmes, global partnerships, ongoing education, challenging projects and job rotations. TVSM's online platform, Pathways, offers courses on various topics, fostering skill building for all employees. The Company has integrated new capabilities such as EV expertise, software, data analytics and AI, while embedding sustainability as a core organisational pillar.

TVSM has implemented innovative learning solutions like Communities of Practice (CoP), strategic continuing education, annual conferences, and symposiums. It integrates chapters from professional bodies and focuses on fundamental skill development using technologies like Virtual Reality (VR), Augmented Reality (AR), and the Internet of Things (IoT). As a result, the Company has cultivated a vibrant learning ecosystem that encourages continuous learning and staying current in a rapidly changing world.



### Harnessing Talent

The TVS Institute of Quality & Leadership (IQL) is committed to nurturing cultural and collective capabilities, bolstering strategy delivery, and advancing sustainability. Through various initiatives such as courses for future mobility, Communities of Practice (CoPs), digital technology-driven skill training, and conferences, TVSM strives to foster a culture of continuous learning and development within its community.

### Bronze Award

Received for Best Overall Corporate University at the 2023 Global Council of Corporate Universities (GlobalCCU) Awards



### Communicating the Labour Policy

TVSM engages the contract workforce through professional service providers and ensures that contract agreements comply with all statutory labour laws, including POSH. The Company ensures that vendors, service providers and contract workforce are aware of its position on human rights and relevant labour policies.

# 100%

Stakeholders made aware of grievance mechanism, redressal process and human rights



### Employee Health and Wellness

TVSM has implemented various programmes to improve physical and mental health at all plant locations. Regular health checks are conducted for all categories of employees, including employees of service providers. During the year, the Company organised eye camps by collaborating with leading hospitals for outbound and inbound logistics fleet drivers.

In addition to annual health checks for employees and workers, the Company undertook various initiatives for the health and well-being of employee families and community members. Furthermore, the Company offers best-in-class insurance benefits, including family floater policies and coverage for employees' parents and in-laws.

To promote the mental well-being of its employees, TVSM has partnered with NIMHANS and Your Dost to curate the Employee Assistance Programme (EAP), offering employees and families the chance to discuss their well-being with subject matter experts confidentially.



**The National Safety Council – Tamil Nadu chapter awarded the Hosur plant the 'The Champion' award in the Occupational Health, Safety and Environment Awards 2023**



**Health and Safety**

The Company's manufacturing facilities at Hosur, Mysuru, and Nalagarh have been certified under the Integrated Management Systems and ISO 45001:2018. All TVSM plants and offices were assessed (by entities, statutory authorities, or third parties) on health and safety practices.

As part of its commitment to building a positive safety culture, the Company has meticulously implemented 624 proactive hazard control measures across all plants. These measures, which include equipment safety features for robots and COBOTs conforming to ISO standards and advanced water mist fire protection for battery assembly and cell storage areas, are a testament to TVSM's dedication to ensuring a safe and secure work environment for all. TVSM also undertakes periodical safety training for 9,500 employees of all categories.

**12%**

Improvement in Plant Safety Rating System score

**9,500+**

Employees undergo periodic safety training

**7,600**

Employees participated in road safety campaign to commemorate National Road Safety Month

**✓ H&S Initiatives during FY 2023-24**

- Implemented road safety training, experiential learning, and defensive riding skill training with virtual reality simulator
- Road safety campaign covering 7,600 employees at all plant locations during January 2024 to commemorate National Road Safety Month
- Partnered with dss+ (Dupont Sustainable Solutions) to make significant strides towards graduating the Company's safety culture from the 'dependent' to the 'independent' stage
- Implemented projects as part of the TICK (Transform, Inspire, Commit, Keep-up) programme through a five-pillar approach: safety interaction, standards, rules, procedures, incident management, training and communication, and road safety
- Audited 30 suppliers for their safety compliance and helped identify around 800 improvements in safety and health as part of the Social Accountability Standard—SA8000—to improve supply chain safety

**ENGAGING SUPPLY CHAIN PARTNERS**

To foster strong relationships with its supply chain partners, TVSM promotes transparent communication and fair terms, providing them with regular updates on market trends and Company objectives to ensure alignment. Recognising the importance of supplier development, the Company undertakes comprehensive support programmes to help partners improve their capabilities, including training sessions, assistance with technology adoption, and optimisation of operational processes.

Ethical business practices are foundational to TVS Motor's relationship with its supply chain partners. Regular updates are provided to partners on environmental regulations and other changes in the regulatory environment and the Company's Code of Conduct to ensure a sustainable and equitable partnership.



**PUTTING CUSTOMERS FIRST**

TVSM prioritises customer satisfaction through a combination of product excellence, customer-centric services, and continuous innovation. Factors that have helped it score high in customer satisfaction are:

Customer centric products with deep customer insights

Megabrands built on customer preferences and innovation

Best-in-class product quality



**#1**

J.D. Power Customer Satisfaction Index - Benchmark Survey 2021-22

**879**

Score against Industry Score of 863

Scoring high on

**Service initiation, Service advisory, Service facility, Service delivery, Service quality**

## HELPING COMMUNITIES THRIVE

The Company implements its CSR initiatives through the Srinivasan Services Trust (SST) and follows a holistic, participatory approach in undertaking social projects, working closely with the communities and the government to promote sustainable development in villages.

SST has formed partnerships with several NGOs and foundations to work on specific areas of water, health and hygiene, capacity building of SHGs, quality education, and livelihood improvement.

### CSR Outcomes

2,500

Villages reached

830+

Schools renovated

238+

Tanks desilted

16 Lakh

People benefitted

980+

Anganwadis renovated

10 Lakh+

Trees planted

5,000+

Self Help Groups formed

375+

Other community buildings restored

150 Cr Litres

Water capacity enhanced in tanks

60,000+

Women enrolled in SHGs

130+

Health centres renovated

₹100 Cr

Income generation programs



## AREAS OF SST'S WORK

### Women's Empowerment



We encourage women to be part of self-help groups (SHGs) so they can earn incomes, avail themselves of loans, and have a support group.

### Educational Infrastructure



Supporting villagers in building, maintaining, and improving their infrastructure ensures children have classrooms to attend, girls have access to toilets, and mothers have clean and safe anganwadis to leave their children.

### Health



Generally, we try to help the community access primary healthcare centres, create awareness about diseases, encourage them to attend health camps, and eat nutritious food. A healthier community is a more productive community. We also ensure that veterinary centres are well-maintained so livestock can get the care they need.

### Water and Agriculture



We desilt tanks, build check dams, and encourage farmers to find ways to use less water for crops. This helps them practice multi-cropping and improve output.



# From shy homemakers to changemakers

This is a tale of the power of determination. In the village of Eruvadi in Tamil Nadu's Tirunelveli district, women usually stayed at home, relying entirely on their husbands for money. Their lack of economic independence meant that even basic purchases required their husbands' approval.

SST saw the need for change and decided to help empower these women. During interactions with the local community, SST met Bheerbanu from BISMIL SHG, an active advocate for women's causes. She had expertise in tailoring, which made her an ideal role model. Motivating other women to join the tailoring training was a crucial step.

Convincing women to join the training was a challenge. Many doubted their ability to earn money and lacked confidence. SST engaged not only with the women but also with their families to overcome these hurdles. Bheerbanu played a pivotal role in this process.

SST trained Bheerbanu to supervise the SHG accounts weekly and also facilitated bank loans for purchasing tailoring machines. Around 37 rural women now have regular tailoring jobs. This income has transformed their lives, allowing them to meet their family's needs and household essentials.

Bheerbanu's impact extends beyond training. She motivated 16 women to build individual toilets and organised anaemia camps that improved women's health. The SHG members engage in community service, providing aid to Anganwadis, participating in village festivals, and supporting various initiatives. SST's efforts have not only empowered women but brought about social transformation in the lives of rural communities.



# Overcoming shame and silence

We, a group of young girl students from Kalakadu, used to dread going to school during our periods. Our school toilets were not designed keeping our needs in mind. We did not have a place to change our sanitary napkins and had to wait in the long queue outside the toilets, which were overcrowded and unhygienic. Some of us even ended up with urinary tract infections. It was so uncomfortable and messy that we started skipping school during those days.

We could not keep quiet about our problems any more and shared them with our parents. Our parents brought up our concerns during the PTA meeting, and then SST organised a meeting with our parents, teachers, and others to discuss this issue. Soon enough, we saw some changes being made.

Thanks to the contributions of four alumni doctors, our school teachers, and donations from various sources, including SST's financial help through the Namakku Namme Thittam programme, we finally got a brand new toilet block for us girl students. Now, we no longer have to miss school during our periods or worry about getting infections. We can attend classes every single day without any fear or discomfort. And what's even better is that more students from our villages are now seeking admission in our school, thanks to the better facilities we now have.

We are proud of what we have accomplished together!

# From health centre to hospital

What a change it has been! My name is Susila and I have been working as a supervisor at the Bangarupeta Government Primary Health Centre in Tirupati district, Andhra Pradesh, for the past two years. I have seen first-hand the struggles that outpatients and pregnant women have faced in this facility.

But today, I am so relieved and inspired by the changes that have taken place. Just a few years ago, patients would wait outside under a tent, braving the elements just to get medical care. It was chaos for our pregnant patients who desperately needed care and advice.

But we did not give up. We spoke up and told the representatives from SST who sometimes attend our meetings about the issues we were facing. And that is when things started to change. SST took immediate action and got the necessary approvals to redo the waiting area for outpatients. In just 25 days, the work was done and our centre was transformed.

We finally have a dedicated waiting area for our pregnant women and outpatients, and the centre looks like a brand-new private hospital. All of our concerns have been taken care of. This health centre is going to be upgraded to a 24x7 hospital. I am so proud of the progress we have made. I know that we will continue to improve and serve our community even better.

# The magic of desilting



Farmers in India have to face many struggles in irrigating their fields. The Thamiraparani river in Thoothukudi district of Tamil Nadu is the lifeblood of farmers. A clogged canal can mean no water, no crops.

That is why it became alarming when one of the canals coming from the river to our village waited for desilting for over five years. This had a severe impact on our cropping cycles, forcing us to stop farming and leaving our lands barren. It was a difficult time for us, and we knew we needed help to overcome this challenge.

We turned to SST, and they heard our cries for help. Together with SST, we contributed to renovating the canal, and it has made all the difference. The desilting has increased inflow of water has benefitted around 1,500 farmers from eight villages in the Appan Kovil, Varadharajapuram, Keezpidaakai Kaspaa, and Managalakurichi panchayats.

Now, we are able to do three cycles of cropping a year across 927 acres of farm land! It is amazing to see the economy of our villages grow as a result. We are grateful for the support of SST in helping us overcome this challenge.

# Upholding transparency, accountability, and integrity

The Company has always sought to uphold the highest corporate governance standards, emphasising accountability, responsibility, and reliability. TVSM has a dedicated Risk Committee that evaluates ESG risks and sustainability objectives, keeping the Board informed about challenges. Furthermore, it follows a structured governance approach to reviewing sustainability initiatives through dedicated committees to evaluate their impact.

## ESG Governance

TVSM's organisational structure ensures a seamless flow of sustainability reporting. The CEO oversees sustainability initiatives, with the Chief Sustainability Officer, reporting directly to the Board, facilitates communication on sustainability matters across the organisation. The Company tracks its sustainability performance on a quarterly basis and undertakes annual plans to implement its objectives.

The Company has established a robust governance model to integrate ESG issues into our core operations and business strategy. The Risk Committee plays a crucial role in assessing ESG risks, setting sustainability goals, objectives, and targets, and keeping the Board informed of our ESG journey and challenges overcome. Leading our ESG strategy is the Sustainability and EHS Steering Committee, chaired by the CEO, which oversees sustainability strategy, reporting, and target setting.

Reporting directly to the CEO and Board, the Chief Sustainability Officer (CSO) ensures clear communication on sustainability throughout the organisation. The Unit EHS and Sustainability Committee, co-chaired by the CSO and Operations Head, oversees the design, budgeting, implementation, and monitoring of sustainability initiatives.

At the operational level, Plant Heads oversee sustainability and EHS activities, supported by the Sustainability Ambassador Programme led by EHS Coordinators and site EHS and Sustainability Heads on the shop floor. This team plans, executes, and reviews sustainability actions.

TVS Motor Company monitors sustainability performance regularly through quarterly reviews and annual planning to achieve its objectives. This structured approach to sustainability governance reinforces our commitment to environmental stewardship and social responsibility.

## TVSM Board of Directors

The Board consists of eminent industry veterans, known for their expertise and experience, and provides leadership and guidance to the management. The Company recognises the importance of a diverse Board and its Board members hail from diverse backgrounds, enabling them to leverage their unique perspectives, knowledge, skills, industry experience to ensure the Company is able to channelise growth and retain its competitive advantage.

## Board Committees

The Board and Board committees maintain their oversight on strategy execution, risk management and protection of stakeholder interests through strict internal controls against unethical practices. Board committees include the Audit Committee, Risk Management Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, and Corporate Social Responsibility Committee. Additionally, there is a non-mandatory Administrative Committee to address other pertinent matters.

## Evaluation of Board Performance

The performance of all Independent Directors is assessed against a range of criteria such as contribution to the development of business strategy and performance of the Company, understanding the significant risks affecting the Company, clear direction to the management and contribution to Board cohesion. The Nomination and Remuneration Committee has laid down the criteria for evaluating the performance of the Directors, Committees of the Board, and the Board as a whole, and the performance of key managerial personnel and senior managerial personnel.

The Nomination and Remuneration Committee has prescribed a peer evaluation methodology for the evaluation of the performance of individual Directors, Committee(s) of the Board, the Chairman and the Board as a whole. Individual Directors are assessed on the basis of their commitment to the role and fiduciary responsibilities as a Board member, attendance and active participation, strategic and lateral thinking, contribution, and recommendations given professionally, and heading/acting as a member of various Committees.

The performance of senior managerial personnel is measured against their achievement of the business plans approved by the Board during and after the financial year and their annual performance incentive, which reflects their business plan achievements. An evaluation of performance has been undertaken based on the criteria for all senior managerial personnel, following the above process. The Nomination and Remuneration Committee is responsible for evaluating and approving the compensation plans, policies, and programmes applicable to senior managerial personnel. The Nomination and Remuneration Committee also delegated its authority to the Executive Directors, wherever appropriate, for this purpose.

## Risk Management

The Company's risk management framework is robust and regularly reviewed by the Risk Management Committee. This framework enables the Board to identify, assess, and monitor key risks and actively mitigate those that could impact the Company's objectives.

Risk identification and prioritisation are based on the Company's risk appetite, strategy, severity, and likelihood. The Board is confident in the effectiveness of the systems and procedures for risk identification, assessment, monitoring, and management.

The Risk Management Committee oversees various risks, including strategic, financial, market, IT, legal, regulatory,

reputational, and others, and recommends appropriate actions. The Board has approved a risk mitigation policy.

## Whistleblower Policy

TVSM's Whistleblower Policy aims to provide necessary safeguards for protecting all its stakeholders from reprisals or victimisation, for whistleblowing in good faith and to provide a means to raise actual or suspected violations. Hence, this Policy sets out ways through which the stakeholders of the Company can raise concerns related to actual or alleged violations of the Code, any accounting/audit matters and/or breaches of legal, statutory, and/or regulatory requirements such as incorrect or misrepresentation of any financial statements, reports, disclosures, and/or report instances of leakage/suspected leakage of unpublished price-sensitive information.

## Best-in-class Certifications

- ISO 14000 — Environmental Management System
- ISO 22301 Societal Security — Business Continuity Management Systems
- ISO 27001 — Information Security Management
- ISO 45001 — Occupational Health and Safety Management Systems
- SA8000® Standard — SAI (Social Accountability International)

## Enduring Affiliations



Confederation of Indian Industry (CII)



Affiliations with Trade and Industry Chambers

## Corporate Information

### Board of Directors

**Prof. Sir Ralf Dieter Speth**  
Chairman

**Venu Srinivasan**  
Chairman Emeritus & Managing Director

**Sudarshan Venu**  
Managing Director

**K.N. Radhakrishnan**  
Director & Chief Executive Officer

**C. R. Dua**  
**Shailesh Haribhakti**  
**Dr. Deepali Pant Joshi**  
**Kuok Meng Xiong**  
**Vijay Sankar**  
**Hemant Krishan Singh**  
**B Sriram**  
**Dr. Lakshmi Venu**

### Audit Committee

**Shailesh Haribhakti**, Chairman  
**C. R. Dua**  
**K.N. Radhakrishnan**  
**Dr. Deepali Pant Joshi**

### Nomination and Remuneration Committee

**Vijay Sankar**, Chairman\*  
**C R Dua**  
**Dr. Deepali Pant Joshi**  
**Kuok Meng Xiong**  
**B Sriram**

### Risk Management Committee

**B Sriram**, Chairman  
**Sudarshan Venu**  
**K N Radhakrishnan**  
**Hemant Krishan Singh**  
**K Gopala Desikan**

### Stakeholders' Relationship Committee

**Dr. Deepali Pant Joshi**, Chairperson  
**Venu Srinivasan**  
**Sudarshan Venu**  
**C R Dua**  
**Hemant Krishan Singh**

### Corporate Social Responsibility Committee

**Venu Srinivasan**, Chairman  
**Sudarshan Venu**  
**Vijay Sankar**

### Chief Financial Officer

**K. Gopala Desikan**

### Company Secretary

**K. S. Srinivasan**

\* Chairman wef 14<sup>th</sup> July 2024

### Statutory Auditors

**Sundaram & Srinivasan**,  
Chartered Accountants,  
23 C P Ramasamy Iyer Road  
Alwarpet, Chennai - 600018  
Tel.: 044-2498 8762  
E-mail: sundaramandsrinivasan1948@gmail.com

### Cost Auditor

**C S Adawadkar & Co.**  
Cost Accountant  
103, Building 10 "Palvi", DSK Raanwara,  
Bavdhan, Pune 411021  
E-mail: csadawadkar@csagr.co.in

### Secretarial Auditors

**S. Krishnamurthy & Co.**,  
Company Secretaries  
No. 16, Pattammal Street,  
Mandaveli, Chennai - 600 028.  
Tel.: 044-42074012  
E-mail: skco.cs@gmail.com

### Shares listed with

**BSE Ltd.**, Mumbai.  
**National Stock Exchange of India Ltd.**, Mumbai.

### Bankers

**State Bank of India**  
Corporate Accounts Group Branch, Chennai.

### Registered Office

'Chaitanya' No. 12, Khader Nawaz Khan Road,  
Nungambakkam, Chennai 600 006, Tamil Nadu, India  
Tel: 044-28332115  
CIN No. L35921TN1992PLC022845  
E-mail: contactus@tvsmotor.com  
Website: www.tvsmotor.com

### Share Transfer Agent

**Integrated Registry Management Services Private Limited**  
2<sup>nd</sup> Floor, Kences Towers, No. 1,  
Ramakrishna Street, North Usman Road, T Nagar,  
Chennai-600 017  
Tel: 044-2814 0801-03; Fax: 044-2814 2479  
E-mail: einward@integratedindia.in

### Plant Locations

1. Post Box No. 4, Harita, Hosur - 635 109, Tamil Nadu, India. Tel: 04344 - 276780
2. Post Box No. 1, Byathahalli Village, Kadakola Post, Mysuru - 571 311, Karnataka, India. Tel: 0821 - 2596561
3. Bhatian Village, Bharatgarh Road, Teh. Nalagarh, Solan District - 174 101, Himachal Pradesh, India. Tel: 01795 - 220492/93

## Financial Highlights

₹ in crore

Details	IGAAP	Ind AS								
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Sales & other income <sup>@</sup>	10,788	12,195	13,363	15,618	18,217	16,455	16,784	20,810	26,479	31,925
Profit before interest, depreciation, amortisation and tax*	669	914	1,030	1,274	1,441	1,378	1,462	1,981	2,775	3,663
Profit before tax*	456	629	699	879	961	787	826	1,243	2,003	2,781
Exceptional/Extraordinary Items	-	-	-	-	-	(32)	-	(30)	-	-
Profit after tax	348	489	558	663	670	592	612	894	1,491	2,083
Net fixed assets	1,419	1,751	2,046	2,503	2,837	3,185	3,289	3,731	4,224	4,702
Share capital	47.51	47.51	47.51	47.51	47.51	47.51	47.51	47.51	47.51	47.51
Reserves and surplus	1,598	1,911	2,361	2,833	3,300	3,571	4,123	4,775	6,000	7,684
Net worth	1,646	1,959	2,409	2,881	3,348	3,619	4,171	4,822	6,048	7,731
Total borrowings	970	924	1,107	1,189	1,400	2,022	1,106	1,601	2,245	1,513
Earnings per share (₹)	7.32	10.30	11.75	13.95	14.11	12.47	12.88	18.81	31.38	43.84
Dividend per share (₹)	1.90	2.50	2.50	3.30	3.50	3.50	3.50	3.75	5.00	8.00
Book value per share (₹)	34.65	41.23	50.71	60.64	70.47	76.18	87.79	101.50	127.30	20.68
Operating EBITDA (%)	6.36	7.29	7.06	7.74	7.87	8.19	8.53	9.44	10.14	11.06
Profit before tax*/Turnover (%)	4.24	5.20	5.30	5.66	5.28	4.79	4.93	5.98	7.59	8.75
Return on capital employed (%)	20.27	23.24	21.67	24.61	23.55	16.62	17.15	20.68	25.25	31.41
Return on net worth (%)	22.73	27.15	25.56	25.06	21.52	17.01	15.72	19.87	27.43	30.23

Notes:

@ Sales includes Excise duty upto June 2017.

\* Figures stated are before exceptional and extraordinary items.

# Directors' Report



The Directors have the pleasure of presenting the 32<sup>nd</sup> Annual Report and the audited accounts of the Company for the year ended 31<sup>st</sup> March 2024.

## 1. General Overview

### 1.1. Key Performance Snapshot of FY 2023-24

As a testimony to customers confidence in our products, the Company has secured top position across multiple product segments by winning seven out of ten JD Power awards.

**4.04** Mn  
Two-wheelers sold

**0.15** Mn  
Three-wheelers sold

**₹31,776** Cr  
Turnover

**₹2,781** Cr  
Profit before tax

**1.2. Economy Macro Overview – India**

In FY 2023-24, India continued to outperform other economies in a show of resilience amidst global uncertainties by maintaining a strong growth momentum. This was evidenced by a GDP growth of more than 8% in the first three quarters of FY 2023-24. Active and prudent management of fiscal and monetary macro policies by the Government and RBI helped to achieve and foster this growth, ably supported by the inherent fundamentals of the economy.

FY 2023-24 saw a revival of the manufacturing sector, with more than 10% growth in the first three quarters. On the supply side, the industry and services sectors showed consistent growth of ~8%. The agriculture sector reported modest growth of ~1%. India evinced the highest growth among major advanced and emerging economies during the period.

RBI has significantly reduced interest rates as a spur to the growth of Industry. It has been consistent with its macro policy stance of bringing down interest rates to help provide stability to the valuation of INR. Core inflation has subsided and may further get moderated in the next fiscal due to predicted normal monsoons.

The Government has been making a consistent and significant push towards building infrastructure over the last few years. In FY 2022-23, the public capital expenditure stood at ₹ 7.28 lakh crore. This strong support from the Government continues, with value increasing to ₹ 10 lakh crore in FY 2023-24 and an outlay of ₹ 11.1 lakh crore in FY 2024-25. This consistent infrastructure build will vitalise the economy in the short term and improve quality of life in the mid and long term.

In FY 2024-25, India is expected to continue the trend and outpace all other major economies. As the Indian economy increasingly digitises, financialisation, formalisation, urbanisation, and premiumisation will become significant drivers of growth.

Strong economic fundamentals, a growing young skilled population, cost competitive workforce, rising discretionary consumption, access to vast natural resources, and a stable polity will drive future growth.

Furthermore, gradually increasing 'new-wave entrepreneurship' aided by the improved ease of doing business is providing renewed impetus for growth. India is increasingly transforming itself to be one of the most sought-after FDI destinations.

As per the IMF India is likely to become the third-largest economy by 2027.



**1.3. Economy Macro Overview – Global**

The global geopolitical strife that started two years ago remains unresolved, and additional issues have emerged in a few more regions. The Company is cognizant of the fact that these events shall have negative externalities across the globe.

Commercial shipping has been affected in some key maritime routes, impacting crude oil prices. As a result, despite the reduction in global demand and excess supply, prices have not reduced significantly.

Interest rate cycles have peaked out, and therefore, rates are expected to go down in FY 2024-25. This will support emerging and low-income countries in the short and medium term by providing greater economic stability.

**1.4. Mobility Industry Performance**

**1.4.1. Two-Wheeler ICE (India)**

Industry retail grew by 8.7% in FY 2023-24 (all-India VAHAN, excluding Telangana). The last three quarters of FY 2023-24 have posted a healthy growth of ~10% indicating a good momentum Q2 FY2024 - 12.6%, Q3 FY2024 - 11%, and Q4 FY2024 - 9.4%.

Industry wholesale stood at 17.5 million units compared to 15.5 million units in the last fiscal year. While this reflects a growth of 12.8%, the industry is yet to reach its highest-ever volume of 21.2 million recorded in FY 2018-19.

This indicates a growth momentum for the upcoming year. The significant performance markers for FY 2023-24 are enumerated.

Overall 2W ICE Industry	
<b>6.35%</b> ↑ H1 FY 2023-24	<b>23.65%</b> ↑ H2 FY 2023-24
Overall 2W ICE-Scooter Industry	
<b>11.5%</b> Growth in FY 2023-24	<b>31%</b> Category share in FY 2023-24
<b>5.4 Mn</b> Volume in FY 2023-24	A decline of 0.4% from FY 2022-23
2W ICE – Motorcycle Industry	
<b>13.6%</b> Growth in FY 2023-24	<b>66.3%</b> Category share in FY 2023-24
<b>11.6 Mn</b> Volume in FY 2023-24	A growth of 0.5% from FY 2022-23

A deep dive into the Motorcycle Industry is enumerated – Premium Motorcycles grew by 24.4% in FY 2023-24 with 1.5 million units sold compared to 1.21 million units in FY 2022-23. The category share moderately increased to 8.6% from 7.8%.

Commuter Motorcycles commanded a dominant category share of 50.3% (50.5% in FY 2022-23) of the overall 2W industry. This resilient category share is a clear indicator of the critical role played by this segment in meeting India's mobility needs. This category, which is comprised of executive and economy segments, saw a volume growth of 11.2% in FY 2023-24 with sales of 8.8 million units (from 7.9 million units in FY 2022-23).

The executive segment growth was 23.4% with a sizeable increase in category share, from 18.5% in FY 2022-23 to 20.3% in FY 2023-24. However, the economy segment showed muted demand growth.

The Company recorded a growth of 18.6% as compared to the industry growth of 12.8% in FY 2023-24.

**18.6%**  
Growth recorded in FY 2023-24



**1.4.2. Two-Wheeler EV (India)**

The industry retail on VAHAN reached 0.93 million units in FY 2023-24, up from 0.71 million units in FY 2022-23, a 32% growth over last year. The average penetration of EV two-wheelers for the year FY 2023-24 stood at 5.4%, with an exit of 6.8% for Q4.

The support extended by the Central Government in the form of Faster Adoption and Manufacturing of Hybrid and Electronic vehicles in India (FAME II) and PLI combined with EV policies extended by State Governments have contributed to drive growth.

FY 2023-24 saw the formalisation of the industry due to the introduction of FAME regulations on safety and governance. This has resulted in the movement from low-quality, low-cost product offerings to products with significantly higher quality and improved safety.

In May 23, a sudden reduction in FAME II subsidy from ₹ 15k/kWh to ₹ 10k/kWh (effective from June 23) led to a significant drop in industry sales volumes. In February 2024, the government announced the ceasing of the FAME subsidy from 31<sup>st</sup> March 2024 and introduced the EMPS scheme valid from April 2024 to July 2024, with a reduced benefit of ₹ 5k/kWh.

Attractive TCO (total cost of ownership) remains the primary driver of sales, combined with the superior technology proposition offered by EVs. The Company is proactively investing in concerted strategies across five areas to help realise the government's vision of accelerated EV adoption –

-  **New product development**
-  **Capacity and capability building**
-  **Customer segment prioritisation**
-  **Software development**
-  **Charging infrastructure**

As with ICE 2Ws, India will emerge as a major hub for EV 2W exports in addition to serving the large domestic market.

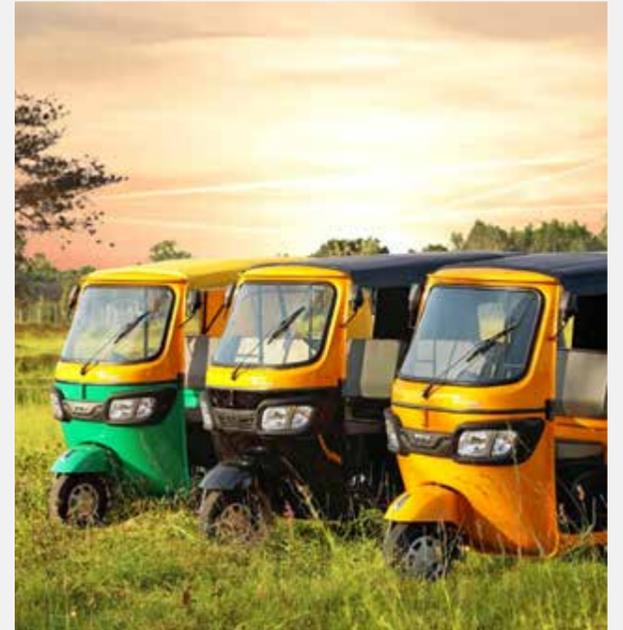
The Company retailed 0.18 million EVs for the year with a 124% growth. The phased expansion of iQube continued with availability in 712 dealerships and a public charging network expanding to 2,000 charging points.

**1.4.3. Three-Wheeler ICE+EV (India)**

The industry retail has exhibited robust growth, increasing from an average of 29,551 units to 42,661 units per month. This translates to a 44% growth based on VAHAN registrations (excluding Telangana state). The industry wholesale has grown by 41% during FY 2023-24 with monthly average volume rising from 34,252 to 48,128 units. This sharp recovery was primarily due to the increased availability of retail finance.

The small passenger segment grew by 47% in FY 2023-24 (from 193,431 units in FY 2022-23 to 284,844 units in FY 2023-24). The contribution of the small-passenger segment in the overall 3W industry increased from 47% to 49%. The cargo segment growth was aided by an increase in demand for last mile delivery and e-commerce applications.

The adoption of electric vehicles (L3 and L5) in the overall 3W industry has increased to 55%, up from 52% in FY 2022-23. L5 EV segment has increased sales from 29,868 units in FY 2022-23 to 1,00,084 units in FY 2023-24, registering a growth of 235%.



**The Company has grown by 29% during the year with monthly average volume increasing from 1,340 to 1,733 units.**

**1.4.4. International Business (2W and 3W)**

In International Business, the industry exports of 2W in FY 2023-24 stood at 3.5 million units, a decline of 6.9% over FY 2022-23.

The industry was affected by liquidity crunch, high inflation, currency devaluation, and country-specific socio-political strife. Although Q1 FY2024 saw higher decline, it progressively improved largely towards the lower base. The exports to the African region continued to be under pressure. Exports to the Middle East region registered higher growth, thus helping overall industry exports.

The Company's 2W exports stood at 0.89 million units down from 0.92 million in the previous year. Three-wheeler exports during the year reached 0.13 million units, a decline of 17.9% compared to FY 2022-23.

TVSM is cautious, yet optimistic regarding the industry recovery; it expects the industry to bounce back progressively in the upcoming year.



## 2. Financial Performance Report

### 2.1. Company Financial Performance in FY 2023-24

Details	Year Ended 31st March 2024	Year Ended 31st March 2023
<b>SALES</b>		
<b>Quantitative</b>	(Number in Lakh)	
Motorcycles	19.90	17.33
Mopeds	4.85	4.46
Scooters	15.70	13.34
Three Wheelers	1.46	1.69
<b>Total Vehicles Sold</b>	<b>41.91</b>	<b>36.82</b>
<b>Financials</b>		
	(₹ in Crore)	
<b>Revenue from Operations</b>	<b>31,776</b>	<b>26,378</b>
Other Income	149	101
Profit/loss before Depreciation, Finance Costs, Exceptional items, and Tax Expense	3,663	2,775
Less: Depreciation/ Amortisation/ Impairment	700	631
Profit loss before Finance Costs, Exceptional items, and Tax Expense	2,963	2,144
Less: Finance Costs	182	141
Profit loss before Exceptional items and Tax Expense	2,781	2,003
Add/(less): Exceptional items	-	-
<b>Profit loss before Tax Expense</b>	<b>2,781</b>	<b>2,003</b>
Less: Tax Expense (Current and Deferred)	698	512
<b>Profit loss after Tax</b>	<b>2,083</b>	<b>1,491</b>
Total Comprehensive Income/loss	-20	-28
<b>Total</b>	<b>2,063</b>	<b>1,463</b>
Less: Dividend on Equity Shares	380	238
<b>Balance Carried Forward</b>	<b>1,683</b>	<b>1,226</b>

### 2.2. Dividend

The Board of Directors of the Company (the Board) at their meeting held on 11<sup>th</sup> March 2024, declared an interim dividend of ₹ 8/- per share (800%) on 47,50,87,114 equity shares of ₹ 1/- each for the year FY 2023-24 absorbing a sum of ₹ 380 crore. The same was paid on 28<sup>th</sup> March 2024.

The Board does not recommend any further dividend for the year under consideration. The dividend payout is in accordance with the Company's Dividend Distribution Policy. The Board is not considering any transfer of amount to General Reserves for the year under review, as it is not mandatorily required.

## 3. Management Discussion and Analysis Report

### 3.1. Company Business Performance in FY 2023-24

The Company achieved the highest sales of 3.85 million units of 2W ICE in FY 2023-24.

#### 3.1.1. Domestic Business

The Company outperformed the broader Industry which grew by 12.8%. The Company recorded healthy volume growth across segments as enumerated.

#### Motorcycles

**1.22 Mn**

Domestic Sales in FY 2023-24

34.4% Y-o-Y increase

**0.40 Mn**

Premium Sales in FY 2023-24

Primary Growth Driver:  
TVS Apache Series

**0.82 Mn**

Commuter Sales in FY 2023-24

47.6% Y-o-Y increase

Primary Growth Driver:  
TVS Raider in executive segment

#### Commercial Mobility

**20,791**

Domestic Commercial Mobility Sales  
in FY 2023-24

29.3% Y-o-Y increase

Primary Growth Driver: TVS King

#### Scooters

**1.45 Mn**

Domestic Scooter Sales in FY 2023-24

16.5% Y-o-Y increase

Primary Growth Driver: Jupiter

#### 3.1.2. International Business

The Company's 2W exports in FY 2023-24 were 0.89 million units, a decline of 3% over FY 2022-23 due to the global industry slowdown. Three-wheeler exports during the year reached 0.13 million units, a decline of 18.1% over last year.

2W business is anticipated to rebound in FY 2024-25. The African market is expected to show improvement in

recovering from the global slowdown, inflation moderation, currency devaluation, and effects of maritime disruption.

The Company has put adequate countermeasures in place to address the challenges and expects a good recovery in the international market in FY 2024-25.

**3.2. New Product Launches and Initiatives in FY 2023-24**



→→  
TVS X

**3.2.1. TVS X**

At a glittering global event in Dubai, the Company launched its flagship electric 2W, the TVS X. The product bears testimony to the Company's global ambitions. It brings style, performance, and connected technology like no other product available in the market right now. With many industry-first features - the largest 10-inch TFT touchscreen on a 2W, industry-leading performance, and connected features, TVS X is a demonstration of cutting-edge technological innovation.



3.2.2. TVS Apache RTR 310

The latest addition to the Apache line-up is the Apache RTR310 which redefines two-wheeled exhilaration with its impressive blend of power, agility, and style and is poised to captivate motorcycle enthusiasts and adrenaline aficionados around the world. It comes with many segment-first features like Race Tuned Dynamic Stability Control, Climate Control Seat, 5 Ride Modes, Cruise Control, Dynamic Head and Tail Lamp, a 5" TFT Cluster with multiway connectivity, TPMS, and bi-directional quick shifter.



3.2.4. TVS Raider Super Squad Edition (SSE)

India's most award-winning 125cc motorcycle has continuously lived up to its promise of being a thrilling ride with many firsts in the segment and has been a rage amongst the Gen-Z audience since its launch. To further the legacy, Raider SSE was launched – India's first Marvel-themed motorcycle.



3.2.3. TVS Ronin

A special edition was launched with new graphics and triple-tone colour scheme. The special edition has pre-fitted accessories, including a USB charger, a visor, and a new EFI cover.



3.2.5. TVS Jupiter 125 SmartXonnectTM

The new variant comes with segment-leading technology and a Bluetooth-enabled TFT digital cluster which enhances the riding experience. This state-of-the-art technology ensures that the rider is always connected, and stays updated while on the move, guaranteeing a smooth, convenient, and safe journey.



3.2.6. TVS iQUBE

To further enhance the riding experience of consumers, additional features like a larger 31L under seat storage, voice assist, and Alexa skillset were introduced. It has expanded its presence to 690+ dealers and has maintained a strong No. 2 position in the market segment.



3.2.8. TVS NEO AMI 125

The Company launched this Bebek - designed around three core principles of perfect dimension, ultimate convenience, and intelligent innovation, across Africa. It is aimed at fulfilling evolving commuting needs by offering customers 72 exciting new features.



3.2.7. TVS HLX 150F

TVS HLX line of 2Ws, crossed the milestone of 3.5 million customers in international markets. The HLX was first made available 10 years ago in Africa and is now available in 50 countries across Latin America, Africa, and Asia. This model was further enhanced with a powerful yet efficient Ecothrust engine, added safety features, a superior suspension, better styling, and exciting colours.

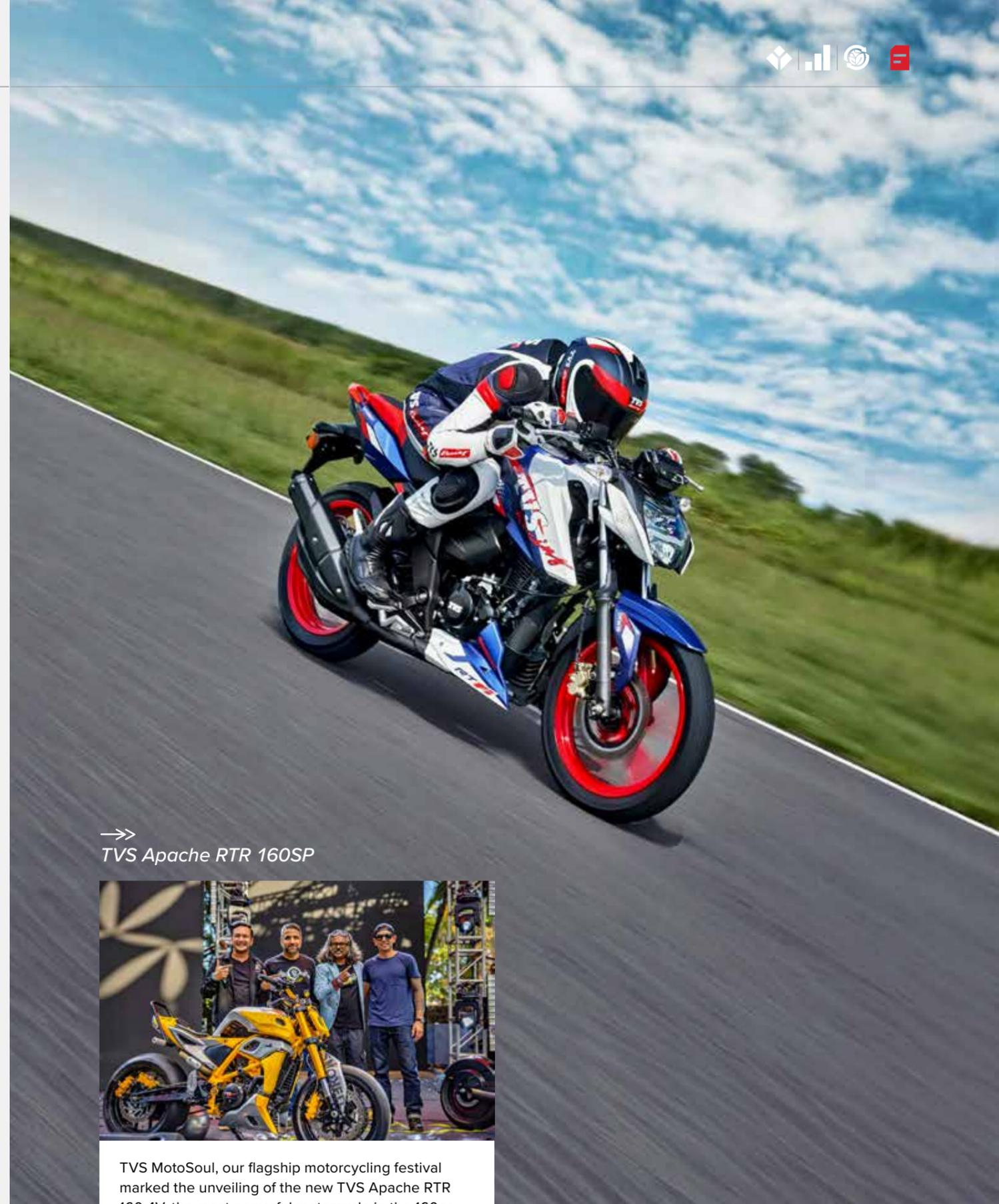


3.2.9. TVS Racing

The Company launched India's first Electric Racing Championship with the TVS Apache RTE.

Factory racer Harith Noah scripted history by becoming the first Indian to win the Rally 2 Class and finishing in the top 11 at the Dakar Rally 2024.

The Petronas-TVS Racing association has completed 2 seasons with 80% wins across different race formats in India. The partnership will now also focus on introducing co-branded merchandise that aligns with the values and identity of both brands. A new endurance record was set with the Apache RR 310 at the 24-Hour Indian National Speed Endurance by covering 3,658 km at an average speed of 152 kmph, validating the machine's consistent performance and endurance.



→ TVS Apache RTR 160SP



TVS MotoSoul, our flagship motorcycling festival marked the unveiling of the new TVS Apache RTR 160 4V, the most powerful motorcycle in the 160cc segment. Thrilling partnerships with 'Alpinestars', the world's leading manufacturer of high-performance riding apparel and gear were also announced.

## 3.3 Awards and Recognition in FY 2023-24



The Company earned four out of the five awards presented and has been adjudged No.1 in ICE Scooter and Motorcycle in the JD Power APEAL study.

### Awards

- TVS Jupiter 110 is the most Appealing Economy Scooter
- TVS Radeon is the most Appealing Economy Motorcycle
- TVS Raider is the most Appealing Executive Motorcycle
- TVS Apache RTR 2V is the most Appealing Premium Motorcycle
- TVS NTORQ is the second most Appealing Executive Scooter

Several products from the Company have emerged as top performers in the Initial Quality Study (IQS), which evaluates the quality of 2Ws within the first six months of ownership.

### Awards

- TVS Jupiter 125 is the #1 Executive Scooter in Initial Quality
- TVS Radeon is the #1 Economy Motorcycle in Initial Quality
- TVS Apache RTR 160 2V is the #1 Premium Motorcycle in Initial Quality
- TVS Raider is the #2 Executive Motorcycle in Initial Quality

The Company won various awards, significant among them:

### Bike India Awards 2023 and 2024

- Overall Best 2W Manufacturer of the Year
- TVS Raider - 'Bike Variant of the Year'
- TVS Apache RTR 310 - Reader's Choice Bike of the Year and Bike of the Year up to 350cc

### Car and Bike Awards 2024

- TVS X – Viewer's Choice Electric Scooter of the Year
- TVS Apache RTR 310 - Viewer's Choice Bike of the Year

### Other Awards

- Autocar India Awards 2023 - Green 2W of the Year for TVS iQUBE S
- Jagran Hi-Tech Award 2023 – 2W EV of the Year for TVS X
- Zee Auto Awards 2023 - Most Trusted Brand of the Year (2W)
- Motor Vikatan Technology of the Year 2024 for TVS Apache RTR 310
- Faster Awards Auto Tech Award 2024 for Climate Control Seats in RTR 310
- The Company showcased a suite of made-in-India, made-for-the-world mobility solutions to the Hon'ble Prime Minister of India at Bharat Mobility Global Expo 2024

The Company's leadership was recognised with multiple awards in FY 2023-24.

### Awards

- Chairman Emeritus, Venu Srinivasan was awarded 'Outstanding Institution Builder' at the 13<sup>th</sup> Managing India Awards and the 'Lifetime Achievement' Award by EY
- Managing Director, Sudarshan Venu won the Next-Gen Leader Award in the second edition of Moneycontrol's Indian Family Business Awards



BMW CE02, co-developed by TVSM

### 3.4. BMW Association

Scripting a stellar and exemplary partnership amongst the global 2W industry, TVS and BMW Motorrad celebrated ten years of their strategic partnership which has resulted in the development of five products on the 310cc platform.

The partnership is further expanding through the joint development of, and future technologies, including Electric Vehicles. Under this enhanced cooperation, both companies have identified a range of products and technologies to deliver mutual business benefits.

The recently unveiled BMW CE 02, carves a new segment for itself with its trend-setting design and innovative solutions to deliver a new kind of mobility experience that is fun in an urban environment.

**With over 1,90,000 customers worldwide, the motorcycles have been well accepted across all leading markets like the EU, USA, Latin America, Japan, China, and India.**

### 3.5. Business Overview and Outlook for FY 2024-25

As TVSM moves into FY 2024-25, it holds a positive outlook for the future. India's GDP growth is anticipated to surpass initial estimates, with expectations of around 6.5%, maintaining its position as one of the highest amongst major economies. This growth is underpinned by key socio-economic fundamentals and proactive and consistent policy management by the Government and RBI.

#### Growth Drivers

- Stable urban discretionary consumption demand, particularly in services like travel, tourism, and hospitality
- Improved consumer sentiment, as evidenced by the RBI's Consumer Confidence survey
- Increased disposable income among the mid-income group due to previous fiscal year's tax reforms
- Enhanced investment climate supported by well-regulated banking and financial practices
- Record capex outlay of ₹ 11.11 lakh crore in the Central Government budget for FY 2024-25
- Moderate global crude oil and commodity prices



In addition to the above factors, the fast-developing corporate sector coupled with the favourable demography are expected to further fuel the growth of the economy.

The focus of the Union Budget for FY 2023-24 was on boosting capital expenditure while reducing fiscal deficit to pave the way for higher growth and lower future liabilities. The upturn in the consumption cycle is linked to a broad-based increase in economic activity, which the Indian Government is fostering through investments.

Although rural recovery remains sluggish, an expected normal monsoon could help the rural economy to recover faster. The slow rural demand is impacting moped and economy motorcycle segments. The Company is confident that the India growth story has a strong thread of personal, and commercial mobility. The demand for commuter, premium and commercial segments will be driven by the growth aspirations of customers aided by the initiation of the replacement cycle and supported by a favourable overall ecosystem.

Looking ahead to 2030, both the per capita income and vehicle ownership are expected to double driven by formalisation, digitisation, and urbanisation. Enhancements in road infrastructure, economic conditions, and mass transit systems will further fuel the demand for mobility. The 2W segment is currently best positioned to meet this demand, making its fundamentals highly appealing to a resurging India.

Export of 2Ws is anticipated to see recovery in FY 2024-25. The African market is expected to show improvement in recovering from the global slowdown and moderation of inflation. Expansion initiatives in LATAM, ASEAN, and the Middle East will provide additional momentum.

African markets currently face significant challenges due to currency devaluation, persistent inflation, and disruptions caused by maritime issues. However, considering the base effect, further decline is unlikely. The Company anticipates that globally implemented counter measures will mitigate these challenges, fostering a favourable business climate.

To sum up, India has positioned itself as the world's fastest-growing economy, simultaneously claiming the title of the most populous nation. With a substantial demand base, robust infrastructure development, strong fundamentals, and diversified sectoral strength coupled with increased global investments, India is well-positioned to maintain its growth trajectory in FY 2024-25.

**3.6. Operations Review**

**3.6.1. Risks and Concerns**

**Environmental and Geopolitical Factors**

The effect of the ongoing global geopolitical strife is continuing to cause large-scale impact on global trade and economy. It has impacted global liquidity, currency depreciation, food, and energy availability in several emerging markets where the Company has a good presence.

In international business, the recovery is slower than expected due to the volatile political climate and the availability of excess funds. The liquidity and inflationary trends are likely to slow down further compared to last year. However, the nature of risk is expected to be more regional than systemic. The recent attacks on commercial and merchant vessels transiting through the Red Sea's vital shipping lane have led to elevated transport costs; however, the Company expects this to cause limited long-term passover into the global inflation and trade landscape.

Additionally, the two - and three-wheeler export industry is expected to be influenced by changing regulatory policies, especially in some markets like Egypt and Iraq. Strong 2W markets like Sri Lanka, Bangladesh, Afghanistan, and Myanmar are taking longer than expected time to recover.

FY 2024-25 is anticipated to be exceptionally busy in terms of elections, with more than 80 countries globally preparing for major electoral events. Among the significant economies heading to the polls are India, the United States, the United Kingdom, the European Union, and Mexico. Notably, during India's 2019 general elections, a total expenditure of ₹ 55,000 crore was recorded. This time around, it is estimated to surpass ₹ 1,00,000 crore, which is expected to provide a boost to the consumption-driven economy within a relatively short timeframe.

**Supply Side Factors**

The likelihood of broader supply chain disruptions is projected to be lower than in the previous year. However, EV components might still encounter hurdles, potentially causing delays in service levels and financial performance. Any new geopolitical developments that affect the global supply chain could result in short-term or medium-term disruptions. The Company manages a diverse, multi-sourced, global supply chain to counteract these risks.

**Demand Side Factors**

Consumption growth has been slow in recent quarters. Nevertheless, domestic 2W demand is anticipated to be robust, as it decouples consumption and growth, driven by a strong replacement cycle. Currently, water reservoir levels are lower than normal. Any further monsoon-related irregularities could lead to agricultural output being affected. This could negatively impact the demand conditions.

A significant portion of Indian 2W buyers rely on retail finance for their mobility needs. New regulatory norms and liquidity controls could potentially impact the 2W sales.

Over the past few years, a variety of factors have contributed to a 35-45% increase in 2W prices in India. This affordability issue has already had an impact on demand. The low and mid-market segments have limited capacity to absorb further price increases without facing demand consequences.

**Risk Management Policy**

The Company's risk management framework is robust and regularly reviewed by the Risk Management Committee. This framework allows the Board to identify, assess, and monitor key risks and actively mitigate those that could impact the Company's objectives.

Risk identification and prioritisation are based on the Company's risk appetite, strategy, severity, and likelihood. The Board is confident in the effectiveness of the systems and procedures for risk identification, assessment, monitoring, and management.

The Risk Management Committee oversees various risks, including strategic, financial, market, IT, legal, regulatory, reputational, and others, recommending appropriate actions. The Board has approved a Risk Mitigation Policy.

**Internal Control and their Adequacy**

The Board holds the responsibility for assessing and approving the efficiency of internal controls, including financial, operational, and compliance aspects. The Company has implemented a robust and sufficient internal control system to safeguard its assets against loss and ensure proper authorisation and recording of all transactions.

The internal control system is continuously enhanced and evaluated for effectiveness. The information provided to management is accurate and prompt. The Company prioritises the reliability of financial reporting and adherence to legal and regulatory requirements. To strengthen controls, the Company utilises technology and centralises processes, enhances monitoring, and maintains effective tax and treasury strategies.

The Audit Committee oversees the effectiveness of internal controls, employing new technologies that influence financial controls and risk management.

The Company has established an Internal Financial Control framework, encompassing internal controls over financial reporting, operating controls, and an anti-fraud framework. The framework undergoes regular reviews by management and is tested by both an independent audit firm and the internal audit team.

The results are presented to the Audit Committee. Based on periodic testing, the framework is fortified to ensure the adequacy and effectiveness of Internal Financial Controls.

**3.6.2. Total Quality Management (TQM)**

Total Quality Management (TQM) remains the central focus within the organisation to drive performance excellence and mitigate business risks in an uncertain industry landscape. This steadfast commitment has been instrumental in keeping the organisation on a growth trajectory over time.

Utilising digital and AI initiatives, the Company continuously enhances customer experience processes and improves forecasting accuracy at the front end. These projects are geared toward achieving specific customer, business, and departmental objectives.

The Company operates with lean stock practices and implements a cash and carry system to maintain stock freshness for consumers and boost profitability for its channel partners. Senior management conducts periodic change management workshops with dealer partners to reinforce a culture of the process for results, emphasising execution excellence through rigorous daily work management.

The introduction of a Dealer TQM cluster approach, involving TQM consultants at the front end, aims to achieve breakthrough targets in customer satisfaction, market share, and profits.

The supplier excellence team runs an ongoing programme to embed the TVS production system within suppliers. The goal is to enhance maturity levels, quality, and delivery performance ratings of selected priority suppliers by establishing sustainable manufacturing systems and focusing on waste reduction.

Cutting-edge tools like Vision AI and predictive maintenance algorithms are being widely implemented as best practices. This initiative is set to expand to a larger number of suppliers in the current year.

Community of Practice (CoP) groups unite individuals with shared expertise and passion in specific areas such as OR, TRIZ, Reliability, and Taguchi methods. These CoPs are leveraged to drive strategic initiatives, swiftly solve complex problems, optimise solutions, transfer best practices, and enhance professional skills and competencies across the organisation, aligning with business objectives.

A culture of total employee involvement is deeply ingrained to achieve safety, quality, and profitability targets by promoting kaizen and cross-functional project initiatives. Emphasising 'waste elimination' in inventory and asset management has significantly improved the Company's working capital management.



**3.6.3. Cost and Price Management**

The Company provides high-value offerings to consumers achieved through aggressive waste reduction and quality improvement strategies such as value engineering, modularity, lightweight, alternative materials, localisation, and process innovation. These efforts extend across the entire supply chain, incorporating productivity enhancements, process improvements, and low-cost automation.

From Q2 FY2024, TVSM witnessed a softening of commodity prices and the improvement of semi-conductor availability which positively impacted pressure on cost and premium buy. This, coupled with the structured cost-reduction approach comprising alternate sourcing, alternate material, alternate design, lightweighting helped in improving the overall cost realisation across products.

Employee engagement is a cornerstone, driving one of the industry's most active employee suggestion programmes. The staff, at all levels, focus on cost reduction, operational enhancements, and waste elimination.

Digitalisation of internal processes is increasing to reduce waste and improve efficiency, particularly in fixed costs. Intense focus on cost management has enabled the Company to navigate commodity price inflation successfully, achieving record profits and earning recognition in JD Power APEAL and IQS studies, highlighting customer satisfaction.



**3.6.4. Research and Development**

The Company has consistently pursued in-house research and development excellence since its inception. In recent years, it has further intensified the R&D investments that are sharply focussed on chosen strategic areas.

Towards investing in building world-class in-house skill sets in technology research, product design and development, an exclusive team of specialised engineers has been formed for in-house software development. With mobility solutions becoming smart, connected, and increasingly dependent on software, electronics, and control, the focus on research in connected and embedded systems has been further enhanced.

Retaining the strength of in-depth customer understanding, cutting-edge technology, and design innovations at its core, the Company's R&D has adopted an agile, vigorous trans-disciplinary approach towards creating mobility solutions that are exciting, responsible, safe, and sustainable.

The Company's R&D remains one of the most prolific generators of innovations and patents, not only in India but globally also.

**FY 2023-24 saw the launch of two exciting new products that are technologically advanced and provide a peek into the future**

- **TVS X** is an electric-native smart electric scooter born out of the Company's future vision. It was created in-house, leveraging decades of know-how and cutting-edge technologies developed in the recent years. It's an innovative and lean design delivering high performance, convenient charging, and state-of-the-art connectivity. A highly advanced all-new technology solution has been built for the infotainment and control architecture which has helped deliver an unparalleled product experience with very high security and cutting-edge OTA capability.
- The **Apache RTR 310** comes loaded with several world-leading technology features in the areas of Intelligent assist, aerodynamically efficient design, state-of-the-art connectivity and climatic controlled seat. The intelligent assist is a bouquet of advanced features offered never before in any other global product of its class, the features enhancing fun and joy of riding, providing assist and enhancing safety under various conditions of ride.

TVS R&D has aligned its future focus in support of the Company's vision for 2030. R&D efforts and investments are directed toward electric mobility, alternate fuels, advanced safety systems, and sustainability. The current product range has more than 87% of parts recyclable and about 95% recoverable parts.



**3.6.5. Digital and AI Technologies**

The Company considers Digital and AI as a key organisation-wide accountability area. Currently, it prioritises digitalising the Company's operations in customer experience, retail and service management, manufacturing and supply chain, New Product Introduction (NPI), and enterprise functions.

By enhancing customer facing digital and AI capabilities as part of the TVS Xverse programme in FY 2023-24 by strengthening the web presence globally, the Company aims to increase organic traffic and lead capture of digital visitors. The Company has implemented new social media and marketing automation modules to improve reach, responsiveness, customer experience, and marketing effectiveness. The Company unified the companion mobile application for 2W customers globally and introduced a similar application for its three-wheeler customers.

Digital products used in dealerships, in both sales and service operations, have been improved increasing both retail and service penetration levels. Several AI technologies have been infused into the retail and service operations such as voice AI for lead management, vision AI for dealer upkeep, and auto-ordering systems for parts. The Company is also revamping the parts wholesale and connecting with service stations globally. It launched a new digital commerce capability for accessories and merchandise retail improvement.

The Company has launched an order management system for its international business distribution partners and is piloting a Sales and Operations (S&OP) programme for its vehicle and parts businesses globally, that will be scaled in FY 2024-25. It has deployed its track and trace systems for industrial IoT across its manufacturing locations along with associated digital and AI systems like computer vision AI to improve quality, efficiency, and safety. Warehouse digitalisation also improved transparency and efficiency of operations.

Progressing in its multi-year NPI digitalisation programme, the Company aims to improve the time to market of its new products. It has upgraded and standardised the software and new product introduction processes including for Norton Motorcycle Co, UK. Digital and AI technologies were made available for its new product launches including live commerce at launch, and the vehicle telemetry solution was strengthened to include all connectivity types and AI-based detection and prediction capabilities. Self-serve decision support technologies, including data harmonisation and AI tools, have been implemented for modularity and other NPI initiatives.

Automation of business operations workflows to improve employee experience, productivity, and quality continued this year with several self-serve employee applications in TVS Sampark and similar applications in finance, contract management, policy, and quality management.

Cybersecurity governance improved in line with its plans for information security governance, detection, and response. The Company continued to leverage the cyber governance council, consisting of senior management and industry experts, to expand the coverage of cyber defences and data privacy programmes for coordinated capability improvements for itself and the group companies.

The Company also leveraged its digital and AI capabilities to improve the operations of its subsidiaries. Lead capture and AI engines were deployed in PTTVS Indonesia.

Digital modernisation by leveraging the cloud and new collections system were implemented in TVS Credit. ERP and Product lifecycle management were deployed at The Norton Motorcycle Co. Limited, UK. Marketing and sales automation has been implemented in Swiss E-Mobility Group (Holding) AG, Switzerland (SEMG) along with digital commerce standardisation with Ego Movement.

In FY 2024-25, the Company is continuing its digital and AI investments to holistically enable omnichannel commerce capabilities for the group-wide digital transformation.

**3.6.6. Environment, Occupational Health and Safety**

All manufacturing Plants at Hosur, Mysuru and Nalagarh locations have been certified under the 'Integrated Management System' of ISO 14001:2015 and ISO 45001:2018. These facilities are also certified under the 'Social Accountability Standard', SA 8000:2014. Canteen facilities operated in-house at Hosur, Mysuru and Nalagarh Plants are certified under Food Safety Management system, ISO 22000:2018.

**Impact of Reduce, Reuse, Recycle, Re-purpose Practices and Conservation Projects during FY 2023-24**

- Reducing specific water consumption over 10%
- Apart from natural groundwater recharging, 16 million litres of rainwater were directly harvested
- Continuing efforts towards preserving Biodiversity, different varieties of RET - Rare, Endangered and Threatened - plant species were planted as a part of 'World Environment Day-2023'

**Impact of 'Renewable Energy - 100%', efforts and projects implemented during FY 2023-34**

- Achieving renewable power contribution of 93% in overall share of power and 58,000+ TCO<sub>2</sub>e emissions reduction
- The Company won the '4<sup>th</sup> India Green Energy Award – 2023', by Indian Federation of Green Energy – IFGE - in recognition of Excellence in 2W and three-wheeler category
- Also won the 2<sup>nd</sup> highest 'Outstanding Green Energy User' in India for Industrial/commercial sector

**Health and Wellness Initiative**

- Several physical and mental health programmes implemented at all plant locations
- Regular periodic health checkups and vaccination drives conducted for all categories of employees including employees of service providers
- Collaborating with leading hospitals, eye camps organised for fleet drivers of outbound and inbound logistics
- Health care support provided to nearby villages of plant locations
- Road Safety training with experiential learning and defensive riding skills through a Virtual Reality (VR) simulator implemented
- Road safety campaign covering 7,600 employees was carried out during January 2024 commemorating National Road Safety Month at all plant locations
- Strides were taken to transform safety culture from 'dependent' to 'independent', partnering with dss+ - Dupont Sustainable Solutions
- Projects as a part of TICK (Transform, Inspire, Commit, Keep-up) programme were implemented through the five-pillar approach viz. Safety Interaction, Standards-Rules-Procedures, Incident Management, Training and Communication, and Road Safety
- Improving supply chain safety, 30 suppliers were audited for their safety compliance and supported in identifying around 800 improvements
- Plant Safety Rating System'- PSRS score, lead measure of safety performance among plants have improved by 12%



→→  
Shot in Hosur Plant



**Champion Award**

**Received for TVSM Hosur plant in the Occupational Health, Safety and Environment Awards Assessment 2023 for Efforts on Safety, in 'National Safety Council – Tamil Nadu chapter'**

Continuing the efforts on safety improvement, 624 proactive hazard control measures have been implemented across plants viz., equipment safety features for Robots and COBOTs conforming to ISO standards, 'Advanced Water Mist Fire Protection' for battery assembly and cell storage areas.

The overall 'Plant Safety Rating System' - PSRS score, which is a lead measure of safety performance among plants, has improved by 12%.

**624**

Proactive hazard control measures implanted in plants

During FY 2023-24, the Company was recognised with 'Excellence' level in the biodiversity category under CII-ITC Sustainability Awards, in addition to the earlier declaration of OECM - other effective area-based conservation measures, based on its exemplary promotion of biodiversity within the campus. Three species of birds, hitherto not seen, have been reported and photographically documented viz. white-bellied sea eagle, cinnamon bittern, and garganey teal. The appearance of the sea eagle is of particular interest because this is a shore-hugging bird, rarely seen far from the coast, yet here it appeared on the Hosur campus.

The Company's policy of maintaining 15% of its factory site area for wild and native forest has yielded a few incredible occurrences, the entry of some of India's largest and most prominent predators into its Mysuru Plant campus viz. leopard, wild dog (dhole), and tiger. While the leopard has made its entrance into the campus earlier, the dhole and tiger are new arrivals. All these exciting 'invaders' have clearly demonstrated that the Mysuru Plant green cover area, which is wholly 'company manufactured', is as good as any natural habitat. These potentially dangerous animals came and left silently and unobtrusively, as observed through recordings from CCTV camera traps at appropriate spots.

In pursuance of furthering its biodiversity conservation endeavours, naturalists have been enrolled to observe, analyse, and implement counter measures to improve its natural richness. At the Hosur Plant location, the obsolete solar pond was converted into a wetland with open water, marsh, and wader habitat. This has proved a success beyond expectation with new records of birds mentioned earlier arriving at the location.

Continuing the efforts on imparting nature education to school children in 6 schools at Mysuru yielded awareness creation and ownership of environment to a larger badge of 130 young student minds as a part of the TVS Greening Minds Initiative. The Centre for Environment Education, Bangalore has been engaged with the responsibility of running this programme at the Mysuru location.

As a part of horizontal deployment of TVS Greening Minds Initiative at Hosur, 5 schools were inducted into the programme covering 157 students from Class 6. Bhoomi College, Hosur has been engaged with the responsibility of running this programme at the Hosur location. Efforts are on towards increasing the number of schools at both locations under this programme.

**9,500**

Employees attended safety trainings

**3.6.7. Human Resource Development**

Towards the long-term vision of the Company, the people strategy has pivoted towards building a high performance, future-ready organisation. The Company recognises that business thrives on the contributions of people, and investing in their development is crucial for continued success.

The Company has been recognised among the “Best Company for Women in India”, ranking 11<sup>th</sup> across all companies and industries; also certified as a 'Great Place to Work in Manufacturing, Top 50' by GPTW.

TVSM has received the prestigious Helen Keller Award for the esteemed work done towards creating equal opportunities for Persons with Disabilities (PwD). Today, PwD are 2% of the employees. Policies have been created to upskill and improve retainment of PwD on merit basis.

In the journey of building a future-ready organisation, the Company adopted a multi- pronged approach for building people capability. Initiatives have been launched to embrace the reinstated TVS values and leadership competencies at all levels. Leadership building through current and future competency development is done through in-house programmes and partnership with globally acclaimed institutions. In addition to continuing education, challenging project assignments and job rotations.

Online learning on a variety of topics and skills has been made available to all employees through launch of learning platform – Pathways. The Company has been able to successfully integrate new capabilities like EV, software, data analytics and AI into the current teams. Sustainability has also been recognised as a key pillar in the future organisation and is being embedded in all processes.

TVS Institute of Quality and Leadership (IQL) focuses on building cultural capabilities, collective capabilities, supporting strategy delivery and enhancing sustainability. IQL initiated key learning solutions such as courses for future mobility, Communities of Practice (CoPs) for business impact in strategic areas, leveraging digital technologies for skill training, dojo centre for collective capability and Conferences to enhance momentum for learning as a community.

The information on no. of persons employed have been provided in BRSR report (Annexure no. VII)



**Best Overall Corporate University – Bronze**

Received by TVS Institute of Quality and Leadership (IQL) at the 2023 Global Council of Corporate Universities (GlobalCCU) Awards



**3.6.8. Corporate Social Responsibility**

Committed to social responsibility, the Company works to drive positive change in rural communities through the Srinivasan Services Trust (SST). SST prioritises health, education, environmental well-being, and economic empowerment in these areas. The core approach centres around total community involvement, ensuring all stakeholders participate and that projects are sustainable in the long run.

This participation is central to SST's success. SST has developed a mature model that emphasises community involvement in every project, even adapting best practices from Total Quality Management (TQM) to the rural development landscape. This results in programmes and structures that foster not only growth but also long-term sustainability for these communities.

SST fosters integrated, holistic, and participatory village development, working together with both communities and the Government. This collaborative approach ensures sustainable progress in the villages supported. Over the past 28 years, SST has empowered over 60,000 women by organising them into Self Help Groups (SHGs). Furthermore,



SST has implemented over 350 water conservation projects, including desilting tanks and irrigation channels, and has repaired and renovated over 2,600 pieces of rural government infrastructure. Looking ahead, SST is committed to continuous improvement.

**60,000**  
Women empowered by SST

**350**  
Water conservation projects undertaken by SST

**2,600+**  
Rural government infrastructure renovated by SST



**In the last few years, SST has stitched partnerships with several NGOs and foundations to work on specific areas of water, health and hygiene, capacity building of SHGs, quality education and livelihoods through effective livestock management and entrepreneurship.**

**Awards Won by Srinivasan Services Trust (SST) in FY 2023-24**

- Best CSR and Sustainability Practices Award 2022-23 (awarded in 2023-24) by Asian Centre for Corporate Governance & Sustainability
- Economic Times Human Capital Awards 2023 – Winner (Gold) in Change Management
- CSR Journal Excellence Award 2023 – Special commendation for water conservation work in Tiruvannamalai
- Maharashtra CSR Awards 2023 by India CSR for Silage: Livestock Development
- CII National HR Circle Award for Best practices – Winners in two platinum in Change Management and Digitisation
- NHRD 12<sup>th</sup> showcase Best Corporate HR Practice – Runner-up

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

Over 28 years of service, SST has played a pivotal role in changing lives of people in rural India by creating self-reliant communities that are models of sustainable development.

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

Based on the recommendation of the CSR Committee, the Board has approved the projects/programmes carried out as CSR for an amount of ₹ 30 crore for undertaking similar projects/programmes constituting more than 2% of the average net profits of the Company, made during the three immediately preceding financial years, towards CSR spending for FY 2023-24 and the Company has met the CSR spending through SST. CFO of the Company has also ensured the spending through SST for FY 2023-24.

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

To bring in expertise in specific intervention areas like education, health and hygiene and livelihoods through livestock, SST is working in collaboration with organisations like Agastya International Foundation, Villmart, Navsahyog Foundation, Sankara Eye Foundation, Gramalaya and Shreeja Mahila Milk Producers Company Limited.

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

However, SST is working with Tata Institute of Social Sciences (TISS) and Deloitte to carry out social impact studies. TISS is working to study the impact created on livelihoods by SST in the rural Pabal area in Pune district, Maharashtra. Deloitte is working to study the impact created on livelihoods by NABARD's Wadi programme. This was implemented by SST in Javadhu hills in Tamil Nadu.

As required under Section 135 of the Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the annual Report on CSR, containing the particulars of the projects/programmes approved and recommended by the CSR Committee and approved by the Board for the FY 2023-24 are given by way of Annexure

IV attached to this Report. It may also be noted that the CSR Committee has approved the projects or programmes to be undertaken by the SST and other eligible trusts for the year 2024-25, preferably in local areas including the manner of execution, modalities of utilisation of funds and implementation schedules and also monitoring and reporting mechanism for the projects or programmes, as required under the Companies Amendment Act, 2020.

**4. Cautionary Statement**

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, amongst others, economic conditions affecting demand/supply and price conditions in the domestic and overseas market in which the Company operates, changes in the Government Regulations, Tax Laws and Other Statutes and incidental factors.

**5. Directors' Responsibility Statement**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 (the Act, 2013) with respect to Directors' Responsibility Statement, it is hereby stated -

- that in the preparation of annual accounts for the financial year ended 31<sup>st</sup> March 2024, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- that 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 the year under review;
- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors had prepared the annual accounts for the financial year ended 31<sup>st</sup> March 2024 on a "going concern basis";
- 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
- 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.

## 6. Financial Performance of Subsidiaries & Associates

### Acquisitions

#### During the year under review the Company has:

- a) acquired additional stake of 25% in Swiss E-Mobility Group (Holding) AG ("SEMG"), Switzerland through its overseas subsidiary viz., TVS Motor (Singapore) Pte Limited on 9<sup>th</sup> June 2023 from the existing shareholders, thereby SEMG has become a wholly owned subsidiary of TVS Motor (Singapore) Pte Ltd. and the Company.

SEMG is a fully integrated e-bike platform with its core business consisting of the 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.

- d) subscribed to 28.57% stake in Indian Foundation for Quality Management ("IFQM") by way of newly issued shares of IFQM on 15<sup>th</sup> February 2024, a not-for-profit Company, registered under Section 8 of the Companies Act, 2013 that aims to bridge the significant gap in quality & perception of Indian-made goods and bring a positive change in the perception of the 'Made in India' brand.

- b) acquired additional stake of 9.40% in ION Mobility Pte. Ltd. (ION Mobility) on 14<sup>th</sup> March 2024 by way of subscription of shares through TVS Motor (Singapore) Pte Limited, a wholly owned subsidiary and thereby ION Mobility has become an associate of TVS Motor (Singapore) Pte Limited as well as the Company. TVS Motor (Singapore) Pte Limited holds 25.64% of the paid-up share capital of Ion Mobility.

ION Mobility, a tech and automotive OEM startup, which aims to create and deliver aspirational and sustainable mobility and energy solutions to customers across South-East Asia.

- d) acquired additional stake of 24% in Killwatt GmbH, in two tranches viz. on 15<sup>th</sup> November 2023 and 20<sup>th</sup> March 2024, through TVS Motor (Singapore) Pte Limited, a wholly owned subsidiary by way of subscription of shares and thereby TVS Motor (Singapore) Pte Limited holds 49% of the paid-up share capital of Killwatt GmbH, associate company.

Killwatt GmbH, carrying on development, design, manufacture, sale and distribution of high-tech products and components in the field of, inter alia, electric two-wheeler and three-wheeler vehicles.

### Disinvestments

- a) During the year under review, the Company has divested the entire shareholding of 43.54% in Emerald Haven Realty Limited (EHRL), an associate on 14<sup>th</sup> June 2023 and thereby EHRL & its subsidiaries ceased as associates of the Company effective that date.

- b) The Company had sold its entire stake of 23.50% in Tagbox Solutions Private Limited ("Tagbox India") on

30<sup>th</sup> March 2024 and thereby Tagbox India ceased as an associate of the Company effective that date.

As on 31<sup>st</sup> March 2024, the following companies and bodies corporate are the subsidiaries/associates of the Company:

#### Subsidiaries

1. TVS Credit Services Limited (TVS CS), Chennai
2. Sundaram Auto Components Limited, Chennai
3. TVS Digital Limited (Formerly known as TVS Housing Limited), Chennai
4. TVS Motor Services Limited, Chennai
5. TVS Electric Mobility Ltd., Chennai
6. PT TVS Motor Company Indonesia, Jakarta
7. TVS Motor (Singapore) Pte. Limited, Singapore (TVSM Singapore)
8. TVS Motor Company (Europe) B.V., Amsterdam

#### Subsidiaries of TVS CS

1. Harita ARC Private Limited, Chennai
2. TVS Housing Finance Private Limited, Chennai
3. Harita Two-wheeler Mall Private Limited, Chennai

#### Subsidiaries of TVSM Singapore Pte. Limited

1. The Norton Motorcycle Co Limited, UK
2. Swiss E-Mobility Group (Holding) AG, Switzerland
3. The GO Corporation, Switzerland
4. TVS Digital Pte Ltd., Singapore
5. EBCO Limited, UK
6. Celerity Motor GmbH, Germany

#### Subsidiaries of GO AG

1. EGO Movement, Stuttgart GmbH, Germany

#### Subsidiaries of SEMG

1. Swiss E-Mobility Group (Schweiz), Switzerland
2. Colag E-Mobility GmbH, Germany
3. Alexand'Ro Edouard'O Passion Vélo Sàrl

#### Associates

1. Ultraviolette Automotive Private Limited, Bengaluru
2. DriveX Mobility Private Limited, Coimbatore
3. Indian Foundation for Quality Management, Bengaluru (w.e.f 15.02.2024)
4. Tagbox Solutions Private Limited, Bengaluru (upto 30.03.2024)
5. Emerald Haven Realty Limited, Chennai and its subsidiaries (upto 14.06.2023)

#### Associates of TVSM Singapore Pte. Limited

1. Killwatt GmbH, Germany
2. ION Mobility Limited, Singapore (w.e.f. 14.03.2024)

#### Associates of TVS Digital Pte Ltd.

1. Tagbox Pte Limited, Singapore
2. Predictronics Corp., USA
3. Scienaptic Systems Inc., USA
4. Altizon Inc, USA

### SUBSIDIARIES PERFORMANCE

#### TVS Credit Services Limited (TVS CS)

TVS CS is the retail finance arm of the Company for financing of two wheelers, used cars, used and new tractors, used commercial vehicles, consumer durables, digital finance products, emerging and corporate business loans and personal loans. Along with these, it started offering gold loans during this FY. TVS CS primarily caters to self-employed, new to credit borrowers in the semi-urban and rural areas in India.

During FY 2023-24, TVS CS's overall disbursements registered at ₹ 25,018 crore as compared to ₹ 21,652 crore in the previous year registering growth of 16%.

The book size of TVS CS registered a robust growth of 26% and is presently at around ₹ 25,900 crore. Total income during FY24 grew by 40% at ₹ 5,796 crore from ₹ 4,152 crore during FY23. The PBT grew by 49% at ₹ 763 crore as against ₹ 512 crore during the previous year.

TVS CS raised ₹ 380 crore from PI Opportunities Fund I Scheme II, an alternative investment fund controlled by Premji Invest Limited. PI Opportunities Fund had made an aggregate investment of ₹ 828.52 crore in TVS CS as a combination of primary and secondary investment.

The following companies are the subsidiaries of TVS CS:

1. Harita ARC Private Limited, Chennai
2. TVS Housing Finance Private Limited, Chennai
3. Harita Two-wheeler Mall Private Limited, Chennai

All the above subsidiaries are yet to commence their operations.

#### Sundaram Auto Components Limited (SACL)

SACL is a wholly owned subsidiary of the Company. SACL manufactures plastics components used in the automobile industry. It 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.

The total income of SACL was ₹ 765 crore in the current year as against ₹ 787 crore in the previous year 2022-23.

SACL earned a profit before tax of ₹ 29 crore after incurring a NIL exceptional cost during FY 2023-24 as against profit of ₹ 24 crore in the previous year after exceptional cost of ₹ 1.9 crore. Exceptional cost includes separation cost.

During the year under review, SACL has distributed a sum of ₹ 310 crore to the Company towards extinguishment of 3,26,31,578 equity shares held by the Company, consequent to the reduction of share capital under Section 66 of the Companies Act, 2013 as approved by the Hon'ble National Company Law Tribunal, Chennai.

SACL declared a dividend of ₹ 1.64 per share on the equity shares for the year ended 31<sup>st</sup> March 2024 absorbing a sum of ₹ 1.96 crore.

#### TVS Digital Limited (TVS Digital)

TVS Digital Limited (formerly known as TVS Housing Limited) is a wholly owned subsidiary of the Company.

The name and the main objects of the Company was changed during FY 2023-24 from TVS Housing Limited to TVS Digital Limited to reflect its new objects and carry on the business activities relating to Digital Information Technology and other related services.

#### TVS Motor Services Limited (TVS MS)

TVS MS was initially the investment SPV of the Company, for funding TVS Credit Services Limited (TVS CS).

TVS MS now holds 0.48% only in TVS CS and TVS MS continues to be a wholly owned subsidiary of the Company.

#### TVS Electric Mobility Ltd., Chennai (TVSEM)

The Company was incorporated on 13.12.2021 to undertake Electric Mobility business. The entire shares of TVSEM have been subscribed by the Company and hence, TVSEM is a wholly owned subsidiary of the Company. The Company is yet to commence its operations.

#### TVS Motor Company (Europe) B.V.

TVS Motor Company (Europe) B.V. was incorporated with a view to serve as special purpose vehicle for making and protecting the investments made in overseas operations of PT TVS.

#### TVS Motor (Singapore) Pte. Ltd.

TVS Motor (Singapore) Pte Limited, is a wholly owned subsidiary of the Company.

During the year, the Company has invested a sum of SGD 199.50 million in the ordinary shares of SGD 1/- each of TVS Motor (Singapore) Pte Limited.

The Company serves as a special vehicle for investments in overseas subsidiaries/associates.

**TVS Digital Pte Ltd., Singapore**

TVS Digital Pte Limited, Singapore is a wholly owned subsidiary of TVS Motor Company. The Digital start-up offers a range of solutions across their Auto-tech and Fintech platforms and has secured clients in Bangladesh, Bolivia, India, Indonesia, Nepal, Philippines and Singapore. The product offerings centre around AI Driven Credit Decisioning and Collections in Fintech and a suite of Sales acceleration and Consumer Experience enhancements apps in the Auto-tech platform that is also finding applicability in Real Estate and B2B businesses. Revenue streams have commenced, and the team is now focused on scaled profitable growth to help deliver focused unit economics objectives. The Company has recently established an entity in India as well which is focused on IT professional services and is also scaling rapidly.

**PT. TVS Motor Company Indonesia (PT TVS)**

During the financial year, PT TVS two-wheeler sales grew by 37%, standing at 0.11 million units as against 0.08 million units during the previous financial year, and three-wheeler sales is at 7,000 units as against 19,000 units during the previous financial year. During the year PT TVS reported Operating EBITDA of \$8 million as against \$8.3 million during the last year.

**Swiss E-Mobility Group (Holding) AG (SEMG)**

The Swiss E-Mobility Group (SEMG), along with its subsidiaries Swiss E-Mobility Group (Schweiz) and Colag E-Mobility GmbH, Germany and Alexand'Ro Edouard'O Passion Vélo Sàrl, operates under the full ownership of TVS Motor (Singapore) Pte Ltd. This organisational structure supports SEMG's strategic initiatives across the European markets, particularly focusing on the e-bike segment.

SEMG is strategically expanding its footprint in Europe, aiming to capitalise on the region's status as the second-largest e-bike market after China. The Company is enhancing its presence through a portfolio of both premium and technologically advanced brands. As a leading provider



→ Swiss E-Mobility Group (SEMG)

in the DACH region (Germany, Austria, and Switzerland), SEMG operates the largest pure-play e-bike retail chain, m-way, with new expansions including two stores in Austria, bringing their total to 35 physical stores across Switzerland and Austria. Additionally, SEMG maintains a robust online presence through two e-commerce platforms.

With a diverse e-bike brand portfolio like Cilo, Sempel, Allegro, and Zenith-Bikes, SEMG has developed a strong omnichannel distribution network. This not only enhances its market presence but also aligns with consumer aspirations within the e-mobility sector.

In FY 2023-24, SEMG reported revenues of \$76.6 million, yet faced a loss of \$25.4 million, mainly due to challenging conditions in the European e-bike market. Holding a dominant position with approximately 20% market share in Switzerland, SEMG stands as the region's leading provider. For 2024, the Company is strategically focusing on reaching profitability by improving operational efficiencies and expanding its B2C (both offline and online) and B2B segments. SEMG is currently piloting the B2C offline model in Germany and Austria and is investing in the introduction of a B2B e-bike brand portfolio. The revenue goal for 2024 is set at \$105 million.

SEMG is leveraging emerging trends in the personal mobility sector by focusing on various e-bike categories, including e-city, e-urban, e-trekking, e-mountain, and e-cargo bikes. As e-bikes gain recognition for their sustainability and user-friendliness, the European market is experiencing increased regulatory backing and consumer uptake. E-bikes currently make up about 17% of all bicycles in Europe, with an expected annual growth rate of approximately 8%, signalling significant market opportunities. The global e-bike industry is projected to reach \$25 billion within the next five years.

In conclusion, SEMG's strong market presence and strategic initiatives highlight its capability to carve out a distinct niche in the European e-bike industry. By concentrating on enhancing operational efficiencies and expanding its market reach, SEMG is well-positioned to transform into a profitable entity, all while contributing to the advancement of sustainable transportation solutions.

**The GO Corporation, Switzerland (the GO AG)**

In September 2021, the Company acquired majority stake in the GO AG, Switzerland and its subsidiary EGO Movement through TVS Motor (Singapore) Pte Ltd. EGO Movement is a Swiss technology company providing innovative mobility solutions through a portfolio of e-bikes, e-cargo bikes and matching accessories. The Company has a strong presence in Switzerland, Austria and Germany with customer-centric products, a unique omnichannel network and a visionary team at its helm.

The GO Corporation and its subsidiaries have a strong presence in Europe with customer-centric products and a unique omnichannel network. In CY23, the GO Corporation group reported a revenue of CHF 4.9 million as against CHF 4.6 million during CY22. With the further expansion/upgrade

of retail networks, and expansion of e-commerce channels along with the recovery in the economy we expect GO Corporation to do better in the year 2024.

Over the past decade, the personal mobility landscape has evolved significantly with the global sustainability agenda, increasing urbanisation and advancement in battery technology.

EGO Movement's product portfolio focuses on delivering sustainable products with the latest technology and stylish designs. A powerful battery is blended harmoniously into the frame, whose ergonomic design allows for a comfortable upright sitting position. In addition, EGO Movement's connectivity platform is enhancing security and convenience for the vehicle's user with smart features such as keyless go, GPS location with theft alarm and access-sharing. The unique and innovative design philosophy has earned the Company multiple awards, including the prestigious Red Dot Award and in 2022 the German Brand Award.

This acquisition is in line with the Company's commitment towards electrification and the broader sustainability agenda for building an aspirational product portfolio while nurturing sustainable and scalable brands. EGO Movement is a Swiss technology company providing innovative mobility solutions through a portfolio of e-bikes, e-cargo bikes, and matching accessories.

**EBCO**

In April 2022, the Company acquired a 70% share in EBCO Ltd., a British company providing mobility solutions through E-Bikes, across the Adventure, Urban and City bikes segments.

EBCO offers innovative and high-quality e-bikes in the UK region. During FY24, EBCO reported a revenue of GBP 0.8 million as against GBP 0.5 million during FY23.



→ EBCO Street 2

2023 saw a complete revamp of the range to update and modernise the offering providing a premium quality product at affordable pricing to hit the volume market. A new sales team was onboarded in Q3. The UK market was impacted on account of overall market sentiments and huge accumulation of stock in the market.

2024 will be the first full trading period with products available ready for the season's start. There was a small existing network of retail partners in place, and the addition and expansion of retail partnerships is developing to obtain national coverage, whilst working and developing the omnichannel also.

With the new products and strong dealerships planned, EBCO is placed in a good position to obtain good market share.

**The Norton Motorcycle Co Limited, UK**

Since the acquisition of Norton in 2020, the Company has built a strong foundation by setting up a state-of-the-art facility and a new engineering and design centre to further the growth of Norton. During FY24, Norton has launched special editions to celebrate 125 years of brand legacy.

Overall, the premium and super-premium markets are expected to grow consistently, and Norton is preparing its portfolio to become a strong player with a series of products getting closer to market readiness. The Company will continue to invest during the upcoming 8 quarters. The Company's engineering, design & development and supply chain capabilities will be leveraged to ensure high quality products are delivered in a cost-efficient and timely manner.



→ Norton Factory

**Ultraviolette Automotive Private Limited (UV)**

UV incurred a loss of ₹ 59.52 crore in the year 2023-24 as against loss of ₹ 9.03 crore in the previous year 2022-23. UV is a start-up company engaged in developing electric mobility solutions.

**Tagbox Solutions Pvt. Ltd., India/Tagbox Pte Ltd., Singapore (Tagbox)**

Tagbox is a start-up company which provides an IoT-based monitoring solution to predict and prevent unfavourable events, optimise reefer fleet and routes and manage inventory. On 30<sup>th</sup> March 2024, the Company sold its entire shareholding of 4,29,693 shares (consisting of 45,710 equity shares and 3,83,983 compulsorily convertible preference shares) constituting 23.50% in Tagbox Solutions Private Limited ('Tagbox India'), an associate company and thereby it ceased as an Associate Company

**DriveX Mobility Private Limited (DriveX)**

DriveX Mobility Pvt. Ltd. is engaged in the business of procurement, refurbishment and retailing of the pre-owned multi-brand two-wheeler motorcycles and scooters through its own stores (COCO) or through its franchisee dealers (FOFO). The Company is also engaged in trading of spare parts, accessories and engine oils for two-wheelers. The Company presently has 4 COCOs and around 50 FOFOs. The Company has a presence across India through its FOFOs but predominantly operates in the Southern part of India spreading Karnataka, Tamil Nadu and Kerala.



During FY 2023-24, the Company earned revenue of ₹ 36.61 crore against revenue of ₹ 9.72 crore for FY 2022-23. The Company has incurred a Net loss of ₹ 30.98 crore as against the Net loss of ₹ 11.12 crore incurred during FY 2022-23.

**Predictronics Corp, (Predictronics) USA**

Predictronics is a start-up company engaged in predictive analytics solution for critical assets, vertical software

for industrial robots and consulting services. Revenue of Predictronics was at ₹ 4.7 crore in 2023-24 as against ₹ 4.9 crore in the previous year 2022-23 with the y-o-y reduction driven by lower spending by the US Public Sector which is their major clientele. Predictronics made a loss of ₹ 4.4 crore in the year 2023-24 as against a loss of ₹ 4.9 crore in the previous year 2022-23 but has since transformed its business model and Go-to-Market approach and also streamlined its solution offerings to help facilitate a more profitable business in 2024-2025.

**Scienaptic System Inc (Scienaptic), USA**

Scienaptic is a start-up company engaged in explainable AI-powered Advanced underwriting decisioning platform. They have 137 clients currently and have established a niche market with SME Credit Unions in the US. They are now profitable as part of their focused efforts around unit economics. Total income of Scienaptic was at ₹ 62.5 crore in 2023-24 as against ₹ 36.1 crore in the previous year 2022-23. Scienaptic delivered a profit of ₹ 1.2 crore in the year 2023-24 as against a loss of ₹ 17.1 crore in the previous year 2022-23.

**Altizon Inc, (Altizon) USA**

Altizon is a start-up company which provides industrial IoT solutions and helps enterprises use machine data to drive business decisions. Featured in the top 10 IoT platform's globally and in the Gartner Magic Quadrant consistently, they are now profitable as part of their focused efforts around unit economics. Total income of Altizon was at ₹ 7.2 crore in 2023-24 as against ₹ 7.2 crore in the previous year 2022-23. Altizon delivered a profit of ₹ 0.4 crore in the year 2023-24 as against loss of ₹ 2.3 crore in the previous year 2022-2023.

**7. Key Financial Ratios**

As required under Regulation 34 of the Listing Regulations, there was a significant change in Debt Service Coverage ratio and Return on Net worth. Details of changes are:

Ratios	UOM	Standalone		Consolidated	
		2023-24	2022-23	2023-24	2022-23
Debt Service Coverage Ratio*	Times	2.50	5.40	1.50	3.10
Return on Net worth	%	30.23	27.43	27.45	26.83

\*Reflects the repayment of borrowings during the year which results variance in debt service coverage ratio is more than 25%

**8. Debentures**

**(a) NON-CONVERTIBLE DEBENTURES (NCDs)**

The Company had earlier issued and allotted 5,000 Listed, unsecured, redeemable, non-convertible debentures (NCD) of face value of ₹ 10 lakh each on 15<sup>th</sup> May 2020 aggregating to ₹ 500 crore at 7.5% pa and the same was redeemed on 15<sup>th</sup> May 2023.

The Company issued and allotted 12,500 Rated, Unsecured, Redeemable, Floating Rate, NCDs having a face value of ₹ 1,00,000/- each aggregating to ₹ 125 crore (Rupees One Hundred and Twenty Five Crore only) on 14<sup>th</sup> March 2023 and the same were listed on the National Stock Exchange of India Limited on 15<sup>th</sup> March 2023. The above NCDs were issued at a coupon rate i.e. sum of Benchmark Rate (Repo Rate as declared by RBI) and spread of 140 basis points and the same redeemable at the end of the third year.

**(b) ZERO COUPON DEBENTURES (ZCDs)**

The Company had allotted 310 nos. of Unlisted, Unsecured, Redeemable, Non-Convertible Zero Coupon Debentures having a face value of ₹ 1,00,00,000/- each (Rupees One Crore only) on 7<sup>th</sup> December 2022 on a private placement basis.

During the year, the ZCDs were fully redeemed.

Board also approved to grant an interest free unsecured loan to TVSM Employees Stock Option Trust 'Trust' for an amount not exceeding ₹ 250 crore (Rupees Two Hundred and Fifty Crore Only) for the purpose of purchasing the equity shares of the Company through secondary acquisition, in one or more tranches which shall not exceed 0.25% of the total paid-up equity share capital of the Company.

There would be no equity dilution for the shareholders of the Company as the ESOP Plan is by way of acquisition of Equity Shares from the secondary market and shall be administered through Trust.

The Company has sought approval of the shareholders by way for the purpose of issue of Employees Stock Option Plan and secondary acquisition of equity shares by way of Special Resolutions through Postal Ballot and the same is pending.

The details of the including terms of reference, and the requirement specified under Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, will be made available on the Company's website post approval.

**10. Issue of Bonus Redeemable Preference Shares**

The Company has built up substantial surplus reserves, from its retained profits. The surplus reserves are well above the Company's current and likely future business needs. Overall reserves position is expected to improve further even after considering cash requirements for Company's capex programme and working capital requirements.

Accordingly, the Company is of the view that these excess funds can be optimally utilised to reward its shareholders. At the same time, in keeping with Company's tradition of conventional cash management and being mindful of the challenging business environment, the Company is of the view that it would be prudent to retain liquidity as well. Accordingly, the Company has proposed, inter alia, to distribute such funds amongst its shareholders, by issuing fully paid up listed non-convertible redeemable preference shares by way of bonus.

Upon approval of the Scheme of Arrangement in terms of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 by National Company Law Tribunal (NCLT), Chennai Bench, the Company shall issue 4 NCRPS of face value of INR 10 each fully paid up, for every 1 equity share of ₹ 10/- each fully paid up held by equity shareholder of the Company, which will be listed on both the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited. The issue size is ₹1,900.35 crore. The NCRPS shall be redeemed on the

**9. Employees Stock Option Plan**

The Board at its meeting held on 20<sup>th</sup> March 2024, based on the recommendation of the Nomination and Remuneration Committee, approved the adoption of 'TVS Motor Company Employee Stock Option Plan' ('ESOP Plan') by way of secondary acquisition of fully paid-up equity shares of the Company having face value of ₹ 1/- ('Equity Shares') through TVSM Employees Stock Option Trust ('Trust') to be set up as per the provisions of all Applicable Laws.

The Company intends to implement the ESOP Plan with an objective to achieve sustained growth of the Company and to create shareholder value by aligning the interests of the employees with the long-term interests of the Company; to attract, incentivise and retain key talent and as well as to motivate the employees to contribute to its growth and profitability; and to recognise and reward the efforts of employees and their continued association with the Company.

The total pool of maximum number of Equity Shares that could be granted under the ESOP Plan to the Eligible Employees shall not exceed 0.25% of the total paid-up equity share capital of the Company as on 31<sup>st</sup> December 2023 i.e. 11,87,717 Nos. of equity shares of ₹ 1/- each, which may be adjusted for any corporate action(s) in terms of the ESOP Plan.

expiry of 12 months from the date of allotment, and these NCRPS will carry a coupon rate of 6% per annum and payable at the time of redemption.

The Company has made an application to both the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited for obtaining No Objection Certificate (NOC). Post receipt of NOC, the Company will file necessary application with NCLT, Chennai for its approval.

## 11. Consolidated Financial Statements

The consolidated financial statements of the Company are prepared in accordance with the provisions of Section 129 of the Act, 2013 read with the Companies (Accounts) Rules, 2014 and Regulation 33 of the Listing Regulations 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 the Auditors' Report form part of the Annual Report.

The financial statements of the subsidiary companies will be made available to the Shareholders, on receipt of a request from any Shareholder. The financial statements of the subsidiaries have 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 & associates amounted to ₹ 2,703 crore for FY 2023-24 as compared to ₹ 1,936 crore in the previous year.

## 12. Directors & Key Managerial Personnel

### Special Recognition to Mr. Venu Srinivasan, Chairman Emeritus & Managing Director

During the year under review, Mr. Venu Srinivasan, was conferred with an "Outstanding Institution Builder" Award at the 13<sup>th</sup> Managing India Awards – recognising his exceptional vision and leadership in building an organisation and who has been the driving force of an organisation.

Mr. Venu Srinivasan also received the 'Lifetime Achievement Award' at the EY Entrepreneur of the Year 2023 in recognition of his visionary leadership and for his decades of entrepreneurial excellence in revolutionising the two-wheeler industry in India.

### Special Recognition to Mr. Sudarshan Venu, Managing Director

Mr. Sudarshan Venu received 'Next Gen Leader' award at the Indian Family Business Awards 2022. This remarkable recognition was a testament to his visionary leadership and unwavering commitment to innovation in the automotive industry.

### Directors' Appointment/Re-appointment/Cessation

During the year under review, Dr. Lakshmi Venu, Director, expressed her unwillingness for re-appointment at the ensuing Annual General Meeting (AGM), due to her pressing commitments in Tractors and Farm Equipment Limited (TAFE) and Sundaram Clayton Limited (SCL) and hence, would not be re-appointed. The vacancy of the retiring director was not filled up by the shareholders.

The Directors recorded their appreciation for Dr. Lakshmi Venu's insightful contributions in discussions, particularly within her areas of expertise by adding immense value to deliberations on account of her diverse expertise and exposure to other businesses.

In terms of the provisions of sub-section (6) read with explanation to 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 them, one-third is liable to retire by rotation at every AGM. Accordingly, Mr. K N Radhakrishnan, Director & Chief Executive Officer, is liable to retire by rotation, at the ensuing AGM.

The Directors have recommended their re-appointment for the approval of shareholders. Brief resume of the Director is furnished in the Notice convening the AGM of the Company.

### Independent Directors (IDs)

All IDs hold office for a fixed term and are not liable to retire by rotation.

### Appointments

(a) During the year under review, the Board appointed Dr. Deepali Pant Joshi, as Non-Executive Independent Director (NE-ID) on the board at its meeting held on 11<sup>th</sup> September 2023, on the recommendation of the Nomination and Remuneration Committee, for a term of five consecutive years effective 11<sup>th</sup> September 2023. The shareholders have approved her appointment by way of special resolution through postal ballot on 20<sup>th</sup> October 2023.

(b) Further, the Board at its meeting held on 20<sup>th</sup> March 2024 had appointed Mr. Vijay Sankar and Mr Shailesh Haribhakti, as Non- Executive Independent Directors (NE-ID) on the board, on the recommendation of the Nomination and Remuneration Committee, for a term of five consecutive years effective 20<sup>th</sup> March 2024 and 1<sup>st</sup> April 2024 respectively. The approval of the shareholders for the appointment have been sought by way of a special resolution through Postal Ballot and the results will be declared post completion of e-voting on 10<sup>th</sup> May 2024.

The appointment of new directors is recommended by the Nomination and Remuneration Committee ('NRC') on the basis of requisite qualifications, skills, proficiency, experience, expertise in industry knowledge and competencies as identified and finalised by the Board considering the industry and sector in which the Company operates.

The Board, on the recommendation of the NRC, independently evaluates and recommends to the shareholders. In the opinion of the Board, the Independent Directors appointed during the year are persons of high repute, integrity and possesses the relevant expertise and experience in the respective fields

### Cessation

- Mr. T Kannan, Independent Director upon demise on 23<sup>rd</sup> May 2023.
- Mrs. Lalita D. Gupte, Independent Director had completed her tenure on 22<sup>nd</sup> October 2023 and she had ceased to be Director effective that date.
- Mr. R Gopalan, Independent Director had resigned from his position as Independent Director of the Company effective 2<sup>nd</sup> March 2024 due to his personal reasons and confirmed that there are no other material reasons other than those provided. He thereby ceased to be a Director effective that date.
- Mr. Kuok Meng Xiong, Independent Director has expressed his inability to continue as a Director on the Board due to his increasing business commitments & personal reasons and submitted his resignation from the Board effective close of the business hours of the ensuing Annual General Meeting 2024 viz., 6<sup>th</sup> August 2024.

On 5<sup>th</sup> March 2019, the IDs viz. M/s. C R Dua and Hemant Krishan Singh were reappointed for the second term of 5 consecutive years from 14<sup>th</sup> July 2019 and their tenure will be get completed on 13<sup>th</sup> July 2024.

The Directors appreciated and placed on record the valuable contribution, support and insight provided by the Independent Directors during their tenure.

The terms of appointment of IDs include the remuneration payable to them by way of fees and profit-related commission, if any.

The terms of appointment of IDs cover, inter-alia, duties, rights of access to information, disclosure of their interest/concern, dealing in Company's shares, remuneration and expenses, insurance and indemnity. The IDs are provided with copies of the Company's policies and charters of various committees of the Board.

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 Regulation 25 of the Listing Regulations and the Board confirms that they are independent of the management.

The detailed terms of appointment of IDs is disclosed on the Company's website in the link as provided in page no 186 of this Annual Report.

All the IDs have 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 Companies Act, 2013 and obtained ID registration certificate and renewed the same for five years/life time, as the case may be.

### Separate meeting of Independent Directors

During the year under review, a separate meeting of IDs was held on 11<sup>th</sup> March 2024.

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

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

IDs used various criteria prescribed by the Nomination and Remuneration Committee (NRC) for evaluation of Non-IDs and Executive Directors viz., M/s Venu Srinivasan, Sudarshan Venu, K N Radhakrishnan and Non-IDs Non Executive Directors viz. Prof. Sir Ralf D Speth and Dr. Lakshmi Venu, and also of Chairman of the Board and the Board as a whole, for the year 2023-24.

IDs evaluated the performance of all Non-IDs individually, through a set of questionnaires.

IDs reviewed the major events and milestones achieved by the Company during the year 2023-24 and products launched, major acquisitions & strategic partnerships and awards & accolades received and the comparative data on financial/market cap for the year 2023-24.

They also reviewed the developing strategic plans aligned with the vision and mission of the Company, displaying leadership qualities for seizing the opportunities and priorities, developing and executing business plans aware of the risks involved, establishing an effective organisational structure, and demonstrating high ethical standards and integrity and commitment to the organisation besides participation at the Board/Committee meetings, effective deployment of knowledge and expertise and constructive comments/guidance provided to management by the Non-IDs.

IDs appreciated and recorded that:

Mr. Venu Srinivasan, Chairman Emeritus and Managing Director's vision is a driving force that facilitated the Company to emerge as third largest two-wheeler manufacturer in India and has also made major contribution to the automotive industry and nation building at large for the last four decades;

His experience and innovative excellence that helped the Company in broadening its product portfolio and market presence in more than 80 countries across the globe and his dedication to the transformation of rural India by empowering women in the rural areas can be seen through his passion towards setting up the Srinivasan Services Trust which has touched the lives of 1.6 million people in 2500 villages across the country in the last 28 years

Mr. Sudarshan Venu, Managing Director's vision of transforming the Company into a leading global mobility player which paved the way for launch of various new products in EV segment. His leadership drove the e-mobility

initiative, resulting in significant market share gains, and the Company recently crossing 25% in the EV market.

His focus on investing in future technologies and acquiring talent in software electronics and digital analytics was notable, and he was positioned to lead TVS Motor to even greater global success and he is also a pivotal role in expanding international business into markets in Africa, Southeast Asia, LATAM, and Europe;

His global experience and leadership skills that helped the Company in various acquisitions across the globe and strategic partnerships with major automotive distributors.

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

## b) Chairman

IDs reviewed the performance of the Chairman of the Board.

IDs also placed on record, their appreciation of the Chairman's exemplary leadership skills, exceptional vision, and unwavering dedication, Instrumental in leading the Company through a period of significant transformation, providing both strategic guidance and strong leadership to the Board of Directors and leverages his extensive experience to steer board discussions and decisions that maximise value for the Company and its shareholders.

IDs also noted that his vast experience to bear on steer Board discussions and decisions for the benefit of the Company and Shareholders.

## c) Board

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

The evaluation process focused on Board Dynamics. The Company has a Board with a wide range of expertise in all aspects of business and outstanding diversity of the Board with the presence of varied personalities with an expert in each domain viz. Engineering, Finance, Marketing, Legal, Information Technology, Administration and International trades and is well balanced with the addition of directors, with domestic and international experience and also from new industries

The Company's management is well-guided by the Non-Executive Directors; and Board benchmarks well in terms of its overall composition and the value it adds to the business.

As far as shareholders' interest is concerned, IDs noted that a proper system has been established to ensure that the Company is prompt, relevant and transparent.

They were satisfied with the Company's performance in all fronts and finally concluded that the Board operates with best practices. Board composition of the Company is in compliance with the SEBI Listing Regulations and ahead of the benchmark as per the Corporate Governance Scorecard in overall position.

## d) Quality, Quantity and Timeliness of 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 that the relationship between the top management and Board is smooth and seamless.

The Company is in compliance with the statutory requirements under both the Companies Act and the Listing Regulations and all the information provided to the Directors are very wholesome.

The information provided for the meetings were 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.

### Key Managerial Personnel (KMP)

Mr. Venu Srinivasan, Chairman Emeritus and Managing Director, Mr. Sudarshan Venu, Managing Director, Mr. K. N. Radhakrishnan, Director & Chief Executive Officer, Mr. K. Gopala Desikan, Chief Financial Officer and Mr. K. S. Srinivasan, Company Secretary are KMPs of the Company in terms of Section 2(51) read with Section 203 of the Act, 2013 as on date of this Report.

### Nomination and Remuneration Policy

The Nomination and Remuneration Committee of Directors (NRC) reviews the composition of the Board to ensure an appropriate mix of abilities, experience and diversity to serve the interests of all stakeholders of the Company.

Nomination and Remuneration Policy was initially approved by the Board at its meeting held on 23<sup>rd</sup> September 2014 and was recently amended by the Board at its meeting held on 20<sup>th</sup> March 2024 to maintain consistency with statutory amendments to make it up to date and more comprehensive.

The objective of such policy is to attract, retain and motivate executive management and devise remuneration structure to link to Company's strategic long-term goals, appropriateness, relevance, and risk appetite.

NRC will identify, ascertain the integrity, qualification, appropriate expertise and experience, having regard to the skills that the candidate will bring to the Board/Company, whenever the need arises for appointment of Directors/KMP.

Criteria for performance evaluation, disclosures on the remuneration of Directors, criteria of making payments to Non-Executive Directors have been disclosed as part of Corporate Governance Report attached herewith.

### Remuneration payable to Independent Directors

The Shareholders have provided approval for renewal of the payment of remuneration, by way of commission not

exceeding 1% of the Net profits, in aggregate, payable to the Independent Directors of the Company (IDs) every year.

IDs devote considerable time in deliberating the operational and other issues of the Company and provide valuable advice in regard to the management of the Company from time to time, and the Company also derives substantial benefit through their expertise and advice.

### Evaluation of the Independent Directors and Committees of Directors

In terms of Section 134 of the Act, 2013 and the Corporate Governance requirements as prescribed under the Listing Regulations, the Board reviewed and evaluated Independent Directors and various Committees viz., Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders' Relationship Committee, based on the evaluation criteria laid down by the NRC.

Board has carried out the evaluation of all Directors (excluding the Director being evaluated) and its committees through a set a questionnaire.

### Independent Directors

The performance of all IDs was 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 IDs were always kept informed of the constitution of robust framework for the Company and group companies against cyber threats and mitigation plans against cyber-attacks for business continuity.

They also kept abreast of risk mitigation plans viz., financial impact on roll back of FAME II subsidy by March 2024 and International Business Industry Risk on account of forex shortage and currency depreciation.

The Board noted that all IDs have understood the opportunities and risks to the Company's strategy and are supportive of the direction articulated by the management team towards consistent improvement.

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.

### Committees

Board delegates specific mandates to its committees, to optimise Directors' skills and talents besides complying with key regulatory aspects.

- Audit Committee for overseeing financial Reporting;
- Risk Management Committee for overseeing the risk management framework;
- Nomination and Remuneration Committee for selecting and compensating Directors/Employees;

- Stakeholders' Relationship Committee for redressing investors' grievances; and
- Corporate Social Responsibility Committee for overseeing CSR initiatives and inclusive growth.

The performance of each Committee was evaluated by the Board after seeking inputs from its members on the basis of specific terms of reference, its charter, time spent by the Committees in considering key issues, quality of information received, major recommendations/action plans and work of each Committee.

The Board is satisfied with overall effectiveness and decision making of all Committees. The Board reviewed each Committee's terms of reference to ensure that the Company's existing practices remain appropriate.

Directors continues to devote such time as is necessary for the proper performance and effectively discharge their duties, all of them to devote appropriate time to fulfil their duties.

Board and its Committees has an appropriate combination of skills, experience and knowledge.

The current committees structure was considered effective and all the committees of the Board were considered to be working effectively.

Recommendations from each Committee were considered and accepted by the Board prior to its implementation during the financial year under review.

Details of Committees, its charter and functions are provided in the Corporate Governance Report.

### Number of Board meetings held

During the financial year 2023-24, the Board met eight times and details of the meetings are provided as part of Corporate Governance Report prepared in terms of the Listing Regulations.

## 13. Auditors

### Statutory Auditors

M/s Sundaram & Srinivasan, Chartered Accountants, Chennai, having Firm Registration No. 004207S allotted by The Institute of Chartered Accountants of India, were appointed as statutory auditors of the Company for the first term of five consecutive years from the conclusion of the 31<sup>st</sup> AGM (AGM 2023) till the conclusion of 36<sup>th</sup> AGM at a Statutory Audit fees of ₹ 85 lakh for the financial year 2023-24 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 second 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 2024-25.

The Auditors' Report for the financial year 2023-24 does not contain any disclaimer, qualification, reservation or other remarks and the same is attached with the annual financial statements.

#### 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.

The Secretarial Audit Report for the financial year 2023-24, given by M/s S Krishnamurthy & Co., Company Secretaries, Chennai is attached to this Report.

The Secretarial Audit Report does not contain any disclaimer, qualification, reservation or other remarks.

The Board at its meeting held on 8<sup>th</sup> May 2024 has re-appointed M/s S Krishnamurthy & Co., Company Secretaries, Chennai having Firm registration Number P1994TN045300 allotted by the Institute of Company Secretaries of India as Secretarial Auditors for the financial year 2024-25.

#### Cost Auditor

As per Section 148 of the Act, 2013 read with the Companies (Cost Records and Audit) Rules 2014, as amended, the cost audit records maintained by the Company in respect of its engine components manufactured by the Company specified under Customs Tariff Act heading in Table B to Rule 3 of the above rules, are required to be audited by a Cost Auditor.

M/s C S Adawadkar & Co, Practising Cost Accountant, having Registration No. 100401 allotted by The Institute of Cost Accountants of India, was re-appointed as Cost Auditor of the Company for the FY 2024-25 for conducting the cost audit at the same remuneration of ₹ 8 lakh as paid in previous year as remuneration in addition to reimbursement of applicable taxes, out-of-pocket expenses, travelling and other expenses payable to them.

The Company has filed the Cost Audit Report of 2022-23 on 22<sup>nd</sup> August 2023 in XBRL format.

### 14. Corporate Governance

The Company has been practicing the principles of good corporate governance over the years and lays strong emphasis on transparency, accountability and integrity.

A separate section on Corporate Governance and a certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Listing Regulations is given as Annexure VIII to this Report.

The Director & Chief Executive Officer (D & CEO) and the Chief Financial Officer (CFO) of the Company have certified to the Board on financial statements and other matters

in accordance with the Regulation 17 (8) of the Listing Regulations pertaining to CEO/CFO certification for the financial year ended 31<sup>st</sup> March 2024.

### 15. Business Responsibility and Sustainability Report

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with relevant SEBI Circulars, new reporting requirements on ESG parameters were prescribed under "Business Responsibility and Sustainability Report" ('BRSR'). The BRSR seeks disclosure on the performance of the Company against nine principles of the "National Guidelines on Responsible Business Conduct" ('NGRBCs').

As per the SEBI Circulars, effective from the financial year 2023-24, filing of BRSR is mandatory for the top 1,000 listed companies by market capitalisation. Accordingly, for the financial year ended 31<sup>st</sup> March 2024, Company has published BRSR, in the prescribed format is given as Annexure VII to this Report and is available on the Company's website in the link as provided in page no. 186 of this Annual Report.

### 16 Policy on Vigil Mechanism

The Company has adopted a Policy on Vigil Mechanism in accordance with the provisions of the Act, 2013 and Regulation 22 of the Listing Regulations, 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 and Ethics.

The Code also provides a direct access to the Chairman of the Audit Committee to make protective disclosures to the management about grievances or violation of the Company's Code.

The Policy is disclosed on the Company's website in the link as provided in page no. 186 of this Annual Report.

### 17. Public 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 31<sup>st</sup> March 2024.

### 18. Statutory Statements

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

Relevant 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 the date of this 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.

#### Annual Return:

Copy of the Annual Return (Annexure II) in prescribed form is available on the Company's website in the link as provided in page no. 186 of this Annual Report, in terms of the requirements of Section 134(3)(a) of the Act, 2013 read with the Companies (Accounts) Rules, 2014.

#### Employee's remuneration:

Details of Employees receiving the 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 III. 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 during business hours 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.

#### Comparative analysis of remuneration paid:

A comparative analysis of remuneration paid to Directors and Employees with the Company's performance is given as Annexure V to this Annual Report.

#### Details of related party transactions:

There are no material related party transactions under Section 188 of the Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014.

#### Details of loans/guarantees/investments made:

The details of loans and guarantees under Section 186 of the Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, for the financial year 2023-24 are given as Annexure VI to this Annual Report. On loans granted to the Employees, the Company has charged interest as per its policy, in compliance with Section 186 of the Act, 2013.

Reference to the details of investments made by the Company is available in the Notes on accounts

#### Reporting of fraud

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

#### Secretarial Standards

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

#### General Disclosures

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

- issue of equity shares with differential rights as to dividend, voting or otherwise;
- issue of shares (including sweat equity shares) to employees of the Company under any scheme;
- pendency of any proceeding under the Insolvency and Bankruptcy Code, 2016; and
- instance of 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

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. Company has complied with provisions relating to the constitution of Internal Committee under POSH. The Internal Committee (IC) comprises of internal members and external member who has an extensive experience in the field.

In the year 2023, 1 case of sexual harassment was reported, and enquiry is in progress.

During the year 2023-24, initiatives were undertaken to demonstrate Company's zero tolerance policy against discrimination and sexual harassment, which included creation of comprehensive and easy to understand training and communication material. In addition, online workshops were also run for the employees to enhance awareness and knowledge.

### 19. Acknowledgement

The Directors gratefully acknowledge the continued support and co-operation received from the holding Company viz., TVS Holdings Limited, Chennai. The Directors also thank the bankers, investing institutions, customers, dealers, vendors and sub-contractors 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.

The Directors also thank the investors for their continued faith in the Company.

For and on behalf of the Board of Directors

**Prof. Sir Ralf Dieter Speth**

Chennai  
8<sup>th</sup> May 2024  
Chairman  
DIN: 03318908

# Annexure - I

## to Directors' Report to the Shareholders

Information pursuant to Section 134(3)(m) of the Companies Act, 2013

### A CONSERVATION OF ENERGY

#### 1. Measures taken in the year 2023-24:

- i. Optimal utilisation of plant and equipment.
- ii. Alternate source of power (Solar and Wind)
- iii. Implementation of planned fixed load consumption reduction by energy efficient projects.
- iv. Maximise Green power purchase from Indian Energy Exchange (IEX)

Above measures have resulted in an annual saving of ₹ 7 Cr.

#### 2. Proposed measures during the year 2024-25:

- i. Improve process plant utilization and equipment efficiency.
- ii. Alternate fuel for process heating
- iii. Implementation of Electronically Commutated fan and heat pumps.
- iv. Green Power purchase from IEX
- v. Implementation of other identified energy efficient projects.

Above measures are expected to yield an annual saving of ₹ 6.4 Cr. (Approx.)

#### 3. Steps taken for utilizing alternate sources of energy - 2023-24:

The renewable power contributes to 93.1 % of overall power. In that, 70.5% of energy from Wind, 6.7% from Hydel, 5.7% from IEX green power and 10.2% of energy sourced from roof top solar power plant..

#### 4. Capital investment in energy conservation equipment:

During 2023-24, the Company had focused on utilization improvement of process plants, implementation of energy efficient projects such as compressor heat recovery systems, Compressor air optimisation projects, conversion of pneumatic to electrical operation, Electronically Commutated fan etc. and reduction of fixed consumption as well as carbon footprint.

The Company is planning to invest around ₹ 8.1 crore during 2024-25 towards implementing heat pumps, alternate fuel conversion and implementation of planned energy efficient projects and process utilisation improvement projects

### B Technology Absorption for 2023-24 & Future plan of action

The year 2023-24 stands out as a year of delivery of Next Generation products for the Company, that are embedded with cutting-edge technologies. Each product brought advanced features and technologies that give them a competitive edge as well as serves to deliver disruptive and differentiated value to our esteemed customers.

During the year 2023-24, 'TVS X' was launched which is an electric-native smart electric scooter born of the Company's vision of future. This product is designed and engineered with high performance capabilities, innovative & lean design, convenient charging and start of art connectivity. Several individual technology development projects were integrated to bundle into TVS X as a wholesome futuristic product for our customers.

Another key product TVS Apache RTR310 was launched during the year. The TVS Apache RTR 310 comes loaded with several world leading technology features in the areas of Intelligent assist, aerodynamically efficient design, state of art connectivity and climatic controlled seat. The intelligent assist is a bouquet of advanced features not offered in any other global product of its class, the features enhancing fun and joy of riding/providing assist/enhancing safety under various conditions of ride.

Product refreshes and upgrades were launched in TVS Jupiter and TVS Raider with advanced connectivity features. Specific new variants have been developed for international markets, enhancing the competitiveness of our offerings, and supporting growth in our market share.

Company launched a world-class SmartXconnect accessory for making any rider helmet a smart helmet. This technology driven accessory was aimed at enhancing the riding experience, safety and staying connected while on the ride.

Towards the continued journey of excellence, our R&D team stays focused on high value creation, globally competitive products, overall carbon footprint reduction, contributing to sustainability and enhancement of safety. With the in-house Electronics and software team growing in their capabilities, we aspire to continuously raise the bar of excellence around Electric mobility, Smart connected vehicles, product experience and safety.

### C. DATA RELATING TO IMPORTED TECHNOLOGY

Technology imported during the last 3 years reckoned from the beginning of the financial year – NIL

Expenditure on Research & Development – ₹ 644.66 crore

### D. FOREIGN EXCHANGE ACTUAL EARNINGS AND OUTGO

#### 1. Export activities:

During the year, export of two-wheeler was 8.88 lakh units and three-wheeler was 1.25 lakh units. The Company continued export of components and subassemblies to its subsidiary in Indonesia.

### 2. Total foreign exchange earned and used:

	Rupees in Crore
Foreign exchange used	3,797.89
Foreign exchange earned	7,271.20

For and on behalf of the Board of Directors

**PROF. SIR RALF DIETER SPETH**

Chennai  
8<sup>th</sup> May 2024

Chairman  
DIN: 03318908

# Annexure - IV

## to Directors' Report to the shareholders

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

### 1. Brief outline on CSR Policy of the Company:

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

### 2. Composition of CSR Committee:

Sl. No.	Name of the Director (M/s.)	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Venu Srinivasan	Chairman	1	1
2.	R Gopalan*	Member	1	1
3.	T Kannan\$	Member	1	1
4.	Sudarshan Venu#	Member	1	-
5.	Vijay Sankar@	Member	1	-

\* Ceased as a Member effective 2<sup>nd</sup> March 2024;

\$ Ceased as a Member effective 23<sup>rd</sup> May 2023;

# Appointed as a Member effective 7<sup>th</sup> July 2023; and

@ Appointed as a Member effective 20<sup>th</sup> March 2024.

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.	www.tvsmotor.com Web-link is provided in page no. 186 of this Annual Report.
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) of the Companies Act, 2013	₹ 1,319.44 Cr
	(b) Two percent of average net profit of the Company as per section 135(5) of the Companies Act, 2013.	₹ 26.39 Cr
	(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil
	(d) Amount required to be set off for the financial year, if any	Nil
	(e) Total CSR obligation for the financial year (5b+5c-5d).	₹ 26.39 Cr
6.	(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	₹ 30 Cr
	(b) Amount spent in Administrative Overheads	Nil
	(c) Amount spent on Impact Assessment, if applicable	Not Applicable
	(d) Total amount spent for the Financial Year [(a)+(b)+(c)]	₹ 30 Cr

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

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

(f) Excess amount for set off, if any

Sl. No.	Particulars	(Amount in ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5)	26.39 Cr
(ii)	Total amount spent for the financial year	30.00 Cr
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3.61 Cr
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	3.61 Cr

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

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		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 Emeritus & Managing Director  
Chairman of the CSR Committee  
DIN: 00051523

Chennai  
8<sup>th</sup> May 2024

## Annexure - V

to Directors' Report to the Shareholders

### COMPARATIVE ANALYSIS OF REMUNERATION PAID TO DIRECTORS AND EMPLOYEES WITH THE COMPANY'S PERFORMANCE

1	Name of the Director (M/s.)	Designation	Ratio to Median Remuneration	% increase/Decrease in remuneration
	Prof. Sir Ralf Dieter Speth	Chairman	-	-
	Venu Srinivasan	CE & MD	1:7	
	Sudarshan Venu	MD	1:312	8%
	K N Radhakrishnan	D & CEO	1:174	38%
	C R Dua	NE-ID	1:3	-
	Dr. Deepali Pant Joshi (effective 11.09.2023)	NE-ID	NA	-
	Kuok Meng Xiong	NE-ID	1:3	-
	Vijay Sankar (effective 20.03.2024)	NE-ID	NA	-
	Hemant Krishan Singh	NE-ID	1:3	-
	B Sriram	NE-ID	1:3	-
	Dr. Lakshmi Venu	NE-NID	NA	-
	K Gopala Desikan	CFO	NA	12%
	K S Srinivasan	CS	NA	7%
	CE & MD - Chairman Emeritus and Managing Director	MD - Managing Director		
	D&CEO - Director & Chief Executive Officer	CFO- Chief Financial officer CS - Company Secretary		
	NE-NID - Non Executive Non Independent Director	NE-ID - Non Executive Independent Director		
2	The percentage increase in the median remuneration of employees in the financial year		13%	
3	The number of permanent employees on the rolls of company;		5980	
4	a. Average percentile increase already made in the salaries of employees other than the managerial personnel in the financial year 2023-24		13%	
	b. Average percentile increase in the managerial remuneration in the financial year 2023-24		17%	
	There are no exceptional circumstances for increase in the managerial remuneration.			
5	Affirmation that the remuneration is as per the remuneration policy of the company.	Remuneration paid during the year 2023-24 is as per the Remuneration Policy of the Company		

For and on behalf of the Board of Directors

PROF. SIR RALF DIETER SPETH

CHAIRMAN

DIN: 03318908

Chennai  
8<sup>th</sup> May 2024

## ANNEXURE - VI

to Directors' Report to the shareholders

### DETAILS OF LOANS AND GUARANTEES UNDER SECTION 186 OF THE ACT 2013 FOR THE FINANCIAL YEAR 2023-24

S. No	Name of the body corporate	Nature of relationship	Purpose of loan/ acquisition/guarantee/ security	Amount of loan/ security/guarantee (₹ In Cr)	Purpose for which the loan/guarantee utilized by the recipient
1.	TVS Motor (Singapore) Pte Ltd.	Wholly owned Subsidiary	Guarantee	83.41	Business Purpose

For and on behalf of the Board of Directors

PROF. SIR RALF DIETER SPETH

CHAIRMAN

DIN: 03318908

Chennai  
8<sup>th</sup> May 2024

## Annexure - VII

to Directors' Report to the shareholders

### BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING FOR FY 2023-24

#### SECTION A: GENERAL DISCLOSURES

##### I. DETAILS OF THE LISTED ENTITY

1	Corporate Identity Number (CIN) of the Listed Entity	L35921TN1992PLC022845	
2	Name of the Listed Entity	TVS Motor Company Limited	
3	Year of incorporation	10-06-1992	
4	Registered office address	"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai - 600 006	
5	Corporate address	"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai - 600 006	
6	E-mail	contactus@tvsmotor.com	
7	Telephone	044-28332115	
8	Website	www.tvsmotor.com	
9	Financial year for which reporting is being done	Start Date	End Date
	Financial Year	01-04-2023	31-03-2024
	Previous Financial Year	01-04-2022	31-03-2023
	Prior to Previous Financial Year	01-04-2021	31-03-2022
10	Name of the Stock Exchange(s) where shares are listed		
	1	BSE Limited, Mumbai	
	2	National Stock Exchange of India Limited, Mumbai	
11	Paid-up Capital	₹ 47,50,87,114	
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report		
	Name of contact person	Thakur Pherwani	
	Contact number of contact person	+91 7418772111	
	Email Of Contact Person	thakur.pherwani@tvsmotor.com	
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken, together).	Standalone basis	
14	Name of assurance provider	Bureau Veritas India (Private) Limited	
15	Type of assurance obtained	Reasonable for BRSR CORE	

##### II. PRODUCTS/SERVICES

##### 16. Details of business activities (accounting for 90% of the entity's Turnover)

S. No.	Description of main activity	Description of business activity	% of turnover
1	Manufacturing	Motor vehicles, trailers, semi trailers and other Transport Vehicles	99

##### 17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Motorcycle, Scooters, Mopeds	30911	83
2	Three-wheelers	30912	6
3	Parts & Accessories	30913	10

### III. OPERATIONS

#### 18. Number of locations where plants and/or operations/offices of the entity are situated<sup>1</sup>:

Location	Number of plants	Number of offices	Total
National	3	3	6
International	-	3	3

Note:

- The three plants include our production sites in Hosur, Mysuru, and Nalagarh, as well as offices that serve as part of our corporate headquarters in Chennai the other two includes training centre and test tracking.

#### 19. Markets served by the entity:

##### a. Number of locations

Location	Number
National (No. of States)	22
International (No. of Countries)	91

##### b. What is the contribution of exports as a percentage of the total turnover of the entity?

24% of the total turnover of the Company is contributed through exports.

##### c. A brief on types of customers

TVS Motor Company Limited (TVSM), is the third largest two-wheeler manufacturer by market capitalisation, excels in creating diverse mobility solutions. The Company offers an extensive range of mobility solutions from mopeds, bikes, petrol & electric scooters to premium & super premium motorcycles, impacting the lives of customers who are of legal riding age globally. As a rapidly growing Indian OEM, the Company has a presence in over 80 countries, showcasing our global reach.

The Company's strength lies in innovative research and development, leading to high success rates in launching new-age products. TVSM has developed a proprietary connected solution, enhancing vehicle telemetry and connectivity, tailored to various customer needs. Whether it's the thrill of the track, practicality for daily commutes, or sophistication for urban life, TVSM vehicles touch the lives of varied audiences, embodying innovation, and customer-centricity at every turn.

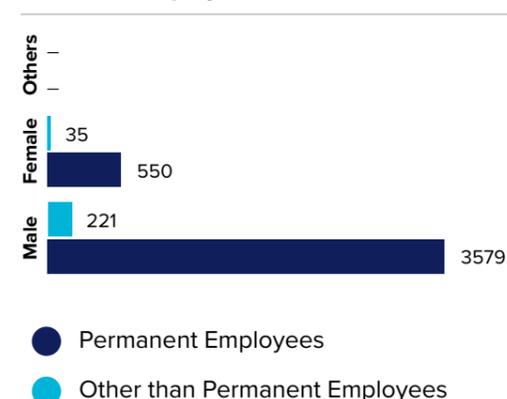
### IV. EMPLOYEES

#### 20. Details as at the end of Financial Year:

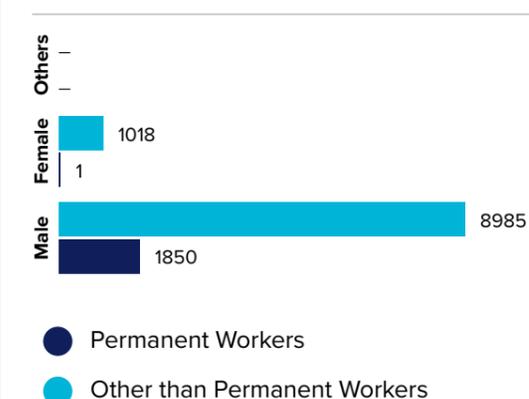
##### a. Employees and Workers (including differently abled):

Sl. No	Particulars	Total (A)	Male		Female		Others	
			No. (B)	% (B/A)	No. (C)	% (C/A)	No. (H)	% (H/A)
<b>EMPLOYEES</b>								
1.	Permanent (D)	4129	3579	86.68	550	13.32	0	0.00
2.	Other than Permanent (E)	256	221	86.33	35	13.67	0	0.00
3.	Total employees (D + E)	4385	3800	86.65	585	13.35	0	0.00
<b>WORKERS</b>								
4.	Permanent (F)	1851	1850	99.94	1	0.06	0	0.00
5.	Other than Permanent (G)	10003	8985	89.82	1018	10.18	0	0.00
6.	Total workers (F + G)	11854	10835	91.40	1019	8.60	0	0.00

#### Details of Employees



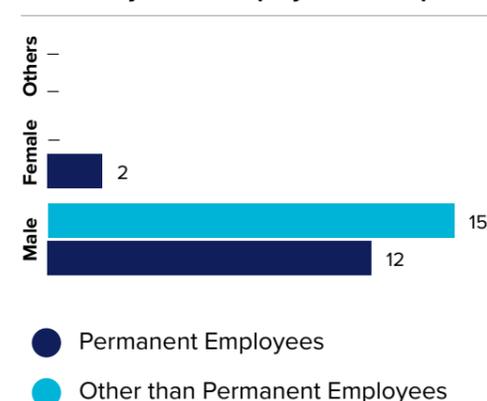
#### Details of Workers



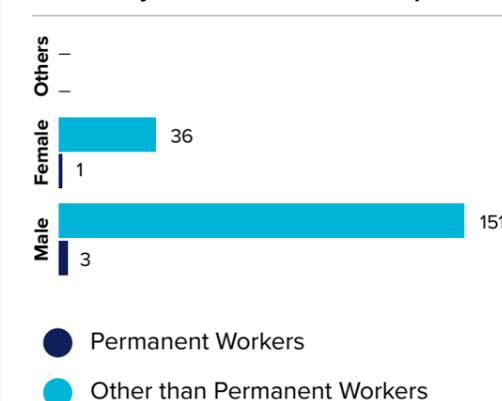
##### b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female		Others	
			No. (B)	% (B/A)	No. (C)	% (C/A)	No. (H)	% (H/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>								
1.	Permanent (D)	14	12	85.71	2	14.29	0	0.00
2.	Other than Permanent (E)	15	15	100.00	0	0	0	0.00
3.	Total differently abled employees (D + E)	29	27	93.10	2	6.90	0	0.00
<b>DIFFERENTLY ABLED WORKERS</b>								
4.	Permanent (F)	4	3	75.00	1	25.00	0	0.00
5.	Other than Permanent (G)	187	151	80.75	36	19.25	0	0.00
6.	Total differently abled workers (F + G)	191	154	80.63	37	19.37	0	0.00

#### Differently Abled Employee Breakup

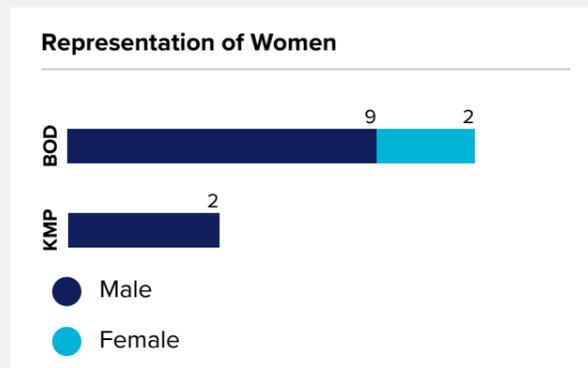


#### Differently Abled Workers Breakup



## 21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	11	2	18.18
Key Management Personnel	2	0	0.00



## 22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate in current FY) [values in %]				FY 2022-23 (Turnover rate in previous FY) [values in %]				FY 2021-22 (Turnover rate in the year prior to the previous FY) [values in %]			
	Male	Female	Others	Total	Male	Female	Others	Total	Male	Female	Others	Total
Permanent Employees	8.74	5.19	0.00	8.26	11.29	11.08	0.00	11.26	11.71	9.70	0.00	11.48
Permanent Workers	2.58	0.00	0.00	2.58	2.76	0.00	0.00	2.76	2.65	0.00	0.00	2.65

## V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

### 23. (a) Names of holding/subsidiary/associate companies/joint ventures

S.No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated in column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	TVS Holdings Limited (formerly known as Sundaram- Clayton Limited)	Holding	50.26	No
2	Sundaram Auto Components Limited	Subsidiary	100	No
3	TVS Digital Limited (formerly known as TVS Housing Limited)	Subsidiary	100	No
4	TVS Motor Services Limited	Subsidiary	100	No
5	TVS Electric Mobility Limited	Subsidiary	100	No
6	TVS Credit Services Limited	Subsidiary	80.53	No
7	TVS Motor Company (Europe) B.V.	Subsidiary	100	No
8	TVS Motor (Singapore) Pte Limited	Subsidiary	100	No
9	PT TVS Motor Company Indonesia	Subsidiary	51.20	No
10	Harita ARC Private Limited	Subsidiary	0	No
11	TVS Housing Finance Private Limited	Subsidiary	0	No
12	Harita Two-wheeler Mall Private Limited	Subsidiary	0	No
13	The Norton Motorcycle Co Limited, UK	Subsidiary	0	No
14	TVS Digital Pte Limited, Singapore	Subsidiary	0	No
15	The GO Corporation, Switzerland	Subsidiary	0	No
16	Swiss E-mobility Group (Holding) AG, Switzerland	Subsidiary	0	No
17	EBCO Limited, UK	Subsidiary	0	No
18	Celerity Motor GmbH, Germany	Subsidiary	0	No
19	EGO Movement, Stuttgart GmbH, Germany	Subsidiary	0	No
20	Swiss E-mobility Group (Schweiz), AG, Switzerland	Subsidiary	0	No
21	Colag E-mobility GmbH, Germany	Subsidiary	0	No
22	Alexand'RoEdouard'O Passion VeloSarL, Switzerland	Subsidiary	0	No

S.No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated in column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
23	Ultraviolette Automotive Private Limited	Associate	30.83	No
24	DriveX Mobility Private Limited	Associate	48.27	No
25	Indian Foundation for Quality Management	Associate	28.57	No
26	Killwatt GmbH, Germany	Associate	0	No
27	ION Mobility Pte. Ltd.	Associate	0	No
28	Predictronics Corp, USA	Associate	0	No
29	Tagbox Pte Ltd., Singapore	Associate	0	No
30	Altizon Inc, USA	Associate	0	No
31	Scienaptic Systems Inc., USA	Associate	0	No

## 24. CSR Details

Whether CSR is applicable as per section 135 of Companies Act, 2013	Yes
Turnover 2023-24	₹ 31,776.37 Cr
Net worth 2023-24	₹ 7725.95 Cr

## VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

### 25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	if yes, then provide web-link for grievance redress policy*	FY 2023-24			FY 2022-23			If NA, then provide the reason
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	
Communities	Yes		0	0	Nil	0	0	Nil	-
Investors (other than shareholders)	Yes		0	0	Nil	0	0	Nil	-
Shareholders	Yes		6	0	Closed	5	0	Resolved	-
Employees and workers	Yes		273	16	Pending concerns are in progress and will be closed	294	5	Resolution is under Progress	-
Customers	Yes		57871	107	Pending concerns are in progress and will be closed	47228	849	Pending Complaints Resolved in 2023-24	-
Value Chain Partners	Yes		90	12	Pending concerns are in progress and will be closed	203	19	Pending Complaints Resolved in 2023-24	-

\*The Company has established a framework for addressing specific grievances for all its stakeholders. Code of Business Conduct and Ethics, Whistle Blower Mechanism, Supplier Sustainability Code of Conduct and Human Rights Policy provides sufficient guidance for reporting and resolving grievances. Web-links to such policies are available on the Company's website as provided in Page No. 186 of this Annual Report.

## 26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Water	R	<p><b>Unpredictable Rainfall:</b> Changing weather patterns, including phenomena like El Nino, can lead to unreliable rainfall patterns, impacting water supplies.</p> <p>- <b>Groundwater Depletion:</b> Overexploitation of groundwater resources is causing the water table to recede, making access to freshwater increasingly difficult. - <b>Stricter Regulations:</b> Evolving regulations around water usage might impose limitations on TVSM's water consumption, potentially impacting production processes.</p>	<p>- <b>Business Continuity Risk:</b> Water shortages can disrupt operations, leading to production downtime and reduced overall productivity. - <b>Community Relations Challenge:</b> Water is a shared resource, and competition for limited supplies can lead to tensions with local communities. - <b>Operational Constraints:</b> Stricter regulations on groundwater extraction could significantly limit TVSM's access to water, impacting core operations. - <b>Increased Reliance on External Sources:</b> TVSM's might need to rely more heavily on third-party water suppliers, potentially at higher costs and with less control over availability.</p>	Negative Implications
2	Waste & Recycling	R	<p><b>Addressing Manufacturing Waste Challenges:</b> - Growing Waste Volume: The increasing amount of waste generated by our production processes creates logistical and environmental hurdles. - <b>Inefficient Recycling:</b> Current recycling practices by our partners are inadequate, leading to wasted resources and potential environmental harm. - <b>Stricter EPR Regulations:</b> Evolving Extended Producer Responsibility (EPR) requirements pose new challenges for responsible waste management. - <b>Co-processing Challenges:</b> Identifying suitable partners for co-processing hazardous waste remains an ongoing task. - <b>Landfill Reliance:</b> The current system diverts a significant portion of waste to landfills, which is an unsustainable solution. - <b>Policy and Guidance Gaps:</b> The lack of a robust legal framework and practical guidelines hinders efforts to improve material recovery rates and minimise greenhouse gas emissions.</p>	<p>- <b>Financial impact:</b> The anticipated high cost of meeting Extended Producer Responsibility (EPR) requirements for batteries and other regulated waste streams could significantly impact on our budget. - <b>Compliance risk:</b> Failure to comply with EPR regulations can lead to hefty environmental compensation charges. This, along with potential reputational damage, could negatively impact TVSM's brand image.</p>	Negative Implications

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Living Wages	R	<p><b>The national minimum wage, unchanged since 2017:</b> enforcement is not consistent across, which has led to unfair variations in worker pay. - <b>Aligning with Global Standards:</b> The government is proposing a new definition of wages that adheres to international labour standards set by the International Labour Organization (ILO). - <b>Living Wage Focus:</b> The new approach will consider a "living wage" that considers both national income and the ability of industries to pay.</p>	<p>- Implementing living wage increases will directly impact on production costs due to higher employee salaries. - A possibility that some suppliers, particularly small and medium-sized enterprises (SMEs), may struggle to comply with the wage hike which can lead to disruptions in the supply chain. - Suppliers might raise their prices for components or services to offset their own increased labor costs. This could further inflate overall production expenses</p>	Negative Implications
4	Occupational Health & Safety and Road Safety	R	<p><b>Manufacturing:</b> - Improper storage of battery cells within production facilities posing fire hazards. Infrastructure: - <b>Fire incidents within the paint shop.</b> <b>Logistics:</b> - Road accidents involving employees and logistic partners. <b>Compliance:</b> - Partial non-adherence to TVSM's safety standards by contractors.</p>	<p><b>Financial Impact:</b> - Property damage from accidents or incidents. Disruptions in operations leading to production downtime and lost revenue. - Increased insurance costs due to higher risk profile. <b>Human Cost:</b> - Potential increase in employee and workers injuries or casualties</p>	Negative Implications
5	Alternative Fuel Technology	R	<p><b>Govt. Policies:</b> The Ministry of Petroleum and Natural Gas has notified National Policy on Biofuels (2018) and series of notification in connection to this policy. Under this policy, Ethanol Blended Petrol Program was launched. The Ministry of Petroleum and Natural Gas has notified the roadmap of Ethanol Blending. By 2025, there will be dispense of min. E20 across the country and there will be availability of flex fuel at select locations.</p> <p><b>Technology Challenges:</b> The calorific value of the ethanol is lower than that of gasoline. Also, the ethanol is aggressive when compared to gasoline.</p>	<p>TVSM's is aligned with the roadmap introduced by the MoPNG. All the ICE products manufactured in FY24 are E20 material compliant. TVSM showcased Raider 125 with Flex Fuel Technology at the Bharat Mobility 2024, New Delhi. This vehicle can run on any blend of fuel from E20 to E85 petrol.</p> <p>TVSM has carried out series of testing and tuned the vehicles to incorporate the changes in the properties of the fuel used in the vehicles. Few parts were also developed to meet the material compatibility of the E20 as well as Flex fuel vehicle. TVS has collaborated external agencies like ARAI, IOCL and other academic institutes to develop alternate fuel based vehicles</p>	Negative Implications

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk or opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Electric Vehicle	R	<p><b>Govt. Policies:</b> India is a signatory to Paris Agreement and India has committed to be carbon neutral by 2070. India is dependent on import of crude oil. Govt. has notified CAFE norms to curb the emissions from the automotive sector.</p> <p><b>Investment:</b> EV requires huge CAPEX investments, R&amp;D, testing and manufacturing requirements.</p> <p><b>Supply chain:</b> Requires development of new supply chain as existing suppliers may be equipped with the components used for ICE products.</p> <p><b>Customer acceptance:</b> Due to lack of charging infrastructure, longer charging time and lower range, the acceptance and adoption are influenced.</p>	<ol style="list-style-type: none"> <li>Govt. is providing incentives to the OEMs (PLI schemes) as well as to the customers (FAME subsidies), to lower the investment cost and cost of the vehicle to the customer.</li> <li>Supply chain: TVSM has adopted to the EV and identified and developed the suppliers accordingly to manufacture the EVs smoothly.</li> <li>Customer acceptance: TVSM has tied up Tata power and Jio-BP to create charging infrastructure using renewable energy. TVSM has introduced fast charger option with the EVs which takes shorter time for the charging the vehicle. Further, TVSM has also introduces iQube ST with higher range addressing the low range anxiety of the customers.</li> </ol>	Negative Implications
7	Climate Change impacts of products	R	There are increasing number of regulations across geographies in relation to emissions and fuel use/efficiency. Evolving stringent standards require suitable modifications in design and production process, potentially impacting margins. Climate change also impacts availability of resources such as water.	TVSM has been proactively working towards making our products more fuel and resource efficient. The company has also introduced (and continues to expand) a range of EV options.	Negative Implications
8	Climate Change impacts of products	O	Shifting consumer preferences towards more eco-friendly vehicles creates an opportunity for our products. Products such as EVs are also (currently) being supported by government subsidies.	Revenue from new eco-friendly products, access to incentives such as subsidies and improved operational efficiency.	Positive Implications
9	Energy & emissions Management (in operations)	R	TVSM has proactively acted upon and reduced our direct energy consumption and resultant emissions. However, automobile manufacturing is resource intensive, and the Company relies on a multitude of suppliers for component parts and raw materials, resulting in substantial indirect energy consumption and emissions, over which the Company has limited control. There is also a trend of increasing regulations that require management and reporting of indirect emissions (and other impacts).	The Company's operations have significantly reduced fuel consumption and increase renewable energy consumption. TVSM has initiated programs aimed at managing indirect emissions and building supplier capacity.	Negative Implications
10	Resource Management	R	The scarcity and fluctuating price dynamics of raw materials can impact production schedules and profit margins.	TVSM enters into long-term supply contracts, progressively uses more sustainable materials and implements recycling programs	Negative Implications

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk or opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11	Human rights	O	Respecting human rights along our value chain can promote a positive organizational culture and strengthen brand loyalty amongst consumers and employees alike.	Regular review and site audit mechanism	Positive Implications
12	Diversity & inclusion	O	Cultivating a diverse workforce strengthens decision-making processes and broadens market reach to cater to a wider array of customer needs	Regular Employee Survey, New Initiatives promoting diversity and measuring employee satisfaction score	Positive Implications
13	Skill enhancement (learning & talent management)	O	Investment in employee development can lead to a more competent and motivated workforce, driving productivity and offering competitive advantages.		Positive Implications
14	Community Welfare	O	A commitment to enhancing community welfare can cement a company's reputation as a responsible business, leading to smoother operations		Positive Implications
15	Governance	O	Demonstrating a strong governance framework can attract investments and improve the company's standing in the marketplace		Positive Implications
16	Supply Chain Management	R	Supply chain disruptions can severely impact operations.	TVSM has established strong relationships with suppliers and has also undertaken focused programs on supply chain diversification, localization and optimization.	Negative Implications
17	Market/Product Competition	R	A failure to stay innovative and competitive can lead to a decline in market share and profits, as well as a loss of relevance in the sector.	Investment in research and development; monitoring market trends and customer preferences	Negative Implications
18	Market/Product Competition	O	Innovative and efficient products can also help the company differentiate itself and capture newer markets/opportunities.		Positive Implications
19	Customer Satisfaction	O	High levels of customer satisfaction can result in loyal customers, increased sales through referrals, and an enhanced corporate reputation		Positive Implications

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

**THIS SECTION IS AIMED AT HELPING BUSINESSES DEMONSTRATE THE STRUCTURES, POLICIES AND PROCESSES PUT IN PLACE TOWARDS ADOPTING THE NGRBC PRINCIPLES AND CORE ELEMENTS.**

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Question	Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Has the policy been approved by the Board? (Yes/No)	Web Link of the Policies, if available
<b>Policy and management processes</b>			
P1 Ethics & Transparency	Yes	Yes	<a href="https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/Whistle-Blower-Policy-Apr2020.pdf">https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/Whistle-Blower-Policy-Apr2020.pdf</a> <a href="https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/CodeofBusinessConductandEthicspdf.pdf">https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/CodeofBusinessConductandEthicspdf.pdf</a>
P2 Product Responsibility	Yes	Yes	<a href="https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/CodeofBusinessConductandEthicspdf.pdf">https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/CodeofBusinessConductandEthicspdf.pdf</a>
P3 Human Resources	Yes	Yes	Various policies for well being of the employee are published on the intranet.
P4 Responsiveness to Stakeholders	Yes	Yes	Refer to the Policy on Prevention of Sexual Harassment
P5 Respect for Human Rights	Yes	Yes	Policies on the human rights, safety are published on the intranet
P6 Efforts to restore the Environment	Yes	Yes	Refer to the Environment, Occupational Health and Safety Policy on the Company's website
P7 Public Policy Advocacy	Yes	Yes	Refer web-link provided under essential indicators of this principle
P8 Inclusive Growth	Yes	Yes	<a href="https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/Corporate-Social-Responsibility-Policy-Apr2020.pdf">https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/Corporate-Social-Responsibility-Policy-Apr2020.pdf</a>
P9 Customer Engagement	Yes	Yes	<a href="https://www.tvsmotor.com/privacy-policy">https://www.tvsmotor.com/privacy-policy</a>

**Yes, the ESG Policy, which is an overarching policy of the Company contains the guiding principles of the Company. The ESG Policy covers all the aforesaid 9 Principles**

Disclosure Question	Whether the entity has translated the policy into procedures. (Yes/No)	Do the enlisted policies extend to your value chain partners? (Yes/No)	Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.
<b>Policy and management processes</b>			
P1 Ethics & Transparency	Yes, the Company has translated the policies as applicable into procedures and practices in all spheres of activities that the Company does.	Yes, TVSM, a leading mobility solution provider believe that the supplier partners play a pivotal role in realizing the Company's vision 'To enhance the quality of life worldwide by delivering mobility solutions that are safe, sustainable & responsible.	TVSM's Code of Business Conduct & Ethics of the Company, which forms the pillar of the Company is based on ISO 11469; AIS 129, 156: EC 1907/2006; CMV Rules, ISO 45001 & SA 8000, ISO 14001 including Integrated Management System- ISO14001:2015 & ISO45001:2018
P2 Product Responsibility	Ex.- To ensure adherence to the Company's Code of Business Conduct & Ethics Committee has been constituted to investigate the violations. Further, the Company has well defined SOPs to handle the stakeholders' grievances	Aligned with the foundational principles, vision, and values of TVSM, Supplier Sustainability Code of Conduct ("Code") outlines the fundamental expectations for companies with whom the Company collaborate, emphasizing environmental, social, and governance considerations.	
P3 Human Resources		By aligning to the standards of SDG's, Science Based Target (SBTi) & United National Global Compact, TVSM highlights its commitment to sustainable growth and positive societal impact.	
P4 Responsiveness to Stakeholders			
P5 Respect for Human Rights			
P6 Efforts to restore the Environment			
P7 Public Policy Advocacy			
P8 Inclusive Growth			
P9 Customer Engagement			

Disclosure Question	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.
<b>Policy and management processes</b>		
P1 Ethics & Transparency	TVSM highlights its commitment to sustainability and environmental responsibility. The Company has taken initiative around use of renewable energy, green cover conservation, rainwater harvesting, carbon emission reduction, water intensity, and waste recycling. TVSM also emphasizes its social responsibility efforts through the Srinivasan Services Trust (SST), which empowers women and uplifts communities.	Performance on specific parameters is as under:
P2 Product Responsibility		93% of our Energy requirements are met through renewable energy resource
P3 Human Resources		43% Green Cover having Home for 972+ Fauna & 932+ Flora species.
P4 Responsiveness to Stakeholders		230% giving back through rainwater conservation to become water positive.
P5 Respect for Human Rights		100% Hazardous waste co-processed
P6 Efforts to restore the Environment		1.6 million beneficiaries' impact under CSR through SST
P7 Public Policy Advocacy		
P8 Inclusive Growth		
P9 Customer Engagement		

### Governance, leadership, and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.	TVS Motors recognizes the importance of Environmental, Social, and Governance (ESG) principles for all its stakeholders. This commitment isn't just limited to their internal operations; it extends to their customers, the communities they operate in, their employees, suppliers, and dealer network. Through a comprehensive analysis, TVS Motors has identified its most critical ESG issues. They've then established a clear roadmap with measurable targets aligned with the United Nations Sustainable Development Goals (UNSDGs). These goals are not only ambitious but also meticulously crafted to adhere to both national and international ESG frameworks and guidelines. This ensures that TVS Motors' ESG efforts are impactful, responsible, and aligned with globally recognized sustainability standards.
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	At the highest level, the Board of Directors of your Company, led by the Chairman Emeritus and Managing Director, has the primary role to protect and assess the Business Responsibility (BR) performance of your Company.
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No).	Yes
If yes, provide details.	Chairman, Chairman Emeritus & Managing Director, Managing Director and Director & Chief Executive Officer

### 10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action and Indicate whether review was undertaken by Director/Committee of the Board/ Any other Committee									Committee of the Board
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances and Indicate whether review was undertaken by Director/Committee of the Board/ Any other Committee									Committee of the Board
<b>Subject for Review</b>	<b>Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)</b>								
Performance against above policies and follow up action Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)									Annually
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)									Annually
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.									Yes, Bureau Veritas India (Private) Limited

### 12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	No								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	No								
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	No								
It is planned to be done in the next financial year (Yes/No)	No								
Any other reason (please specify)									

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

### PRINCIPLE 1

#### BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

#### ESSENTIAL INDICATORS

##### 1. Percentage coverage by training and awareness programs on any of the principles during the financial year:

Segment	Total number of training and awareness programs held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programs
Board of Directors	6	P1, P2, P6	100.00
Key Managerial Personnel	6	P1, P2, P6	100.00
Employees other than BoD and KMPs	167	Covering All principles	100.00
Workers	62	Covering All principles	100.00

##### 2. Details of fines/penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format. (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine					
Settlement			Nil		
Compounding fee					

In terms of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015, no fines/penalties /punishment/ award/ compounding fees/ settlement amount is paid in proceedings by the entity or by directors/KMPs with regulators/ law enforcement agencies/ judicial institutions, during the financial year.

Non-Monetary				
NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment				
Punishment		Not Applicable		

**3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

**4. Does the entity have an anti-corruption or anti-bribery policy?**

Yes

**If yes, provide details in brief.**

TVSM sets a high bar for ethical conduct. Our Code of Conduct unequivocally forbids bribery and corruption, underscoring our unwavering commitment to integrity in all business dealings.

**if available, provide a web-link to the policy.**

<https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/CodeofBusinessConductandEthicspdf.pdf>

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2023-24	FY 2022-23
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

**6. Details of complaints with regard to conflict of interest:**

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil		Nil	

**7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

NIL

**8. Number of days of accounts payables ((Accounts payable \*365)/Cost of goods/services procured) in the following format:**

	FY 2023-24	FY 2022-23
Number of days of accounts payables	50	49

**9. Open-ness of business Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:**

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0	0
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0	0
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	100%	100%
	b. Number of dealers/distributors to whom sales are made	1084	1056
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/ distributors	4.9%	4.9%
Share of RPTs in	a. Purchases* (Purchases with related parties/Total Purchases)	9616.4	8611.8
	b. Sales* (Sales to related parties/Total Sales)	8448.9	8418.4
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	0	0
	d. Investments* (Investments in related parties/Total Investments made)	13593.4	11037.2

\* All units above are in crore.

## LEADERSHIP INDICATORS

### 1. Awareness programs conducted for value chain partners on any of the principles during the financial year:

Sr.no	Total number of awareness programs held	Topics/principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programs
1	25	P2, P3, P6	47%

### 2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No)

Yes

#### If yes, provide details of the same.

The Company has in place a 'Policy on Related Party Transactions', conformance with the Company's Code of Conduct for Business and Ethics which provides that all Directors and Senior Management Personnel are required to disclose all potential or actual conflict of interest, which may be against the interest of the Company and take actions to eliminate such conflict, if so required.

## PRINCIPLE 2

### BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

## ESSENTIAL INDICATORS

### 1. Percentage of R&D spent on revenue expenditure and capital expenditure (capex investments in specific technologies) to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
Revex	423.27*	384.59	<p>TVSM is continuously working on improving the environmental and social impacts from the products. In the previous year, TVSM has worked in the following area.</p> <ul style="list-style-type: none"> <li>Flex fuel Technology – Developed and showcased Flex Fuel Technology</li> <li>E20 – All the IC Engine products are E20 (Ethanol blended fuel) material compliant.</li> <li>OBD II – Investments have been done on the improvement in the tail pipe emissions in line with the regulatory norms.</li> <li>CNG – Company has invested in CNG products (3W)</li> <li>Electric Vehicle – The Company has launched TVS X, a smart electric scooter.</li> <li>Creation of sustainable charging infrastructure – TVSM has tied up with Tata power and Jio BP for charging infrastructure for the EV segment.</li> <li>IMDS – Company has invested in identifying, tracking, and quantifying the hazardous substances, in line with the national &amp; international regulations using IMDS tool</li> </ul>
Capex	221.39	110.03	Capex investments are made accordingly as mentioned in the above projects/ areas.

\* All units above are in crore.

\* (1.33 % of revenue is spent on FY 23-24 R&D)

### 2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes, TVSM, is committed to providing mobility solutions and upholding sustainability principles, has taken the initiative and expects its supply chain partners to comply with the requirements defined in the "Sustainable Procurement Policy" and encourages them to adopt best practices to reduce their environment and social footprint.

The policy aims to foster collaboration with TVSM's supply chain partners. This collaborative approach aims to achieve two key objectives:

- Enhance supply chain sustainability: By working together, TVSM and its suppliers can identify and implement practices that minimize the environmental and social impact of their combined activities.
- Minimize adverse environmental impacts: The policy seeks to reduce the negative environmental footprint associated with TVSM's operations throughout the supply chain.

TVSM's commitment to ESG principles is evident in this initiative. The policy encourages suppliers to adopt best practices that align with Environmental, Social, and Governance (ESG) considerations. This reflects TVSM's broader role as a responsible corporate entity.

By working collaboratively with its suppliers, TVSM strives to create a mutually beneficial relationship. This partnership aims to generate value across the entire value chain, potentially leading to improvements in social, environmental, and economic performance for all stakeholders involved.

### b. If yes, what percentage of inputs were sourced sustainably?

In terms of the "Sustainable Procurement Policy" of the Company, the Company is committed to handhold its value chain partners to implement relevant policies and processes to enhance their sustainability performance.

### 3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

#### (a) Plastics (including packaging)

- Recyclability symbol marking on the plastic parts (more than 100g component) for easy identification during recycling.
- The packaging plastic materials are managed as per Extended Producer Responsibility requirements.

#### (b) Battery Recycling Practices

Lithium-Ion Batteries (Electric Vehicles):

- TVSM is registered on the Central Pollution Control Board (CPCB) portal as a producer for lithium-ion batteries used in electric vehicles.
- Upon reaching their end-of-life (EOL), these batteries are collected from customers through our network of dealers and service centers.
- Collected EOL batteries are sent to authorized CPCB-registered recyclers for environmentally friendly disposal, adhering to Extended Producer Responsibility (EPR) regulations. Battery Waste Management Rules, 2022.

Lead-Acid Batteries:

- Lead-acid batteries used in TVSM products comply with recycling symbol marking requirements.
- At EOL, these batteries are channelled to recyclers through our dealer and partner network, following the EPR guidelines established by the respective battery manufacturers.

#### (c) Hazardous waste

- Used Oil: Oil waste generated during vehicle servicing at stations is safely collected and sold to authorized oil recyclers. TVSM has implemented a framework for Extended Producer Responsibility (EPR) Hazardous and Other Waste (Management and Transboundary Movement) Second Amendment Rules, 2023 ('Amendment') in accordance with relevant regulations.
- Used Tires: Company's domestic tire supplier-manufacturers, registered on the CPCB portal, collect used tires following EPR regulations. These tires are processed in an environmentally friendly manner to create products like reclaimed rubber, crumb rubber, carbon black, and pyrolysis oil.
- Hazardous Chemicals in Products: TVSM restricts the use of hazardous chemicals in product components. An internal standard has been established that considers various national and international regulations on hazardous substances.
- Chemical Monitoring and Tracking: TVSM utilizes the International Material Data System (IMDS) to monitor, track, and quantify the chemicals used in products. This industry-standard tool facilitates compliance with regulations.

**(d) Other waste**

Product Design for Circularity

- Recyclability and Recoverability: Products are designed to maximize recyclability and recoverability at end-of-life, promoting resource efficiency. Achieved targets includes:
  - Reusability & Recyclability Rate: 85-90%
  - Reusability & Recoverability Rate: 90-95%
- Circular Economy Approach: High recyclability rates contribute to a circular economy where materials are recovered and reused in new products.
- End-of-Life Management: The Company is developing a framework for:
  - Collection of End-of-Life Products
  - Dismantling Products
  - Reclaiming Recyclable Materials
  - Reusing Recovered Materials in New Components

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No).**

Yes

**If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Demonstrating our commitment to environmental responsibility, the Company fulfilled its our ERP requirements. During FY 24, 935 metric tons of single-use plastic waste were collected, thereby meeting the target set by the Plastic Waste Management Rules, 2016. The same was reported to the CPCB as per our role as a Brand Owner.

**LEADERSHIP INDICATORS**

**1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

Life Cycle Assessments (LCAs) have been conducted for Apache RTR 310 (launched in FY24) and six other products in previous fiscal years.

If yes, provide details in the following format:

NIC Code	Name of Product/Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	If yes, provide the web-link.
29	Apache RTR 310	Revenue yet To be realised	Cradle to Grave	No	NA	NA

Life Cycle Assessments (LCAs) are conducted in-house using GaBi software and the Ecoinvent database. The resulting data undergoes periodic evaluation to identify areas for improvement, and corresponding actions are implemented across product models to minimize environmental impact.

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product/Service	Description of the risk/concern	Action Taken
Apache RTR 310, iQube, NTorq, Jupiter 125, Raider, Ronin	Complying with the international regulations for the hazardous substances	IMDS has been implemented to track, monitor, and quantify the use of substances. This enables to comply with the regulatory requirements.
All Products	Depletion of fossil fuel	All ICE products are material compliant for E20 (Ethanol 20% + Gasoline 80%). The ethanol in India is produced from the bio-based sources, which is renewable and carbon-neutral. All ICE products are pasted with E20 Sticker, to inform the customers about the use of fuel in the vehicles
TVS X	Depletion of crude oil/ increased air pollution at urban areas	TVS X is an electric vehicle that was launched in FY2024, which runs on the electricity.
Raider 125 - Flex fuel	Depletion of fossil fuel	TVSM has showcased the Raider 125 motorcycle equipped with Flex-Fuel Technology (FFT). This technology allows the Raider 125 to operate on a blend of ethanol and gasoline, ranging from E20 (20% ethanol) to E85 (85% ethanol). The introduction of the Flex-Fuel Raider 125 aligns with the Government of India's Ethanol Blending Program, led by the Ministry of Petroleum and Natural Gas. This program aims to achieve several potential benefits: <ul style="list-style-type: none"> <li>Increased Energy Security: By promoting biofuels like ethanol, India could lessen its reliance on imported oil, potentially strengthening its energy independence.</li> <li>Reduced Emissions: Ethanol generally burns cleaner than gasoline, potentially leading to lower emissions and improved air quality.</li> <li>Job Creation: Increased ethanol production could stimulate the biofuel sector, potentially creating new employment opportunities.</li> </ul>
All IC Engine Products	Tailpipe emissions	All the products comply with the OBD IIA regulatory requirements
3W	Climate change	The Company is continuously working on the improvement of CNG based vehicles. TVSM launched King Duramax Plus (CNG variant) in FY2024.

Through continuous efforts, the Company is constantly working on improving fuel efficiency (fuel conservation), lightweighting (resource conservation) and reducing the tailpipe emissions. These actions contribute to reduce the emissions during various stages of product life cycle.

**3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

11-13% of recycled or reused input material is used to the total material (by value) in production

	FY 2023-24	FY 2022-23
Indicate input to total material	12%	10%

**4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 2023-24			FY 2022-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)		935			494	
E-waste		NA			NA	
Hazardous waste		NA			NA	

## 5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Reclaimed product and their packaging material under EPR which is collected with the help of M/s Rapidue Technologies Private Ltd.

Indicate Input Material	Recycled or re-used input material to total material FY 23-24
Category 2: Flexible plastic packaging (Single layer or Multilayer having more than one layer with different types of plastic)	924 MT
Category 3: Multilayered plastic packaging (at least one layer of plastic and at least one layer of material other than plastic)	11 MT

## PRINCIPLE 3

**BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS**

## ESSENTIAL INDICATORS

### 1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	3579	3579	100.00	3579	100.00	0	0.00	3579	100.00	3579	100.00
Female	550	550	100.00	550	100.00	550	100.00	0	0.00	550	100.00
<b>Total</b>	<b>4129</b>	<b>4129</b>	<b>100.00</b>	<b>4129</b>	<b>100.00</b>	<b>550</b>	<b>13.32</b>	<b>3579</b>	<b>86.68</b>	<b>4129</b>	<b>100.00</b>
<b>Other than Permanent employees</b>											
Male	221	221	100.00	221	100.00	0	0.00	221	100.00	221	100.00
Female	35	35	100.00	35	100.00	35	100.00	0	0.00	35	100.00
<b>Total</b>	<b>256</b>	<b>256</b>	<b>100.00</b>	<b>256</b>	<b>100.00</b>	<b>35</b>	<b>13.67</b>	<b>221</b>	<b>86.33</b>	<b>256</b>	<b>100.00</b>

### b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent workers</b>											
Male	1850	1850	100.00	1850	100.00	0	0.00	1850	100.00	1850	100.00
Female	1	1	100.00	1	100.00	1	100.00	0	0.00	1	100.00
<b>Total</b>	<b>1851</b>	<b>1851</b>	<b>100.00</b>	<b>1851</b>	<b>100.00</b>	<b>1</b>	<b>0.05</b>	<b>1850</b>	<b>99.95</b>	<b>1851</b>	<b>100.00</b>
<b>Other than Permanent workers</b>											
Male	8985	8985	100.00	8985	100.00	0	0.00	8985	100.00	8985	100.00
Female	1018	1018	100.00	1018	100.00	1018	100.00	0	0.00	1018	100.00
<b>Total</b>	<b>10003</b>	<b>10003</b>	<b>100.00</b>	<b>10003</b>	<b>100.00</b>	<b>1018</b>	<b>100.00</b>	<b>8985</b>	<b>100.00</b>	<b>10003</b>	<b>100.00</b>

### c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format -

	FY 2023-24	FY 2022-23
c. Cost incurred on well-being measures as a % of total revenue of the company	0.44%	0.39%

## 2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
Employees' State Insurance Benefits (ESI)	2%	100	Yes	3%	100	Yes

## 3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Recognizing the diverse nature of the automotive industry workforce, TVSM champions inclusion through a dedicated set of practices and initiatives for Persons with Disabilities (PwD). This commitment is driven from the top, with senior leadership actively promoting Diversity and Inclusion (D&I) efforts. TVSM focuses on several key areas to create a more inclusive work environment for PwD:

- Accessible Infrastructure: All common areas across TVSM facilities are wheelchair-friendly, ensuring ease of movement for employees.
- Strategic Hiring: The Company establishes hiring partnerships to create opportunities for PwD candidates.
- Role Mapping: Roles are mapped to identify suitable opportunities for PwD applicants based on their skills and qualifications.
- Continuous Learning: Leaders, managers, and teams undergo ongoing sensitization training to foster a more inclusive workplace culture for PwD colleagues.
- Communication Accessibility: Pioneering initiatives like Sign Language Training and technology-enabled translation tools bridge communication gaps.
- Support Services: TVSM provides assistive devices, modified washrooms & toilets, and reasonable accommodations to empower PwD employees.
- Career Development: The Company supports the career progression of PwD employees by offering equal opportunities for growth and advancement.
- Recognition and Achievements: TVSM acknowledges and celebrates the achievements of its PwD workforce.

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, policies as per Rights of Persons with Disabilities Act, 2016 are published on the intranet.

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	95.16%	98.40%	100%	100%
Female	76.92%	100%	0.00%	0.00%
<b>Total</b>	<b>93.97%</b>	<b>98.56%</b>	<b>100%</b>	<b>100%</b>

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker?**

Yes

If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)	Remark
Permanent Workers	Yes	TVSM has various Committees within the plants that include representation from both management and worker representatives to address and manage grievances, such as the POSH Committee, the Ethics Committee, and so on. Depending on the nature and severity of the issue, the committee will escalate a grievance to the appropriate level of authority, such as the HOD, ER Head, or Plant HR Head, if it remains unresolved.
Other than Permanent Workers	Yes	The Company's whistleblower policy provides a formal platform for sharing grievances on a variety of topics. The employee induction program also sensitizes new recruits to the various mechanisms.
Permanent Employees	Yes	Company has various redressal mechanisms in place for addressing grievances. Policies such as prevention, prohibition, and redressal of sexual harassment of women at the workplace have a POSH Internal Committee (PIC) in compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
Other than Permanent Employees	Yes	The policy on the same is placed on the Company's website. Members of the Company's PIC are responsible for conducting inquiries pertaining to such complaints. The Company, on a regular basis sensitizes its employees on the prevention of sexual harassment at the workplace through workshops, group meetings, online training modules and awareness programs which are held on a regular basis. The Company also has an Ethics committee to deal with Code of Business Conduct & Ethics violation incidents.

**7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY 2023-24			FY 2022-23		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
<b>Total Permanent Employees</b>	4129	0	0.00	3559	0	0.00
- Male	3579	0	0.00	3134	0	0.00
- Female	550	0	0.00	425	0	0.00
- Others	0	0	0.00	0	0	0.00
<b>Total Permanent Workers</b>	1851	1851	100.00	1897	1897	100.00
- Male	1850	1850	100.00	1896	1896	100.00
- Female	1	1	100.00	1	1	100.00
- Others	0	0	0.00	0	0	0.00

**8. Details of training given to employees and workers:**

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures		On Skill Upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Male</b>	3579	3579	100.00	3579	100.00	3321	3321	100.00	3321	100.00
<b>Female</b>	550	550	100.00	550	100.00	452	452	100.00	452	100.00
<b>Others</b>	0	0	0.00	0	0.00	0	0	0.00	0	0.00
<b>Total</b>	4129	4129	100.00	4129	100.00	3773	3773	100.00	3773	100.00
<b>Workers</b>										
<b>Male</b>	1850	1847	99.84	1847	99.84	1896	1896	100.00	1896	100.00
<b>Female</b>	1	1	100.00	1	100.00	1	1	100.00	1	100.00
<b>Others</b>	0	0	0.00	0	0.00	0	0	0.00	0	0.00
<b>Total</b>	1851	1848	99.84	1848	99.84	1897	1897	100.00	1897	100.00

**9. Details of performance and career development reviews of employees and worker:**

Category	FY 2023-24 <sup>2</sup>			FY 2022-23		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
<b>Male</b>	3579	3579	100.00	3134	3134	100.00
<b>Female</b>	550	550	100.00	425	425	100.00
<b>Others</b>	0	0	0.00	0	0	0.00
<b>Total</b>	4129	4129	100.00	3559	3559	100.00
<b>Workers</b>						
<b>Male</b>	1850	1850	100.00	1896	1896	100.00
<b>Female</b>	1	1	100.00	1	1	100.00
<b>Others</b>	0	0	0.00	0	0	0.00
<b>Total</b>	1851	1851	100.00	1897	1897	100.00

Note:

<sup>2</sup>The percentage calculated is based on the data between April'23 to Dec'23

**10. Health and Safety Management System.**

**a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No).**

Yes

If yes, the coverage of such a system?

TVSM prioritizes the well-being of its employees through a comprehensive Occupational Health and Safety (OH&S) management system. This system incorporates global best practices and encompasses both occupational health and environmental management.

100% TVSM manufacturing units are ISO 45001:2018 certified, demonstrating our commitment to the highest standards in OH&S. This certification ensures that all categories of employees working in these units are covered by the system's protocols and safeguards.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Hazard identification and risk assessment (HIRA) system exists for this purpose. Regular health and safety audits, safety surveys, periodic occupational health surveillance are conducted.

This is formed as a part of ISO 45001: 2018 standard implementation. It involves identifying potential hazards, assessing their likelihood and severity of harm, and developing control measures to mitigate risks.

The activities include both routine and non-routine activities.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)**

Yes. TVSM encourages employees to report unsafe or unhealthy conditions at the workplace to their immediate supervisor or directly to the safety department. The safety department will promptly investigate the situation, take appropriate corrective action, and update the HIRA document accordingly.

**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes. TVSM Occupational Health Centre (OHC) is accessible 24/7 to all categories of employees, including contract workers. The OHC provides treatments for work-related and beyond injuries and illnesses.

### 11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023-24 <sup>3</sup>	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.00	0.11
	Workers	0.39	0.12
Total recordable work-related injuries	Employees	0.00	0.00
	Workers	4	0.00
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health <sup>4</sup> (excluding fatalities)	Employees	0	0
	Workers	11	0

Note:

3: The inclusion of contract workers in the data, alongside employees and regular workers, has led to a discrepancy in the overall incident rate compared to fiscal year 22-23.

4: Recordable work-related injuries and illnesses are those that result in one or more of the following: medical treatment beyond first aid, for more than 48 hours.

### 12. Describe the measures taken by the entity to ensure a safe and healthy workplace

TVSM prioritizes a safe and healthy work environment for all employees through a multi-layered approach. This proactive strategy focuses on preventing accidents and injuries before they occur. Key elements of the program include:

Risk Management:

- HIRA: This comprehensive process identifies and mitigates potential hazards throughout the workplace.
- Ergonomic Surveys: These surveys ensure workstations are designed to promote employee well-being and prevent musculoskeletal disorders.
- Industrial Hygiene Audits: Regular audits assess and address potential health risks associated with environmental factors in the workplace.

Compliance and Best Practices:

- ISO 45001:2018 Certification: TVSM adheres to the rigorous standards of this internationally recognized occupational health and safety management system.
- Statutory Compliance: The Company maintains full compliance with all relevant health and safety regulations.

Employee Training and Engagement:

- Training: Employees receive comprehensive training on safety topics including behavioural safety, fire safety, and process safety.
- Safety Committees and Meetings: Employee-led safety committees and regular safety meetings foster a culture of safety awareness and participation.
- Feedback and Reporting: A robust system encourages employees to report safety concerns, near misses, and provide feedback for continuous improvement.
- Regular internal and external audits ensure the ongoing effectiveness of the program and compliance with all health and safety regulations.

### 13. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil		Nil	Nil	
Health & Safety	Nil	Nil		Nil	Nil	

### 14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

### 15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

TVSM engaged with Dupont Safety System (dss+), to roll out a comprehensive safety culture transformation program across its four manufacturing sites. This collaborative effort aims to:

- Establish and Continuously Improve Safety Systems and Programs: The partnership focuses on creating best-in-class safety systems and programs to create a significant positive impact on safety culture within the organization.
- Integrated Approach: Adopt an integrated approach designed to foster a robust safety ecosystem across all four manufacturing sites.

### LEADERSHIP INDICATORS

#### 1. Does the entity extend any life insurance or any compensatory package in the event of death of

##### a. Employees (Yes/No) Yes.

The Company provides a comprehensive employee benefits package, including a death benefit scheme, group personal accident coverage, and all statutory benefits.

##### b. Workers (Y/N). Yes

The Company provided benefit like Family relief fund, group personal accident coverage and all other benefits in line with statutory provisions.

#### 2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

No such incidents report in FY 23-24

#### 3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	0	0	Not Applicable	Not Applicable
Workers	11	0	0	Not Applicable

#### 4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No

## 5. Details on assessments of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed <sup>5</sup>
Health and safety practices	27%
Working Conditions	27%

Note:

5: Detailed break-up: 19% suppliers and 8% Dealers.

TVS actively collaborates with its value chain partners. This commitment is demonstrated through social accountability audits conducted at supplier facilities to identify and address potential issues related to health, safety, and working conditions, as well as by integrating cutting-edge technology into TVSM products.

## 6. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from assessments of health and safety practices and working conditions of value chain partners.

TVSM is committed to promote safe and healthy working conditions throughout our supply chain. The Company actively identifies and addresses potential risks through assessments of its value chain partners' health and safety practices. Key risks identified and corrective actions rolled out are:

- **Machine Guarding:** The Company identified a concern regarding machine safety guarding at high-risk operations in some supplier facilities. To address this, the suppliers were advised to implement appropriate machine safety guards to protect workers from potential hazards.
- **Fire Safety for EV Dealers:** The Company recognizes the importance of fire safety for electric vehicle (EV) dealerships. The dealers are required to install fire and smoke detection systems to mitigate potential risks.
- **Road Safety:** The company conducts awareness programs to sensitize its logistics and transportation partners on best practices for safe driving.

## PRINCIPLE 4

**BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS**

### ESSENTIAL INDICATORS

#### 1. Describe the processes for identifying key stakeholder groups of the entity.

The Company continuously expands its proactive engagement with all the stakeholder groups. The Company prioritises engagement as an integral part of partnership building and aims to institutionalize a structured approach through a formal process of Stakeholder Engagement. This is a detailed process of engagement with them identifying their risks, concern, challenges and future prospective.

#### 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Email, SMS, Newspapers and Advertisements, showroom enquiries, customer satisfaction surveys, after-sale services	Monthly	Regular engagement with customers, satisfaction assessments, and various market studies help identify principal concerns. These concerns encompass product and service excellence, prompt delivery, competitive pricing, and the fuel economy of vehicles

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Dealers	No	E-mail	Monthly	The ambit covers managing dealer systems, organizing dealer and cluster gatherings, providing training on the latest products and Company guidelines, conducting facility tours, and maintaining regular communication. Primary issues involve product quality, pricing and margins, product management, technological advancements, catering to varied customer needs, and the availability of skilled personnel
Employees	No	Email, SMS, Notice board, policies, codes and procedures	Monthly, quarterly, and annual as applicable	The scope encompasses conducting performance evaluations, employee engagement, managing grievance procedures, and facilitating trainings and workshops. Central issues include strategies for career development and effectively communicating policies related to employees.
Workers	No	Notice Board, Forums, Committee meetings, consultative collective bargaining process	Monthly	The activities include internal forums, sessions with the Director and CEO, and meetings of the plant safety Committee. Principal issues cover resolving grievances, addressing occupational health and safety matters, along with additional employee benefits.
Community	No	Community Meetings	Continuous	The focus is on evaluating community requirements, engaging in village events, attending gram sabha meetings, and executing community programs by the SST. Chief concerns include public health and sanitation, infrastructure development, employment opportunities, and educational enhancement
Policy Makers	No	Email, meetings	As-needed basis	Involvement in policy advocacy and collaboration with industry associations.
Regulatory Bodies	No	Email, meetings	As-needed basis	The process involves submitting reports, conducting inspection tours, and holding meetings as required by directives. The main issues concern adherence to regulations and maintaining clarity in reporting.
Shareholders/ Investors	No	Email, Website, Meetings, AGMs, Analyst calls etc	Quarterly and annual	The scope encompasses participating in investor forums, managing corporate communications, conducting annual general meetings, and producing annual reports. Key issues include the Company's strategic direction and performance, future objectives & ESG performance, and shareholder returns.
Vendors, Transporters and Suppliers/Service Providers	No	Email, Meetings	Monthly	Initiatives by the supplier development group, such as supplier encounters, visits and assessments, are underway. The main issues being addressed include enhancing communication within the supply chain about strategic planning and updates on rejected financial transactions; coordinating schedules; coping with variable order quantities; securing proactive participation from suppliers in achieving new product development goals; as well as implementing a system for supplier performance recognition and rewards

## LEADERSHIP INDICATORS

### 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how feedback from such consultations is provided to the Board.

Respective business/functional heads engage with the stakeholders on various ESG topics and the relevant feedback from such consultation is shared with the Board, wherever applicable.

## 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No).

Yes, TVSM has a structured approach to stakeholder engagement, focusing on environmental, social, and governance (ESG) topics. This process facilitates communication between stakeholders and the Board of Directors.

Engagement Activities:

- Regular Meetings and Discussions: Business and functional heads engage with stakeholders through regular meetings and open dialogues.
- Surveys and Feedback Mechanisms: TVSM utilizes surveys and other feedback mechanisms to gather stakeholder perspectives.

Utilizing Stakeholder Input:

- Data Analysis and Insights: Feedback from these engagements is compiled, analysed, and transformed into actionable insights and recommendations.
- Informing Board Decisions: Relevant stakeholder insights are presented to the Board to inform decision-making processes, promoting consideration of stakeholder interests and concerns.

### If so, provide details of instances as to how the input received from stakeholders on these topics were incorporated into policies and activities of the entity.

Stakeholder consultation is indeed used to support the identification and management of environmental, and social topics at TVSM. In FY 23-24, TVS conducted an internal materiality assessment to identify its ESG (Environmental, Social & Governance) focus areas. Some of the topics identified through this process were:

- Climate Change
- Energy & Emissions Management
- Water and Wastewater Management
- Resource Management
- Biodiversity
- Product Stewardship (Innovation, Product Safety and Life Cycle Emissions)

## 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

TVSM prioritizes social responsibility and actively collaborates with local communities. Through direct engagement and third-party assessments, the Company gathers feedback from the communities to tailor its Corporate Social Responsibility (CSR) initiatives. Delivered in partnership with SST, its CSR arm, these initiatives address current and future community needs, fostering a sustainable and positive impact. SST's "Inclusive Change" program focuses on the following areas for development:

- Environment: SST raises awareness about environmental issues like soil erosion and deforestation while promoting tree plantation and sustainable agricultural practices. It engages and encourages farmers to promote sustainable agriculture and climate resilience.
- Preventive healthcare programs prioritize maternal and child health, promoting better nutrition and access to essential care. Simple solutions like building toilets, providing clean water, and encouraging hygiene practices help prevent disease.
- SST empowers individuals and self-help groups to access government programs designed to lift them out of poverty. The goal is to foster self-sufficiency and enable communities to leverage government support for long-term success.
- Social Development: SST supports initiatives that enhance overall social well-being within the communities.
- Education: SST works to ensure children have access to quality education.

## PRINCIPLE 5

### BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

#### ESSENTIAL INDICATORS

##### 1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	4129	4129	100.00	3559	3559	100.00
Other than permanent	256	256	100.00	214	214	100.00
<b>Total Employees</b>	<b>4385</b>	<b>4385</b>	<b>100.00</b>	<b>3773</b>	<b>3773</b>	<b>100.00</b>
<b>Workers</b>						
Permanent	1850	1850	100.00	1896	1896	100.00
Other than permanent	1	1	100.00	1	1	100.00
<b>Total Workers</b>	<b>1851</b>	<b>1851</b>	<b>100.00</b>	<b>1897</b>	<b>1897</b>	<b>100.00</b>

##### 2. Details of minimum wages paid to employees and workers, in the following format

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Permanent	4129	0	0.00	4129	100.00	3559	0	0.00	3559	100.00
Male	3579		0.00	3579	100.00	3134		0.00	3134	100.00
Female	550		0.00	550	100.00	425		0.00	425	100.00
Others			0.00		0.00			0.00		0.00
Other than permanent	256	0	0.00	256	100.00	214	0	0.00	214	100.00
Male	221		0.00	221	100.00	187		0.00	187	100.00
Female	35		0.00	35	100.00	27		0.00	27	100.00
Others			0.00		0.00			0.00		0.00
<b>Workers</b>										
Permanent	1851	0	0.00	1851	100.00	1897	0	0.00	1897	100.00
Male	1850	0	0.00	1850	100.00	1896	0	0.00	1896	100.00
Female	1	0	0.00	1	100.00	1	0	0.00	1	100.00
Others	0	0	0.00	0	0.00	0	0	0.00	0	0.00
Other than permanent	10003	0	0.00	10003	100.00	6186	0	0.00	6186	100.00
Male	8985	0	0.00	8985	100.00	5569	0	0.00	5569	100.00
Female	1018	0	0.00	1018	100.00	617	0	0.00	617	100.00
Others	0	0	0.00	0	0.00	0	0	0.00	0	0.00

### 3. Details of remuneration/salary/wages, in the following format:

#### a. Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD)	9	40,20,000	2	11,12,000
Key Managerial Personnel	2	2,60,90,000	-	-
Employees other than BoD and KMP	3649	16,00,000	559	13,00,000
Workers	1850	8,00,000	1	7,00,000

#### b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	5.75%	4.51%

### 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, At the plant level, TVSM has committees that deal with human rights impacts or issues. International human rights conventions such as the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights align the Company's human rights policy.

### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

TVSM prioritizes a workplace culture that fosters respect for human rights and promotes fair and ethical business and employment practices. This commitment extends to all individuals, regardless of their ethnicity, religion, caste, gender, sexual orientation, race, disability, employment classification, or any other factor. The Company strives to create a safe and inclusive work environment where everyone feels valued and respected.

### 6. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	1	1	Enquiry in Progress	0	0	
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

### 7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	0
Complaints on POSH as a % of female employees/workers	0.17	0
Complaints on POSH upheld	1	0

### 8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company assures confidentiality and protection to the complainant in furtherance, any attempts to intimidate the complainant would be treated as a violation of code of conduct. All complaints are handled in time bound manner.

### 9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. Agreements obligate the service provider to comply with all statutory and regulatory rules, such as the human right to a safe working environment and timely payment of dues.

### 10. Assessment for the year 2023-24

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties) <sup>6</sup>
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100

Note:

6: In FY 23-24, all plants and offices underwent statutory audits, ensuring complete compliance with statutory laws, regulatory requirements, and labour laws and rules

### 11. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 10 above.

Not Applicable

## LEADERSHIP INDICATORS

### 1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

In FY24, TVSM hasn't received any human rights complaints. The Company has established a process to monitor and ensure the protection of human rights within the organization. As part of its learning and development efforts, the Company works on a variety of compliance regulations, such as a code of conduct, sexual harassment prevention, and a Fair Practices Policy. TVSM has an annual certification system to ensure that staff continue to receive this training to raise awareness and sensitize them.

### 2. Details of the scope and coverage of any Human rights due diligence conducted.

TVSM places a high value on social responsibility and is dedicated to maintaining human rights across all its operations. The Company's plants are all SA 8000: 2014 certified, which is a testament to its commitment to principles of social accountability. Moreover, TVSM's position among the top 50 in the Great Place to Work (GPTW) survey underscores its emphasis on the well-being of its employees.

The Company also acknowledges the significance of Human Rights Due Diligence (HRDD) as an essential instrument for detecting and alleviating potential human rights risks within its operations and supply chain. Currently, the Company is refining its approach to address human rights issues. Concurrently, it is seeking a reputable agency partner skilled in conducting Human Rights assessments in accordance with globally accepted frameworks such as the UN Guiding Principles on Business and Human Rights (UNGPs).

### 3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

### 4. Details on assessment of value chain partners:

TVSM is committed to upholding social accountability principles and has demonstrated this commitment by obtaining SA8000: 2014 certification for all its plants. This certification is a testament to the Company's dedication to maintaining human rights and social responsibility throughout its operations.

As part of its commitment to social accountability, TVSM conducts various awareness programs for its value chain partners. These programs aim to educate and inform partners about the principles of social accountability and the importance of adhering to them. In FY 23-24, 52 of its suppliers are assessed under SA 8000

**5. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 4 above.**

Following SA8000 audits, TVSM categorizes suppliers based on their risk profile:

- Green: Low-risk suppliers demonstrate strong adherence to social accountability principles.
- Amber: Medium-risk suppliers have identified areas for improvement
- Red: High-risk suppliers require significant improvement in their social accountability practices.

The Company allows adequate time for suppliers under high risk and medium risk categories to implement corrective actions.

**PRINCIPLE 6**

**BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT**

**ESSENTIAL INDICATORS**

**1. Details of total energy consumption (in Joules or multiples) and energy, in the following format:**

Parameter	Please specify unit	FY 2023-24 <sup>8</sup>	FY 2022-23
<b>From renewable sources</b>			
Total electricity consumption (A)	Gigajoules	306833.17	296430.00
Total fuel consumption (B)	Gigajoules	0	0
Energy consumption through other sources (C)	Gigajoules	0	0
Total energy consumed from renewable sources (A+B+C)	Gigajoules	306833.17	296430.00
<b>From non-renewable sources</b>			
Total electricity consumption (D)	Gigajoules	22,499.84	40913.92
Total fuel consumption (E)	Gigajoules	299342.59	290369.94
Energy consumption through other sources (F)	Gigajoules	0	0
Total energy consumed from non-renewable sources (D+E+F)	Gigajoules	3,21,842.43	331283.86
Total energy consumed (A+B+C+D+E+F)	Gigajoules	6,28,675.60	627713.86
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	Gigajoules	19.78	23.8
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)	Gigajoules	588.65	744.15
Energy intensity in terms of physical output (Goods sold: (GJ/No of goods))	Gigajoules	0.15	0.17
Energy intensity (optional) the relevant metric may be selected by the entity. (Employee (GJ/No of employees))	Gigajoules	38.71	48.66

Note:

8: For FY 23-24, the reporting scope was expanded to encompass the corporate office, test tracks, and the Institute of Quality Learning and Development (IQL)

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)**

Yes

**If yes, name of the external agency.**

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**2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Yes/No) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any**

Not Applicable

**3. Provide details of the following disclosures related to water, in the following format:**

Parameter	Please specify unit	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in kilolitres)</b>			
(i) Surface water	kilolitres	16329	27497
(ii) Groundwater	kilolitres	540422	500024
(iii) Third party water	kilolitres	18533 <sup>9</sup>	2058
(iv) Seawater/desalinated water	kilolitres	0	0
(v) Others	kilolitres	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	kilolitres	575284	529579
Total volume of water consumption (in kilolitres)	kilolitres	751457	746550
Water intensity per rupee of turnover (Water consumed/turnover)	kilolitres	23.65	28.30
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	kilolitres	703.33	885.03
Water intensity in terms of physical output (Goods sold: (KL/No of goods))	kilolitres	0.17	0.20
Water intensity (optional) - the relevant metric may be selected by the entity (Employee (KL/No of employees))	kilolitres	46.27	57.84

Note:

9: Re-classification of water supply from Kabini water reservoir in Mysuru under Third party water

10: Value chain water footprint: Dealers (downstream)- 1840643 kiloliters

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No)**

Yes

**If yes, name of the external agency.**

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**4. Provide the following details related to water discharged:**

Water discharge by destination and level of treatment (in kilolitres)	UoM	2023-24	2022-23
(i) To Surface water	kilolitres	0	0
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment	kilolitres	0	0
(ii) To Groundwater	kilolitres	0	0
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment	kilolitres	0	0
(iii) To Seawater	kilolitres	0	0
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment	kilolitres	0	0
(iv) Sent to third parties	kilolitres	0	0
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment	kilolitres	0	0
(v) Others	kilolitres	326112.00	286312.00
- No treatment	kilolitres	0	0
- With treatment - please specify level of treatment (Tertiary treatment inhouse zero liquid discharge) <sup>11</sup>	kilolitres	326112	286312
<b>Total water discharged (in kilolitres)</b>	<b>kilolitres</b>	<b>326112.00</b>	<b>286312.00</b>

Note:

11: The quantity reported in others is majorly tertiary treated sewage which is used for green belt development inside the factory premises.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No)**

Yes

**If yes, name of the external agency.**

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**5. Has the entity implemented a mechanism for Zero Liquid Discharge?**

Yes

**If yes, provide details of its coverage and implementation.**

TVSM prioritizes water conservation and responsible wastewater management across its manufacturing facilities.

- Hosur and Mysuru Plants: These facilities utilize a cutting-edge Zero Liquid Discharge (ZLD) system. This multi-stage system effectively treats wastewater, minimizing environmental impact. The ZLD system incorporates pre-treatment, followed by a combination of spiral and plate-tube Reverse Osmosis (RO) membranes, and finally a multi-effect evaporator to ensure minimal liquid waste discharge.
- Nalagarh Plant: This plant employs a multi-stage RO-based effluent treatment plant. The treated wastewater is then recycled and reused back into the production process, further reducing freshwater consumption.

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	MT	55.08 <sup>12</sup>	44.41
Sox	MT	78.51	90.32
Particulate matter (PM)	MT	111.92 <sup>13</sup>	89.39
Persistent organic pollutants (POP)		0	0
Volatile organic compounds (VOC)	PMP	4.3	4.0
Hazardous air pollutants (HAP)		0	0

Note:

12 and 13: Increase in PM & NOx due to revalidation of emission load calculations at Mysuru site and inclusion of point emission sources that were not considered in FY 22-23. Data for FY22-23 has been revised and updated by re-evaluating the accurate figures.

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No)**

**If yes, name of the external agency.**

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**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit (Metric tonnes of CO <sub>2</sub> equivalent)	FY 2023-24 <sup>14</sup>	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available <sup>15</sup> )	tCO <sub>2</sub> e	22693.34 (CO <sub>2</sub> – 0.85) (CH <sub>4</sub> – 11.83) (N <sub>2</sub> O – 1987.26) (HFCs-22 – 171.42) (ODS – 313.73)	19046
Total Scope 2 emissions <sup>16</sup> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	tCO <sub>2</sub> e	4437.47	9584.32
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO <sub>2</sub> e/ INR Mn	0.85	1.09
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)		28.28	33.94
Total Scope 1 and Scope 2 emission intensity in terms of physical output {Goods sold (tCO <sub>2</sub> e/No of goods)}	(tCO <sub>2</sub> e/No of goods)	0.01	0.01
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity (Employee (tCO <sub>2</sub> e/No of employees))	tCO <sub>2</sub> e/No of employees	1.67	2.22

Note:

14: Redefined the boundary to include corporate office, test tracks and Institute of Quality and Leadership

15: Emissions from Ozone Depleting Substances (ODS), Refrigerants and CO<sub>2</sub> have been accounted in scope 1 emissions

16: Grid emission factor revised as per the Central Electricity Authority (CEA) grid emission factor published in December 2023

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No)**

**If yes, name of the external agency.**

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**8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

Yes

TVSM is committed to reducing its environmental footprint and conserving energy resources. The Company implements several key initiatives to achieve this goal:

- Expanding Renewable Energy Use: TVSM is actively increasing its reliance on renewable energy sources. This includes augmenting its solar energy capacity and procuring green power through the Indian Energy Exchange. These efforts help to reduce dependence on fossil fuels and associated emissions.
- Waste Heat Recovery: The Company utilizes innovative technologies like Regenerative Thermal Oxidizers (RTOs) and heat recovery systems from air compressors. These systems capture waste heat and re-use it within the production process, improving overall energy efficiency.
- Energy Efficiency Upgrades: TVSM implements ongoing projects to optimize energy consumption. For example, converting traditional induction motor-based blowers to more energy-efficient DC blowers demonstrates this commitment.

**9. Provide details related to waste management by the entity, in the following format:**

Parameter	Parameter	FY 2023-24	FY 2022-23
<b>Total Waste generated (in metric tonnes)</b>			
Plastic waste (A)	metric tonnes	504.31	407.3
E-waste (B)	metric tonnes	29.33	24.35
Bio-medical waste (C)	metric tonnes	0.39	0.37
Construction and demolition waste (D)	metric tonnes	0	0
Battery waste (E)	metric tonnes	114.17	62.5
Radioactive waste (F)	metric tonnes	0	0
Other Hazardous waste. Please specify, if any. (G) – Used Oil, Waste containing traces of oil, Phosphate Sludge, Spent Solvents, Used Containers, Chemical Sludge, Paints Sludge, ATFD salt	metric tonnes	4190.03	4326.98
Other Non-hazardous waste generated (H) – Metallic waste, Plastic Waste, Composite Fibre, Paper, Wood, Cardboard, Thermocol, Rubber	metric tonnes	12344.60	8485.68
<b>Total (A+B + C + D + E + F + G + H)</b>	metric tonnes	<b>17182.82</b>	<b>13307.18</b>
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	metric tonnes	0.00000004	0.00000005
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	metric tonnes	15.49	15.78
Waste intensity in terms of physical output (Goods sold (Tonne/No of goods))		0.0041	0.004
Waste intensity (optional) the relevant metric may be selected by the entity (Employee (Tonne/No of employees))		1.06	1.03
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>			
<b>Category of waste</b>			
(i) Recycled	metric tonnes	14186.21	10158.86
(ii) Re-used	metric tonnes	0	0
(iii) Other recovery operations	metric tonnes	0	0
<b>Total</b>	metric tonnes	<b>14186.21</b>	<b>10158.86</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>			
<b>Category of waste</b>			
(i) Incineration- BioMedical Waste	metric tonnes	0.41	0.37
(ii) Landfilling- Hazardous waste was disposed to TSDF facility at Nalagarh from Apr'23 till Dec'23	metric tonnes	80.09	81.32
(iii) Other disposal operations- The remaining hazardous waste disposed to cement industry for Co-Processing	metric tonnes	2902.035	3066.62
<b>Total</b>	metric tonnes	<b>2982.53</b>	<b>3148.31</b>

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)**

Yes

**If yes, name of the external agency.**

Bureau Veritas India (Private) Limited

**10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

TVSM implements a strict internal standard that limits the use of hazardous chemicals in all processes and products. This standard is developed to align with various national and international regulations on hazardous substances.

The Company has established a responsible hazardous waste management system. For the past eighteen years, hazardous waste generated at their facilities, including paint sludge, chemical sludge, phosphate sludge, and waste containing oil traces, has been co-processed in cement industries. This co-processing is assumed to meet relevant environmental regulations. For all other waste categories, TVSM utilizes authorized waste management agencies for disposal.

**11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:**

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N)	If no, the reasons there of and corrective action taken, if any.
Not Applicable				

**12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not Applicable					

**13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Yes/No). Yes**

**If not, provide details of all such non-compliances, in the following format:**

S. No.	Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

**LEADERSHIP INDICATORS**

**1 Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

TVSM does not operate in water stress areas.

For each facility/plant located in areas of water stress, provide the following information

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in kilolitres)</b>			
Surface water	kilolitres	Not applicable	Not applicable
Groundwater	kilolitres	Not applicable	Not applicable
Third party water	kilolitres	Not applicable	Not applicable
Seawater/desalinated water	kilolitres	Not applicable	Not applicable
Others	kilolitres	Not applicable	Not applicable
Total volume of water withdrawal (in kilolitres)	kilolitres	Not applicable	Not applicable
Total volume of water consumption (in kilolitres)	kilolitres	Not applicable	Not applicable
Water intensity per rupee of turnover (Water consumed/turnover)	kilolitres	Not applicable	Not applicable
Water intensity (optional) - the relevant metric may be selected by the entity	kilolitres	Not applicable	Not applicable
<b>Water discharge by destination and level of treatment (in kilolitres)</b>			
(i) Into Surface water			
- No treatment	kilolitres	Not applicable	Not applicable
- With treatment - please specify level of treatment	kilolitres	Not applicable	Not applicable
(ii) Into Groundwater			
- No treatment	kilolitres	Not applicable	Not applicable
- With treatment - please specify level of treatment	kilolitres	Not applicable	Not applicable

Parameter	Please specify unit	FY 2023-24	FY 2022-23
(iii) Into Seawater			
- No treatment	kilolitres	Not applicable	Not applicable
- With treatment - please specify level of treatment	kilolitres	Not applicable	Not applicable
(iv) Sent to third parties			
- No treatment	kilolitres	Not applicable	Not applicable
- With treatment - please specify level of treatment	kilolitres	Not applicable	Not applicable
(v) Others			
- No treatment	kilolitres	Not applicable	Not applicable
- With treatment - please specify level of treatment	kilolitres	Not applicable	Not applicable
<b>Total water discharged (in kilolitres)</b>	kilolitres	Not applicable	Not applicable

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)**

If yes, name of the external agency.

**2. Please provide details of total Scope 3 emissions & its intensity, in the following format: (In progress)**

Parameter	Unit	FY 2023-24
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	tCO <sub>2</sub> e	2,27,00,763.36
Total Scope 3 emissions per rupee of turnover	tCO <sub>2</sub> e/ INR Mn	713.41
Total Scope 3 emission intensity (Goods sold (tCO <sub>2</sub> e/No of goods))	tCO <sub>2</sub> e/No of goods	5.41
Total Scope 3 emission intensity (Employee (tCO <sub>2</sub> e/No of employees))	tCO <sub>2</sub> e/No. of employees	1396.25

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) - No**

If yes, name of the external agency.

**3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not Applicable

**4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sl. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Zero Hazardous Waste to Landfill at Nalagarh Plant	Nalagarh plant achieved the status of zero hazardous waste to landfill in Q4 of FY 24 by sending chemical sludge for co-processing at cement kiln.	All the manufacturing sites have achieved the status of zero hazardous waste to landfill
2	Repurposing of RO reject water	Reject water from RO plant is directly used for flushing in washrooms at Nalagarh Plant	Approx. 10,000 Litres of freshwater saving per day
3	Energy Saving	Conversion of conventional air supply unit blowers into energy efficient electronically commutated fans at Hosur Plant. Implementation of Energy Efficient Filters in paint booth	35% reduction in power consumption 35% reduction in power consumption
4	Energy Saving	Conversion of vertical milling machine doors from pneumatic to electrically operated at Hosur plant	Elimination of compressed air requirement which resulted in saving 25000Kwh/Yr
5	Energy Saving	Implementation of Heat pump system to pretreatment process at Hosur Plant.	Fuel Saving (21000 Kg/Yr of Propane)
6	Heat Recovery	Introduction of compressor waste heat recovery system powder coating process at Hosur Plant. Waste heat recovered from compressor is utilized in place of burner at Hosur Plant.	Fuel Saving (18000 Kg/Yr of Propane)
7	Energy Efficiency initiative	Integration of PLC timer logic at Mysuru Plant reduced heating process power usage in through component washing machine.	Power consumption reduction (90140 Kwh/Yr)

**5. Does the entity have a business continuity and disaster management plan?**

Yes

Yes. TVSM has a robust business continuity and disaster management plan in place. This plan includes strategies for identifying potential risks, maintaining critical operations during disruptions, and facilitating swift recovery processes. It includes protocols for data backup and recovery, alternative communication methods, and designated response teams. Regular drills and simulations ensure readiness, while continuous review and updates keep the plan aligned with evolving threats and organizational needs. The plan aims to minimize downtime, protect assets, and safeguard the entity's reputation, ensuring resilience in the face of various disruptions.

**6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

In FY 25, TVSM will be undertaking a comprehensive double materiality assessment. The outcome will allow the company to identify both the environmental impacts of its value chain and the ways in which environmental factors affect the business. The insights gained from this assessment will then be used to refine and strengthen TVSM's environmental strategy and actions.

**7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Not Applicable

## PRINCIPLE 7

**BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT**

### ESSENTIAL INDICATORS

1. a. Number of affiliations with trade and industry chambers/ associations.

10

- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1	BCIC Bangalore Chamber of Industry and Commerce	National
2	IMTMA Indian Machine Tool Manufacturers Association	National
3	SIAM - Society of Automotive Manufacturers	National
4	CII - Confederation of Indian Industry	National
5	EFI - Employers Federation of India	National
6	EFSI - Employers Federation of South India	State
7	HIA - Hosur Industries Association	State
8	KEA - Karnataka Employers Association	State
9	BBNIA - Baddi Barotiwala Nalagarh Industries Association	State
10	IMA - Indian Management Association	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Not applicable

### ESSENTIAL INDICATORS

1. Details of public policy positions advocated by the entity:

S.No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ Others – please specify)	Web Link, if available
1	Biofuel - Ethanol blending	Expo/Exhibition, through SIAM, Social Media	Yes	Half yearly SIAM	<a href="https://www.siam.in/">https://www.siam.in/</a>
2	Flex Fuel Vehicle Program	Expo/Exhibition, through SIAM, Social Media	Yes	Half yearly SIAM	<a href="https://www.siam.in/">https://www.siam.in/</a>

## PRINCIPLE 8

**BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT**

### ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year - Not Applicable
2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

Village Development Officers (VDOs) play a crucial role in bridging the gap between government programs and rural communities. Their physical presence within villages allows for:

Firsthand understanding of community needs: VDOs can directly observe and interact with residents, gaining a clear picture of local challenges and priorities.

Immediate feedback mechanisms: VDOs can gather community feedback on existing programs and identify areas for improvement.

VDOs facilitate effective program implementation through ongoing interaction:

- SHG meetings: Regular engagement with Self-Help Groups (SHGs) fosters community participation and ensures program alignment with local needs.
- Collaboration with community organizations: VDOs work alongside local organizations, leveraging their expertise and connections.
- Feedback from government officials: VDOs actively seek input from officials at various levels (panchayat, block, district) to assess program implementation and identify potential gaps.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	6.62	6.65
Directly from within India	93	90.5

5. Job creation in smaller towns and disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24	FY 2022-23
Rural	75.82	79.24
Semi-urban	0.00	0.00
Urban	2.41	2.06
Metropolitan	1.40	1.63

## LEADERSHIP INDICATORS

### 1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

TVSM adheres to the practice of conducting Social Impact Assessments (SIAs) for all greenfield projects. However, during the fiscal year 2023-24, no SIAs were conducted.

### 2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

TVSM does not operate in any aspirational districts.

### 3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) - No

(b) From which marginalized /vulnerable groups do you procure?

(c) What percentage of total procurement (by value) does it constitute?

### 4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge: Nil

### 5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved. Nil

### 6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Holistic rural development in tribal habitations of Tamil Nadu, Karnataka, and Andhra Pradesh	80000	100
2	Renovation of Anganwadi's, schools, hostel, health centres, veterinary centres and other rural community infrastructure	25000	85
3	Medical consultations conducting general health camps, dental camps and eye camps in schools, simple diagnostics, and medicines free of cost at medical centres & Mobile medical units	250000	80
4	Desilting of water storage bodies and channels	4500	70
5	Livelihood projects for women in Self-Help Groups	20000	80
6	Providing a platform for sales of women self-help group products	900	75
7	Improving learning outcomes of children in primary and middle schools	6500	95
8	Improving life-skills among children	1000	90

## PRINCIPLE 9

### BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

## ESSENTIAL INDICATORS

### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

TVSM has a two-tiered complaint redressal system:

- Tier 1: General Complaints:
  - Channels: Customers can submit general complaints related to sales or service online or via email to [customercare@tvs-motor.com](mailto:customercare@tvs-motor.com)
  - Resolution: A dedicated team within the sales or service department addresses these complaints.
- Tier 2: Escalated Complaints:
  - Scope: This tier handles unresolved complaints, disputes, and privacy-related concerns.
  - Process: The legal department manages these escalated issues, ensuring adherence to legal due process.

Customer Focus: TVSM has a company-wide policy of prioritizing customer satisfaction. This principle applies to the handling of all complaints at both tiers.

### 2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100
Safe and responsible usage	100
Recycling and/or safe disposal	5

### 3. Number of consumer complaints in respect of the following:

	FY 2023-24 (Current Financial Year)		Remarks	FY 2022-23 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	NA	Nil	Nil	NA
Advertising	Nil	Nil	NA	2	2	Resolved in next year
Cyber-security	Nil	Nil	NA	Nil	Nil	NA
Delivery of essential services	Nil	Nil	NA	Nil	Nil	NA
Restrictive Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Unfair Trade Practices	Nil	Nil	NA	Nil	Nil	NA
Other						

### 4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	
Forced recalls	0	

### 5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No)

Yes

**If available, provide a web-link of the policy.** <https://www.tvsmotor.com/privacy-policy>

TVSM prioritizes information security and maintains a robust cybersecurity posture. This commitment is demonstrated by:

- ISO 27001 Certification: TVSM has held ISO 27001 certification, a recognized international standard for information security management systems, for the past 15 years. This ongoing certification signifies the company's adherence to rigorous information security best practices.
- Regular Audits: In addition to the initial certification process, TVSM undergoes annual internal audits to identify and address any potential vulnerabilities in its cybersecurity measures.
- External Cybersecurity Council: The Company leverages the expertise of an external cybersecurity council comprised of independent specialists. This council provides guidance and recommendations on best practices for managing cyber threats.
- External Security Audits: TVSM supplements its internal efforts with periodic external security audits. These audits provide an objective assessment of the company's cybersecurity posture from a third-party perspective.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

TVSM implements a multi-faceted approach to address potential data privacy and security concerns. This approach includes:

- Enhanced Detection and Monitoring: Improved advertising monitoring systems aim to ensure all ad practices comply with relevant regulations.
- Process Optimization: Streamlined service delivery processes aim to improve efficiency and potentially mitigate security risks associated with complex workflows.
- Advanced Cybersecurity Measures: TVSM deploys robust cybersecurity measures, including:
  - Frequent Security Audits: Regular audits identify and address vulnerabilities in the Company's cybersecurity infrastructure.
  - Ongoing Personnel Training: Employee training programs ensure personnel are trained to recognize and prevent cyber threats.
- Strengthened Data Privacy Measures: The Company actively strengthens its data privacy practices through:
- Updated Privacy Policies: TVSM regularly reviews and updates its privacy policies to reflect the latest regulations and best practices.
- Enhanced Data Encryption: Implementation of stronger encryption methods helps safeguard sensitive data.
- Continuous Monitoring and Improvement: TVSM maintains ongoing monitoring processes to ensure compliance with data privacy regulations and identify areas for further improvement.

**7. Provide the following information relating to data breaches:**

- Number of instances of data breaches
- Percentage of data breaches involving personally identifiable information of customers
- Impact, if any, of the data breaches

**LEADERSHIP INDICATORS**

**1 Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).**

The information on various products & services of the Company is available on your website: <https://www.tvsmotor.com/our-products/vehicles>

Additionally, the information regarding the entity and its products is also conveyed through user manual and social media.

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

The Company complies with all disclosure requirements relating to its services, as per SEBI guidelines on product/services labelling within risk and disclosure categories. The Company has a comprehensive user manual to educate its customers on responsible usage of products.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

TVSM employs multiple communication channels, including email alerts, SMS notifications, website announcements, and social media updates, to promptly inform consumers of any potential risk of disruption or discontinuation of essential services. These mechanisms ensure transparency and allow consumers to take necessary precautions or alternative measures.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not applicable) - Yes**

**If yes, provide details in brief. Did your entity carry out any survey regarding consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No) - yes**

TVSM is committed to providing customers with clear and accessible information. This commitment extends beyond legal requirements and includes:

- Comprehensive Brochures and Leaflets: TVSM offers informative brochures and leaflets that detail its services, exceeding mandated legal disclosures.
- Website Transparency: The Company website provides comprehensive information about its products and services.
- Mobile App Access: Customers can conveniently access loan-related information through the TVS Motor Company mobile app.
- Understanding Customer Needs: TVSM regularly conducts market research to gauge customer sentiment and satisfaction levels. This research informs product development, service improvements, and grievance redressal processes.

Every year, TVSM conducts a customer satisfaction survey to gauge customer sentiments. In the fiscal year 2023-24, TVSM achieved impressive rankings in the automotive industry:

- Premium Segment: TVSM secured the 2<sup>nd</sup> position in customer satisfaction.
- Commuter and Scooter Segment: TVSM proudly claimed the 1<sup>st</sup> position, demonstrating excellence in meeting customer expectations according to the JD Power Satisfaction Index

For and on behalf of the Board of Directors

**PROF. SIR RALF DIETER SPETH**

Chairman

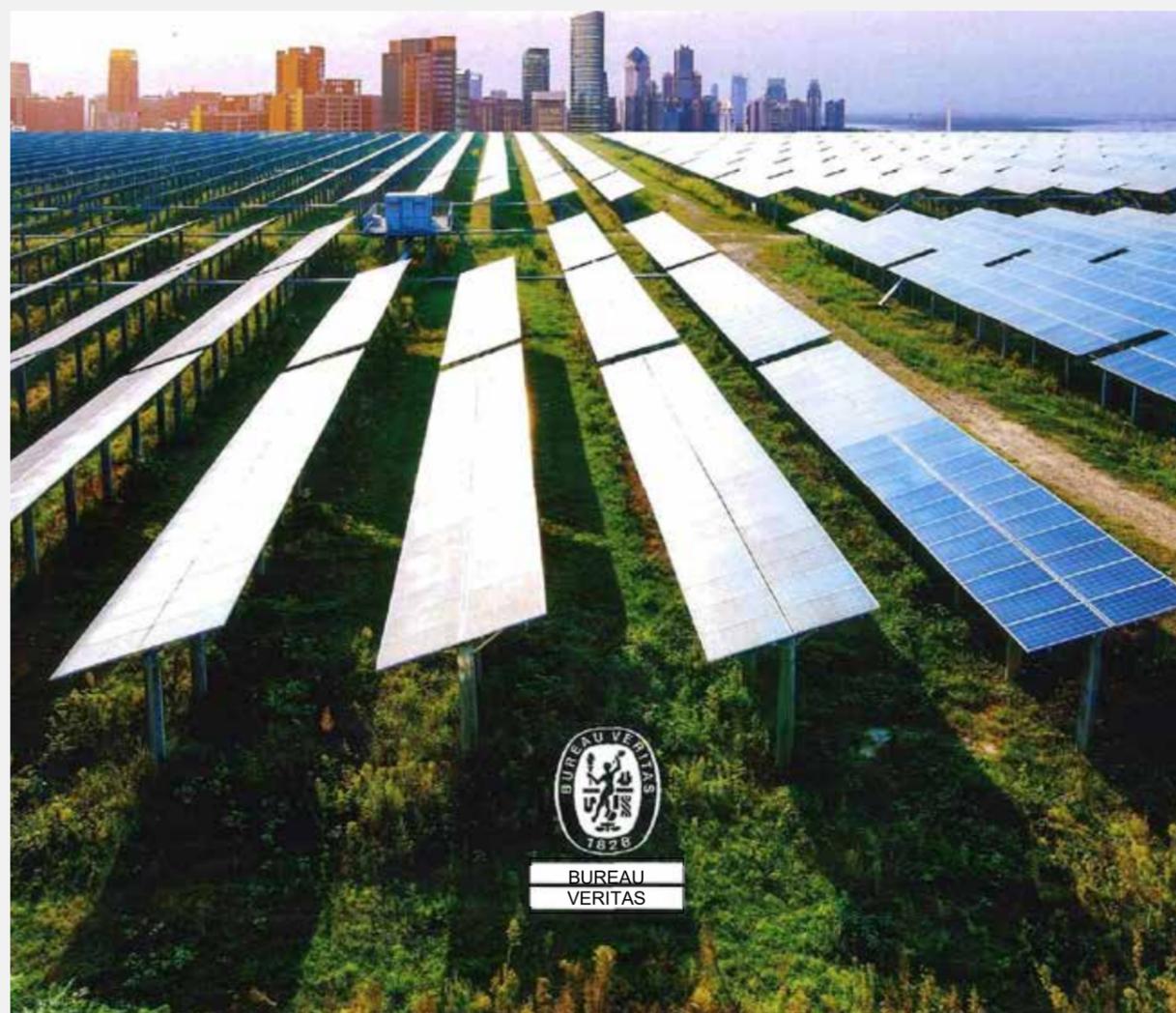
DIN: 03318908

Chennai

8<sup>th</sup> May 2024

# INDEPENDENT

## ASSURANCE STATEMENT



To,

**TVS Motor Company Limited**

Post Box No. 4 Harita,  
Hosur - 635 109

### 1. INTRODUCTION AND OBJECTIVES OF WORK

Bureau Veritas (India) Pvt. Ltd. has been engaged by TVS Motor Company Limited (hereinafter abbreviated as "TVS") to conduct an independent assurance of the Non-Financial Parameters of its Business Responsibility & Sustainability Report (BRSR) for the reporting period from 01.04.2023 to 31.03.2024 (i.e., F.Y. 2023-24). TVS has prepared document as per BRSR with stated parameters for the period (F.Y 2023-24), based on which this overall assessment has been carried out. This Assurance Statement applies to the related information included within the scope of work described below.

The selection of reporting criteria, reporting period, reporting boundary, monitoring and measurement of data, selection of datapoints/information, preparation, and presentation of information in the BRSR and the supporting documentation for the BRSR is the sole responsibility of the management of "TVS". Bureau Veritas was not involved in the drafting or preparation, back-up or presentation of the BRSR. Our sole responsibility was to provide independent assurance on its content.

### 2. INTENDED USER

The assurance statement is made solely for 'TVS' as per the governing contractual terms and conditions of the assurance engagement contract between "TVS" and Bureau Veritas. To the extent that the law permits, we owe no responsibility and do not accept any liability to any other party other than "TVS" for the work we have performed for this assurance report or for our conclusions stated in the paragraphs below.

### 3. SCOPE OF WORK

**The scope of work for the assurance included.**

- Checking that the data and information included in the BRSR for the reporting period from 01.04.2023 to 31.03.2024 was fairly presented without material misrepresentation.
- Appropriateness and robustness of underlying reporting systems and processes, used to collect, analyze, and review the information reported.
- Reporting period: 01/04/2023 to 31/03/2024
- Sustainability Assurance (Reasonable Assurance) based on BRSR Framework (Utilizing ISAE 3000 Assurance Standards)



**Level of assurance:**

- **Reasonable**

**Methodology used to conduct the assurance:** As part of its independent assurance, Bureau Veritas undertook the following activities:

- Verification was done on site as well as by remote (desktop) mode at the sites and interviewed relevant personnel of TVS.
- TVS initially submitted the “Draft report: BRSR FY 2023-24” as prepared, for the units under the reporting boundary
- The data management systems and procedures were assessed on a sampling basis. Data on the various BRSR disclosures were verified.
- The work was planned and carried out to provide a “Reasonable” level of assurance and we believe it provides an appropriate basis for our conclusions.

The **reporting boundaries considered** for **this reporting** period are as follows:

**2 and 3 wheeler Manufacturing:**

i) TVS Motor Company, Post Box No:4, Harita, Hosur 635109 (Tamil Nadu)

ii) TVS Motor Company, Post Box:1, Byathahalli village, Kadakola Post, Mysuru (Karnataka) PIN-571311

iii) TVS Motor Company, Village Bhatian, Bharatgarh Road, Teh. Nalagarh, District - Solan (Himachal Pradesh), PIN-174101

The assessment team from Bureau Veritas, for this verification, included the following member/s

Mr. Nagabhushan, Lead Verifier  
Mr. C.D. Prakash. Team Guide



The personnel with whom the Bureau Veritas team interacted during this assessment are as :-

Attendees	Designation	Department	Location
Thakur Pherwani	Chief Sustainability Officer	Sustainability	Hosur
Shirin Kujur	Sr. Program Manager	Sustainability	Hosur
Swati Chaurasia	Program Manager	Sustainability	Hosur
Kirti Vashishth	Program Manager	Sustainability	Hosur
TN Sriramkumar	Head-safety	Safety	Hosur
D Saravana	Senior Manager	Safety	Hosur
Ravindra Payal	Manager	OPNS	Nalagarh
Yashpal Chaudhary	Senior Manager	OPNS	Nalagarh
KB Madhusudan	Manager	Sustainability	Hosur
Sooraj	Manager	OPNS	Mysore
B Dayanand	Manager	ERM	Mysore
K Siddaramappa	Manager	Finance	Mysore
T Mahesha	Executive	HR	Hosur
Vivek Swaminathan	Deputy Manager	Central Utilities	Hosur
T Anand	Senior Manager	ERM	Hosur
V R Seshadri	Deputy Manager	ERM	Hosur

2023 & 25.04.24

Bureau Veritas conducted Physical as well as remote assessment of the sites as mentioned in the table below:

Name of Site/Activity	Mode
Hosur Plant Site	Physical
Review of documents	Remote

The assessment was carried out, of the submitted BRSR and the supporting evidence verified during the site visits and remote activities, based on a sampling exercise, to verify the data and computations that were prepared by TVS. The assessment was carried out only for the reported parameters that have been considered by TVS in the BRSR for FY 2023-24.



Some of the parameters **verified** for the units under the **reporting boundary include:**

- Employee details
- Participation / Representation of women
- Turnover rate for employees & workers
- CSR details
- Environmental monitoring parameters including water, wastewater, air emissions, solid waste, GHG emissions etc.
- Welfare and OHS data
- All the parameters in BRSR core

The data values for all reported BRSR core parameters were verified by Bureau Veritas through an auditing process based on sampling of data records. Sampling was conducted by considering the contribution of the individual parameter to the overall organizational sustainability levels. A separate verification checklist was also utilized during the assessment. Gaps in data values (GHG related) or any other error identified during the data assessment was reported these were then corrected along with response by the client and subsequently the reported findings were verified and closed.

Bureau Veritas has assessed the quantification methodology used by TVS for the monitoring and calculations of the various BRSR parameters from its different sources and confirms the same to be in line with accepted practice of standard practice. The materiality threshold of 5% has been considered in this assessment process.

The details of the breakdown of data were verified by Bureau Veritas during the physical site visits conducted to verify the data. Samples of data were verified during the process to confirm the correctness of values considered in the calculations. The primary activity data values used to report in the BRSR can be regarded as conservatively considered.

Our work was conducted against the requirements defined in the guidance document of BRSR along with Bureau Veritas' internal standard procedures and guidelines for external Assurance of Sustainability Reports, based on current best practice in independent assurance.

The Bureau Veritas assurance process has also involved an Independent Technical Review (ITR) to check for correctness and accuracy of the assurance conclusions as well as adherence to Bureau Veritas Internal procedures and/or assurance standard requirements.

#### 4. OUR CONCLUSION

On the basis of our methodology and the activities described above, it is our opinion that the BRSR for FY 2023-24 of "TVS", containing its BRSR Core parameters from the operations within the reporting boundary and the reporting period, as described above, is prepared in all material respects in line with the applicable criteria here before stated. The reviewed statements within the scope of our verification are transparent and the information included therein are fairly stated. A separate report (Management report) has been generated and forwarded to TVS regarding internal processes (as in practice) and opportunities for improvement, may be considered for the subsequent reporting period.



## 5. LIMITATIONS AND EXCLUSION

**Excluded from the scope of our work is any assurance of information relating to:**

- Activities outside the defined assurance period stated here in above.
- Positional statements, expressions of opinion, belief, aim or future intention by "TVS" and statements of future commitment.
- Competitive claims in the report claiming "first in India", "first time in India", 'first of its kind' etc. if any;
- Our assurance does not extend to the activities and operations of "TVS" outside of the scope and geographical boundaries mentioned in this report as well as the operations undertaken by any other entity that may be associated with or have a business relationship with "TVS"
- Our assurance of the various BRSR parameters covers only those parameter and sites, that have been reported in the BRSR for FY 2023-24.
- Our assurance on economic and financial performance data or information of TVS is based only on TVS's annual audited statement of accounts for the Financial Year 2023-24 and our conclusions rest solely upon that audited report.

**This independent statement should not be relied upon to detect all errors, omissions or misstatements that may exist within the BRSR or the supporting documentation.**



Inclusivity
Materiality
Responsiveness
Impact
Uncertainty

TVS has processes in place for engaging with its key stakeholders including socially responsible investors, Government officials, local community representatives and has undertaken stakeholder engagement activities. The entity is also involved in many CSR projects for the local community.

The BRSR addresses the range of environmental, social and economic issues of concern that TVS has identified as being of highest material importance. The material issues were identified by a process of stakeholder engagement and interaction. The identification of material issues has considered both internal assessments of risks and opportunities to the business, as well as stakeholders' views and concerns.

TVS is responding to those issues it has identified as material and demonstrates this in its policies, objectives, indicators and performance targets. The company has taken various initiatives towards delivering environmentally friendly services along with occupational health and safety, appropriate measures for emergency handling, control and risk management in its operations.

There is no finding from our assessment that TVS has not monitored, measured or has not been accountable for its actions related to its material topics.

The reliability of assurance is subject to uncertainty(ies) that are inherent in the assurance process. Uncertainties stem from limitations in the accounting and quantification models used for various parameters or emission factors used or may be present in the estimation of data used to arrive at conclusions or results. Our conclusions in respect of this assurance are naturally subject to any inherent uncertainty(ies) involved in the assurance process.

No member of the assurance team has a business relationship with "TVS", its Directors, Managers or officials beyond that required of this assignment. We have conducted this verification independently and there has been no conflict of interest.

The assurance team has extensive experience in conducting assurance over environmental, social, ethical and health & safety information, systems and processes an excellent understanding of Bureau Veritas standard methodology for the Assurance of Sustainability Reporting.

**Restriction on use of Our Report**

Our Reasonable assurance report has been prepared and addressed to the Board of Directors of the Company at the request of the company solely to assist the company in reporting on the Company's Sustainability performance and activities. Accordingly, we accept no liability to anyone, other than the Company. Our deliverables should not be used for any other purpose or by any person other than the addressees of our deliverables. The Firm neither accepts nor assumes any duty of care or liability for any other purpose or to any other party to whom our Deliverables are shown or into whose hands it may come without our prior consent in writing.

**Bureau Veritas (India) Pvt. Ltd.**  
 ARTISANE GREEN SPACE.  
 No.165/5, Krishnaraju Layout,  
 Dorsanipalya, Bangalore 560076.

**N. Jagbhusan**  
 Lead Verifier

**Ramamohan Rao**  
 Technical Reviewer



**6. STATEMENT OF INDEPENDENCE, IMPARTIALITY AND COMPETENCE**

Bureau Veritas is an independent professional services company that specializes in Quality, Health, Safety, Social and Environmental management with almost 190 years history in providing independent assurance services.

Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities. We are particularly vigilant in the prevention of conflicts of interest.



# Annexure VIII

## to Directors' Report to the shareholders

### Report on Corporate Governance

#### 1. The Company's Commitment to Responsible Governance

The Company has a strong legacy of fair, transparent and ethical governance practices. Company's businesses seek enhancement of shareholder value within this framework. The Company's philosophy on corporate governance is founded on the fundamental ideologies viz., Trust, Value, Exactness and Passion for Customers.

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

The Company would constantly endeavour to improve on these aspects.

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

The Company's corporate governance philosophy has been further strengthened by adopting a Code of Business Conduct and Ethics, Whistle Blower Mechanism, Code of Conduct to Regulate, Monitor and Report trading by Insiders for prevention of insider trading by the Directors and Designated Persons and Code of practices for fair disclosure of unpublished price sensitive information.

#### 2. Board of Directors

The Company has a distinguished Board of Directors (the Board) and comprised of highly respected individuals possessing extensive professional experience and expertise. The Board provides strategic direction and oversight to the management team. This

The following changes have been effected during the year on the composition of Board in respect of Independent Directors

Name of the ID (M/s.)	Nature	Date of approval		Tenure	Effective date
		Board	Shareholders		
T Kannan	Demise	-	-	-	23.05.2023
Dr. Deepali Pant Joshi	Appointment	11.09.2023	20.10.2023	5 years	11.09.2023
Lalita D Gupte	Completion of Tenure	-	-	-	22.10.2023
R Gopalan	Resignation	-	-	-	02.03.2024
Vijay Sankar	Appointment	20.03.2024	*	5 years	20.03.2024
Shailesh Haribhakti	Appointment	20.03.2024	*	5 years	01.04.2024

\* Their appointments have been placed for the approval of the shareholders through postal ballot and their results will be declared on or after 10<sup>th</sup> May 2024.

ensures the Company operates in the best interests of all stakeholders, ultimately maximizing long-term value.

#### 2.1 Composition and category of Directors:

The Board recognizes the importance of fostering a balanced composition. Board leverages the following strengths through long-standing directors contribute institutional knowledge and a deep understanding of the Company's history and strategic direction. Their experience provides valuable context for informed decision-making and newer appointees bring external insights and diverse viewpoints, challenging assumptions and sparking innovation. This nurtures a dynamic and forward-thinking Board culture.

By implementing a gradual refreshment process, the Board benefits from a continuous exchange of knowledge and ideas. This ensures long-term effectiveness and ultimately drives sustainable value creation for all stakeholders.

As per the amended Articles of Association of the Company, periodic shareholders' approval is required for all the Directors including Promoter Directors, thereby, the Company ensures that all directors serving on the Board or appointed to the Board is put up to shareholders for approval on regular intervals.

On 5<sup>th</sup> March 2019, the Independent Directors (IDs) viz., M/s. C R Dua and Hemant Krishan Singh were reappointed for the second term of 5 consecutive years effective 14<sup>th</sup> July 2019 and their tenure will get completed on 13<sup>th</sup> July 2024.

Mr. Kuok Meng Xiong, Independent Director, had expressed his inability to continue as a Director on the Board due to his increasing business commitments & personal reasons and submitted his resignation from the Board effective close of the business hours of the ensuing Annual General Meeting viz., 6<sup>th</sup> August 2024.

Mr B Sriram, was appointed on the board as Non-Executive Independent Director, effective 24<sup>th</sup> January 2023 for a term of 5 consecutive years and the same was approved by the shareholders through Postal Ballot on 9<sup>th</sup> March 2023.

The terms of appointment include the remuneration payable to them by way of fees and profit related commission, if any.

As on 31<sup>st</sup> March 2024, the total strength of the board was Eleven. Prof. Sir Ralf Dieter Speth, Non- Executive Director, being Chairman, the required composition of the Board with one-third of its directors as Independent Directors and also to have at least one Woman Independent Director in terms of the Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) was complied with.

As on 31<sup>st</sup> March 2024, the Board has six Independent Directors (ID) viz., M/s C R Dua, Hemant Krishan Singh, Kuok Meng Xiong, B Sriram, Dr. Deepali Pant Joshi and Vijay Sankar.

Mr Venu Srinivasan, Chairman Emeritus & Managing Director (CE&MD), Mr Sudarshan Venu, Managing Director (MD) and Mr K N Radhakrishnan, Director & CEO (D&CEO) are Executive Directors. Thus, the composition of the Company's Board is in conformity with the Listing Regulations.

The Board of Directors is comprised of highly qualified Non-Executive Directors possessing a diversified range of industry backgrounds. This composition fosters a Board with the following strengths:

- **Deep Industry Knowledge:** Directors bring expertise from a multitude of industries, including financial services. Their experience in navigating complex organizational environments translates to valuable insights for the Company. This promotes a keen understanding of the industry's unique challenges and opportunities, enabling the Board to make informed strategic decisions.
- **Commitment to Board Diversity:** The Company prioritizes cultivating a diverse Boardroom, recognizing the significant benefits of a variety of perspectives in driving effective decision-making and fostering innovation.

By leveraging this combination of industry expertise, long-term industry understanding, and a commitment to diversity, the Board is well-positioned to provide effective leadership and strategic guidance, ensuring the Company's continued success.

As required under Regulation 16 of the Listing Regulations, it is also ensured that Independent Directors do not hold non-independent directorship position in another company, where any non-

independent director of the Company is an independent director.

In accordance with the provisions of the Companies Act, 2013 (the Act, 2013) and the Articles of Association of the Company and to comply with the minimum level of having 2/3<sup>rd</sup> Directors liable to retire by rotation, Mr K N Radhakrishnan, Director & CEO, who has been the longest in office, is liable to retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment and has been recommended for such re-appointment by the Nomination and Remuneration Committee and the Board.

Dr. Lakshmi Venu had expressed her intention for not seeking re-appointment at the ensuing Annual General Meeting due to her increased responsibilities and commitments in Tractors and Farm Equipment Limited (TAFE) and Sundaram Clayton Limited (SCL).

The resolutions seeking approval of the members for the re-appointment of Director retiring by rotation has been included in the Notice of AGM along with brief details.

#### 2.2 Board Meetings:

The Company is committed to ensuring a well-informed and engaged Board of Directors.

- **Advanced Planning and Scheduling:** In consultation with the Directors, a tentative annual calendar for Board and Committee meetings is prepared and circulated well in advance. This enables Directors to effectively plan their schedules and maximize participation.
- **Accessibility Through Technology:** Recognizing the diverse needs of our Directors, we offer participation in all Board and Committee meetings via video conferencing also. This flexibility promotes broader participation and informed decision-making.
- **Comprehensive Information Sharing:** The Company adheres to the highest standards of transparency by regularly presenting the Board with all information mandated by Part A of Schedule II to the Listing Regulations. This includes critical data such as annual operating plans, capital expenditure budgets with quarterly updates, quarterly results and committee minutes. Additionally, the Board receives information on significant developments in human resources, industrial relations, legal matters, foreign exchange exposures, risk management strategies, and legal compliance.

- **In-depth Materials and Discussions:** To facilitate well-informed decision-making, comprehensive notes and pre-agenda materials are circulated well in advance of each meeting. This allows Directors to delve deeper into agenda items, contribute meaningfully, and exercise sound business judgment during discussions.
- **Engaging Presentations:** Business unit leaders present on the Company's operations, risk management practices, and internal financial controls during Board and Audit Committee meetings. External experts are also invited to provide specialized insights wherever necessary. Furthermore, CEOs of subsidiaries present quarterly performance updates to the Audit Committee and Board.
- **Digital Agenda and Materials:** The Company prioritizes environmental friendly practices by utilizing a digital application installed on iPads for circulating meeting agendas. Additionally, all

supporting materials and notes for Board and Committee meetings are uploaded electronically well in advance, ensuring easy access and promoting a paperless environment.

These practices combined create a dynamic and informative environment for Board and Committee meetings, fostering effective governance and informed decision-making that ultimately benefits all stakeholders.

During the year 2023-24, the board met eight (8) times viz., 4<sup>th</sup> May 2023, 9<sup>th</sup> June 2023, 24<sup>th</sup> July 2023, 11<sup>th</sup> September 2023, 30<sup>th</sup> October 2023, 24<sup>th</sup> January 2024, 11<sup>th</sup> March 2024 and 20<sup>th</sup> March 2024 and the gap between two meetings did not exceed one hundred and twenty days. Besides the IDs held a separate meeting on 11<sup>th</sup> March 2024 in compliance with the provisions of the Act, 2013 and Regulation 25(3) of the Listing Regulations.

None of the Directors on the Board is a member of more than ten committees or chairman of more than five committees across all the companies in which they are Directors. Mr Venu Srinivasan, Mr Sudarshan Venu and Dr. Lakshmi Venu are related to each other. None of the other Directors on the Board is related to any other Director on the Board. The number of Directorships, Committee Memberships/Chairmanships of all Directors are within the respective limits prescribed under the Act, 2013 and the Listing Regulations.

### 2.3 Attendance and other directorships:

The details of attendance of the Directors at the board meetings during the year and at the last AGM held on 24<sup>th</sup> July 2023 and other directorships and committee memberships/chairmanships as on 31<sup>st</sup> March 2024 are as follows:

Name of the Director (M/s)	Category	Attendance Particulars		Number of other directorships and committee memberships/chairmanships		
		Board meetings	Last AGM	Other directorships*	Committee memberships**	Committee Chairmanships**
Prof. Sir Ralf Dieter Speth (DIN 03318908)	NED	8	Yes	10	-	-
Venu Srinivasan (DIN 00051523)	ED	6	No	23	1	-
Sudarshan Venu (DIN 03601690)	ED	8	Yes	17	2	1
K N Radhakrishnan (DIN 02599393)	ED	8	Yes	5	2	1
C R Dua (DIN 00036080)	ID	7	Yes	13	5	2
Kuok Meng Xiong (DIN 09117910)	ID	4	Yes	13	-	-
Dr. Deepali Pant Joshi (DIN 07139051) <i>(Appointed on 11.09.2023)</i>	ID	5	NA	7	6	4
Vijay Sankar (DIN 00007875) <i>(Appointed on 20.03.2024)</i>	ID	1	NA	20	5	-
Hemant Krishan Singh (DIN 06467315)	ID	8	Yes	-	1	1
B Sriram (DIN 02993708)	ID	8	Yes	7	6	1
Dr. Lakshmi Venu (DIN 02702020)	NED	5	Yes	13	1	-
T Kannan (DIN 00040674) <i>(Demise on 23.05.2023)</i>	ID	1	NA	-	-	-
Lalita D Gupte (DIN 00043559) <i>(completion of tenure on 22.10.2023)</i>	ID	4	Yes	-	-	-
R Gopalan (DIN 01624555) <i>(Resigned on 02.03.2024)</i>	ID	6	Yes	-	-	-

NED: Non Executive Director ED: Executive Director ID: Independent Director

NA: Not Applicable

\* includes private companies Section 8 Companies and Companies incorporated outside India.

\*\* includes committees where the director holds the position of chairman. Details of Directorship and Committee membership/ chairmanship are not disclosed for the ceased/resigned directors.

For the membership and chairpersonship in Committees only Audit Committee and Stakeholder Relationship Committee have been considered as per Regulation 26 of the Listing Regulations. Also, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 have been excluded.

### 2.4 Listed entities in which the directors hold position as director other than the Company and category of Directorship:

Name of the Director (M/s.)	Name of the company	Category of directorship*
Prof. Sir Ralf Dieter Speth	-	-
Venu Srinivasan	TVS Holdings Limited	Non-Executive Director, Chairman
	Sundaram - Clayton Limited	Executive Director
Sudarshan Venu	TVS Holdings Limited	Executive Director
	Coromandel International Limited	Independent Director
K N Radhakrishnan	-	-
C R Dua	TVS Holdings Limited	
	Sundaram-Clayton Limited	Independent Director
	Gillette India Limited	
	Pearl Global Industries Limited	
	Procter & Gamble Hygiene & Health Care Limited	Independent Director - Chairman
Kuok Meng Xiong	-	-
Dr. Deepali Pant Joshi	Coromandel International Limited	Independent Director
	Aurobindo Pharma Ltd.	
Vijay Sankar	Chemplast Sanmar Ltd.	Non- Executive Director, Chairman
	Transport Corporation of India Ltd.	
	Oriental Hotels Limited	Independent Director
	The KCP Limited	
Hemant Krishan Singh	-	-
B Sriram	ICICI Bank Limited	
	Nippon Life India Asset Management Limited	Independent Director
	TVS Supply Chain Solutions Limited	
Dr. Lakshmi Venu	Sundaram-Clayton Limited	Executive Director

\* for the purpose of Independent Directorship, directorships in debt listed entities not included.

None of the non-executive directors holds directorships in more than seven listed entities and serves as an independent director. As far as, Managing Director/Whole-Time Director in the Company are concerned, they do not serve as an Independent Director in more than three listed entities.

### 2.5 Access to information and updation to Directors:

The Board of Directors actively engages with the information presented during meetings. All materials provided are meticulously reviewed in accordance with Listing Regulations. Functional heads are invited to attend and present relevant information to the Board and Audit Committee as needed.

- Observations from internal audits are presented for discussion and addressed with functional heads by the Committee/Board.
- The Statutory Auditors' compliance report on payment of statutory liabilities is reviewed and discussed with relevant functional heads.
- The Board reviews quarterly declarations submitted by the Director & CEO and the Chief Financial Officer regarding adherence to all applicable laws.
- Decisions reached during Board and Committee meetings are promptly communicated to the functional heads responsible for implementation.
- Action taken reports detailing progress on previous meeting decisions are presented at each subsequent Board and Committee meeting, ensuring accountability and continuous improvement.

These practices ensure a thorough and transparent review process during Board and Committee meetings.

## 2.6 Familiarization program

The Company is dedicated to ensuring all new Directors are well-equipped to contribute effectively from day one. We achieve this through a comprehensive induction program that covers the following key areas:

- **Board Fundamentals:** New Directors gain a thorough understanding of the Board's role, composition, conduct, and associated risks and responsibilities. This ensures they are fully informed on current governance best practices.
- **Company's Culture:** The program delves into the Company's culture, values, and business model. Directors receive briefings on the roles and responsibilities of senior executives, along with the Company's financial, strategic, operational, and risk management landscape.
- **Hands-on Experience:** To gain a deeper understanding of the Company's operations, new Directors participate in a plant visit. This firsthand experience provides valuable insights into the manufacturing process and overall Company activities. Additionally, a plant visit allowed the new Directors to observe the Company's initiatives in the EV space firsthand.

For more detailed information on the Director induction program, please refer to the dedicated section on the Company website, accessible through the link provided on page 186 of this Annual Report.

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

While evaluating the Board as a whole, it was ensured that the existing board members have relevant core skills/expertise/competencies as required in the context of its business(es) and sector(s) to function effectively.

Skill	Description
Leadership/ Strategy	Experience of playing leadership roles in large businesses, with competencies around strategy development & implementation, sales & marketing, business administration/operations and Organisations and people management.
Automotive Experience	Strong knowledge and experience in automotive industry and in managing business operations of a sizeable organization in the business of manufacture and sale of automobiles.
Financial	Practical knowledge and experience in Finance, accounting and reporting and internal financial controls, including strong ability to assess financial impact of decision making and ensure profitable and sustainable growth.
Governance	Board level experience in reputed organisations, with strong understanding of and experience in directing the management in the best interests of the Company and its stakeholders and in upholding high standards of governance.
Regulatory	Strong expertise and experience in corporate law and regulatory compliance in India and overseas (including industry specific laws).

The Company's Board of Directors is highly structured to ensure a high degree of diversity by age, gender, education/qualifications, professional background, sector expertise and special skills (classification). This is reflected in Company's skills and diversity grid disclosed here.

Board comprises a range and balance of skills, experience, knowledge, gender, social-economic backgrounds and independence. This needs to be backed by a diversity of personal attributes, including sound judgement, honesty and courage.

Professional Background & Skills/expertise/competency of Directors

Name of the directors	Brief description of special skills
Prof. Sir Ralf Dieter Speth	<ul style="list-style-type: none"> <li>• Sir Ralf holds a Doctorate Degree in Engineering and is a Professor at the University of Warwick, United Kingdom;</li> <li>• Sir Ralf started his professional career with BMW where he stayed for 20 years before joining Ford Motor Company's Premier Automotive Group (PAG) and later Linde Group, the international gases, materials handling and engineering company;</li> <li>• In early 2010, Prof. Dr Ralf D Speth became Chief Executive Officer, Jaguar Land Rover(JLR), and a member on Tata Motors' Board later that year;</li> <li>• In 2016, he was appointed as a member of the Supervisory Board of Tata Sons Ltd. Sir Ralf was nominated as a Non-Executive Director and Vice-Chairman of the JLR Board following his retirement in September, 2020;</li> <li>• He has been a member of the Royal Academy of Engineering since 2014. In 2015, he was appointed Honorary Knight of the British Empire (KBE) and in 2019 as Additional Knight Commander of the Most Excellent Order of the British Empire. In 2020, Sir Ralf was elected a Fellow of the Royal Society;</li> <li>• Sir Ralf has been bestowed with many awards and has spearheaded noteworthy initiatives in the automobile industry; and</li> <li>• In January 2023, Sir Ralf Speth, was conferred with an Honorary Doctorate in the field of Science (Doctor of Science, honoris causa) from the University of Warwick, United Kingdom.</li> </ul>
Mr Venu Srinivasan	<ul style="list-style-type: none"> <li>• Mr Venu Srinivasan's vision facilitated the Company to emerge as third largest two-wheeler manufacturer in India and has also made major contribution to the automotive industry and nation building at large for over four decades;</li> <li>• Strengthened the TQM processes within the Company which facilitated making bikes for BMW Motorrad through a strategic partnership;</li> <li>• His experience and innovative excellence that helped the company in broadening its product portfolio from time to time and Company's market presence across the globe;</li> <li>• His dedication to the transformation of rural India by empowering women in the rural areas that can be seen through his passion towards setting up the Srinivasan Services Trust (SST), which has touched the lives of 1.6 million people in 2500 villages across the country in the last 28 years</li> <li>• He was conferred the Padma Bhushan Award, the third Highest civilian award in India, in January 2020;</li> <li>• He is the recipient of Deming Distinguished Service Award, granted to individuals who have made outstanding contributions in the dissemination and promotion (overseas award 2019);</li> <li>• He was conferred with "Order of Diplomatic Merit" (Heung- In Medal) by the President of Korea;</li> <li>• He was presented with an "Outstanding Institution Builder" Award at the 13<sup>th</sup> Managing India Awards by AIMA (All India Management Association) for displaying exceptional vision and leadership in building an institution in 2023;</li> <li>• Conferred with lifetime achievement award by CNBC – TV18's India Business Leadership Awards (IBLA) in 2023 and in 2024 Ernst &amp; Young recognized him with the Life time Achievement award for his decades of entrepreneurial excellence in revolutionizing the two wheeler industry in India;</li> <li>• He is also Chairman in TVS Holdings Limited and Chairman Emeritus and Managing Director of Sundaram- Clayton Limited. He also serves on the board of T V Sundram Iyengar &amp; Sons Private Limited, Tata Sons Private Ltd., (Tata Sons) the holding company of the conglomerate Tata Group;</li> <li>• He is also a Director on the Central Board of Reserve Bank of India; and</li> <li>• He is also the vice chairman of various Tata Trusts, India's most respected and largest philanthropic foundation.</li> </ul>

Name of the directors	Brief description of special skills
Mr Sudarshan Venu	<ul style="list-style-type: none"> <li>Over the last few years, Mr Sudarshan Venu has been charting the future of one of India's leading two-wheeler manufacturer, TVS Motor Company, and has made it the most awarded two-wheeler company. It is a testimony to Sudarshan's focus, that TVS Motor has been voted No. 1 in Customer Satisfaction for four years in a row by the prestigious J. D. Power Awards.</li> <li>With his extraordinary efforts, the Company has acquired UK's iconic motorcycle brand Norton Motorcycles and has also setup a completely new manufacturing facility in UK.</li> <li>He strongly believes in staying ahead of the emerging trends – electrification and personal mobility are two big areas of focus and is looking to build a strategic personal e-mobility ecosystem by scaling unique brands, and recently led TVS to acquire European e-bike brand EGO Movement and Switzerland's largest e-bike Company, Swiss E-Mobility Group.</li> <li>His vision of transforming the Company into a leading global mobility player, paved the way for launch of various new products in EV segment;</li> <li>His leadership drove the e-mobility initiative, resulting in significant market share gains, and the Company crossed 25% in the EV market;</li> <li>His focus on investing in future technologies and acquiring talent in software electronics and digital analytics was notable, and he has positioned TVS Motor for even greater global success;</li> <li>He has been a pivotal role in expanding international business into markets in Africa, Middle East, Southeast Asia, LATAM, and Europe and market presence in more than 80 countries across the globe;</li> <li>His global experience and leadership skills helped the Company in various acquisitions and strategic partnerships across the globe;</li> <li>He also has been instrumental in setting up and in the success of Emerald Haven Realty Ltd., the real estate subsidiary and TVS Digital, a subsidiary of TVSM incorporated in Singapore, focused on providing technology solutions for digital transformation.</li> <li>He is also the Chairman of TVS Credit Services, a non-deposit Non-Banking Finance Company and Managing Director of TVS Holdings Limited, a Core Investment Company.</li> <li>He received the "Next Gen Leader" award at the Indian Family Business Awards 2022, a testament to his visionary leadership and unwavering commitment to innovation in the automotive industry.</li> </ul>
Mr K N Radhakrishnan	<ul style="list-style-type: none"> <li>An eminent leader in the automobile industry, Radhakrishnan is well known for his strategic planning, focus on quality, passion for customers and eye for technology in shaping the Company's journey of becoming a global manufacturer boasting of superior quality products.</li> <li>With decades of leadership skills, he has played a crucial role in transforming the Company from a local favourite company to the third largest two-wheeler manufacturer in India, respected for quality globally;</li> <li>His relentless efforts and commitments helped the Company to improve profitability and expand its business across the globe;</li> <li>Solution orientation in audit findings and its implementations is one of his key qualities; and</li> <li>He has a vast experience in automotive industry and having successfully handled all activities of the Company including sales &amp; marketing, business administration/operations.</li> </ul>
Mr C R Dua	<ul style="list-style-type: none"> <li>Mr Dua is honours graduate of St. Stephen's College and also holds a Master's degree in Economics from the Delhi School of Economics;</li> <li>His experience covers a broad range of areas relating to Corporate, Finance, Securities, Infrastructure and aspects of Public Policy and Administration, Governance and Ethics, both in India and abroad;</li> <li>He is the Founder of and currently the Chairman of Dua Associates, one of India's prominent law firms, serving a wide spectrum of clients drawn from several Fortune 500 companies, listed companies, public-sector enterprises, privately-owned businesses, as well as entrepreneurial start-ups;</li> <li>Mr Dua has been the recipient of several awards as a leading lawyer in the areas of M &amp; A, General Corporate and Corporate Restructuring. He has been recognized as being "The Most-Influential &amp; Significant Lawyer" by The Legal 500, and for the last four consecutive years has been recognized as a legal icon by India Business Law Journal's A-List of top Indian lawyers. He has also been recognized by Forbes India in its Legal Powerlist of Top Managing Partners every year since 2020;</li> <li>Through his active engagement, the firm continues to retain its leadership position in uncertain and challenging environment nationally and internationally;</li> <li>He holds Directorships in both listed and major multinational corporations primarily representing the interests of foreign collaborators and investors;</li> <li>He is one of the Senior Vice Presidents of the Society of Indian Law Firms of Confederation of Indian Industry (CII) Task Force on Legal Services. He joined the Board of Governors of IILM Law School, IILM University, Gurugram in 2023.</li> </ul>

Name of the directors	Brief description of special skills
	<ul style="list-style-type: none"> <li>An avid tennis player Mr Dua's interest in promoting sports are pursued as a special invitee to the Executive Committee of the International Lawn Tennis Club of India and Vice President of the Delhi Lawn Tennis.</li> <li>He also received the prestigious Lifetime Achievement Award for Outstanding Contribution and Excellence in the field of Law in 2020. In 2021 he was also conferred the India Legal -Lifetime Achievement Award - Law Firms. He was also recognized as Corporate Lawyer of the Year in India - 2023 by Global Law Experts.</li> </ul>
Dr. Deepali Pant Joshi	<ul style="list-style-type: none"> <li>Dr. Deepali Pant Joshi has more than four decades of experience in the formulation of macro-economic policies in Reserve Bank of India (RBI) and headed various departments including the Department of Rural Planning and Credit and Financial Inclusion Department and Customer Service &amp; Financial Education Department.</li> <li>Her core competencies include Finance, Regulation and Supervision, Foreign Exchange, Payment system and Currency management.</li> <li>Post doctoral work in Finance and Economics from the University of Harvard on secondment from the RBI</li> <li>She has received many awards for her Professional achievements including Skoch Challenger award for contribution to Financial Inclusion, Chancellors medal at the University of Allahabad for academic proficiency and Amarnath Jha Gold Medal, University of Allahabad. She has authored seven books on Economics, Financial Inclusion and Sustainable Development</li> <li>Dr. Joshi is Chancellors Nominee on the Executive Council, University of Allahabad, The Outstanding Speaker Bureau and has served as a nominee on behalf of RBI on the Board of Andhra Bank, North East Institute of Bank Management, Institute of Banking Personnel Selection I.B.P.S., Bhartiya Reserve Bank Note Mudran Private Ltd. (RBI Currency Pass).</li> <li>She also serves as an Independent Director on the board of several companies.</li> </ul>
Mr Kuok Meng Xiong	<ul style="list-style-type: none"> <li>MX Kuok is the Founder &amp; Managing Partner of K3 Ventures, a Singapore-based venture capital investment firm;</li> <li>In the last 11 years, he has invested in and partnered with visionary founders of category-leading companies that drive innovation in today's world;</li> <li>He has rich experience and knowledge in the fields of digital technology for investments by the Company in digital start-ups; and</li> <li>He has a unique mix of strong corporate values and a clear vision of the future digital world.</li> </ul>
Mr Vijay Sankar	<ul style="list-style-type: none"> <li>Mr Vijay Sankar holds Master's in Business Administration from the J L Kellogg Graduate School of Management, Northwestern University, and is also a qualified Chartered Accountant.</li> <li>Vijay Sankar is the Chairman of The Sanmar Group, headquartered in Chennai, India, with manufacturing facilities in the Mexico, Egypt, and several locations across South India.</li> <li>Mr Sankar is an Independent Director on the Boards of several listed entities.</li> <li>He also serves as a Vice President of the Tamil Nadu Tennis Association, Trustee of The Childs Trust Hospital and the Voluntary Health Services (VHS) and on the Board of Governors of the Medical Research Foundation (Sankara Nethralaya) and CPR Environment Education Centre.</li> <li>Vijay Sankar is the Honorary Consul General of Denmark in Chennai.</li> </ul>
Mr Hemant Krishan Singh	<ul style="list-style-type: none"> <li>Mr Singh is a distinguished former career diplomat with extensive experience in geo-strategic and geo-economic issues as well as multilateral institutions which underpin international law and commerce.</li> <li>He has been India's longest serving Ambassador to Japan (2006- 2010), Ambassador to Indonesia and Timor Leste (2003- 2006), Ambassador to Colombia, Ecuador and Costa Rica (1999-2002), and India's Deputy Permanent Representative to the UN in Geneva (1995- 1999). He has held several significant assignments during his career, dealing with the United States, West Europe and the European Union and India's immediate neighbours;</li> <li>He has contributed to the forging of the India-Japan strategic and global partnership, the intensification of India's relations with Indonesia and ASEAN, the evolution of India's revitalized Act East Policy and the shaping of India's policy towards key neighbours and strategic partners;</li> <li>Since 2016, he has been the Director General of the Delhi Policy Group, a leading independent and non-partisan think tank focused on issues of critical national interest; and</li> <li>He has wide experience in the global economy and best practices to address the challenges and risks in international business.</li> </ul>

Name of the directors	Brief description of special skills
B Sriram	<ul style="list-style-type: none"> <li>• He has held several key executive positions in his career including Managing Director &amp; CEO, IDBI Bank Ltd.; Managing Director, State Bank of India and Managing Director, State Bank of Bikaner &amp; Jaipur;</li> <li>• He has held various key assignments in the State Bank Group in Credit and Risk, Retail, Operations, IT, Treasury, Investment Banking, International Operations, Payment and Settlement Systems and Small Scale Industry;</li> <li>• He was a part-time member of the Insolvency &amp; Bankruptcy Board of India. He is also an External Investment Committee member of British International Investment, UK; and</li> <li>• His vast and rich experience in banking sector would help the Company in handling its finance function significantly</li> </ul>
Dr. Lakshmi Venu	<ul style="list-style-type: none"> <li>• Involved in all spheres of management of Sundaram-Clayton Limited, and handles wider responsibilities for exploring new business opportunities;</li> <li>• She is the Managing Director of Sundaram-Clayton Limited and also the Deputy Managing Director of TAFE Motors and Tractors Limited. She holds directorship in various other companies;</li> <li>• Played a key role in establishment of overseas manufacturing facility for Sundaram Holding USA Inc, in the United States of America;</li> <li>• She was recognised as "Corporate India's fastest rising women leader" by Economic Times in 2017; and</li> <li>• She has a rich experience in business strategy, product design and in- depth knowledge of automotive business.</li> </ul>

## 2.8 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.

The updated version of the Code has also been displayed on the Company's website in the following link provided in the page no. 186 of this Annual Report.

All the Members of the Board and Senior Management Personnel have confirmed compliance with the Code for the year ended 31<sup>st</sup> March 2024. The Annual Report contains a declaration to this effect signed by the Director & Chief Executive Officer.

## 2.9 Appointment/Re-appointment of Directors:

In terms of Regulation 36(3) of the Listing Regulations, a brief resume of Directors proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, other directorships and committee memberships, shareholdings and relationships, if any, with other Directors alongwith listed entities from which the Director has resigned in the past three years are provided in the Notice convening AGM of the Company.

## 2.10 Committees of the Board:

The Board of Directors is committed to strong corporate governance and has established the following committees to provide focused oversight and enhance accountability:

### Mandatory Committees:

- **Audit Committee:** Responsible for overseeing the integrity of the Company's financial reporting process.
- **Risk Management Committee:** Identifies, assesses, and mitigates potential risks facing the Company.
- **Stakeholders' Relationship Committee:** Facilitates communication, redressal of grievances and fosters positive relationships with all stakeholders.
- **Nomination and Remuneration Committee:** Recommends qualified candidates for Board positions and oversees executive compensation practices.
- **Corporate Social Responsibility Committee:** Develops and implements the Company's social responsibility initiatives.

### Non-Mandatory Committee:

- **Administrative Committee:** Handles administrative matters as delegated by the Board.

The Board establishes the terms of reference for each committee and regularly reviews their performance. Committee meetings are chaired by designated members who report key discussions and decisions to the full Board. Minutes of all Committee meetings are presented at subsequent Board meetings for comprehensive oversight.

## 3. Audit Committee

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. It also helps the Board in meeting its responsibilities for the effectiveness of risk management system.

### 3.1 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:

- **Overviewing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;**
- **Recommending the appointment, remuneration and terms of appointment of auditors of the Company;**
- **Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:**
  - Matters required to be included in the Director's Responsibility Statement in terms of clause (c) of sub-section (3) of Section 134 of the Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions; and
  - Modified opinions, if any, in the draft audit report.
- **Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;**
- **Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;**

- **Approving or subsequently modifying any transactions of the Company with related parties;**
- **Scrutinizing the inter-corporate loans and investments;**
- **Reviewing the valuation of undertakings or assets of the Company, wherever it is necessary;**
- **Evaluating internal financial controls and risk management systems;**
- **Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;**
- **Reviewing the adequacy of internal audit function, if any, 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.**
- **Discussing 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 or irregularity or any failure of internal control systems of a material nature and reporting the matter to the Board;**
- **Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;**
- **Looking into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;**
- **Reviewing the functioning of the Whistle Blower Mechanism. Regular reports on significant matters raised through the programme and the actions taken to address them are received;**
- **Approving the appointment of CFO after assessing the qualifications, experience and background of the candidate; and**
- **reviewing the utilisation of loans and/or advances from/investments/by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower.**

In addition, reviewing of such other functions as envisaged under Section 177 of the Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 as amended and Regulation 18 of the Listing Regulations.

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

### 3.2 Composition, name of the Chairman and Members:

As of 31<sup>st</sup> March 2024, the Committee consists of the following Independent Director's viz., Mr C R Dua and Dr. Deepali Pant Joshi and Mr K N Radhakrishnan, Director & CEO.

During the year under review, Mr T Kannan, Independent Director demised on 23<sup>rd</sup> May 2023 and Mr R Gopalan,

Chairman of the Committee resigned from the Directorship on 2<sup>nd</sup> March 2024 and thereby both the Directors ceased as members of the Audit Committee.

Mr K N Radhakrishnan, Director and CEO and Dr. Deepali Pant Joshi, Independent Director were appointed as members of the Committee effective 7<sup>th</sup> July 2023 and 2<sup>nd</sup> March 2024 respectively through a circular resolution by the Board of Directors.

Mr R Gopalan, erstwhile Chairman of the Committee was present at the last AGM held on 24<sup>th</sup> July 2023 to answer the Shareholder queries.

Mr K S Srinivasan, Company Secretary acts as the Secretary of the Committee.

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

Date of the Meetings	Members present (M/s)				
	CRD	KNR	DPJ	RG	TK
24-04-2023	✓	NA	NA	✓	✓
04-05-2023	LOA	NA	NA	✓	✓
24-07-2023	✓	✓	NA	✓	-
30-10-2023	✓	✓	NA	✓	-
24-01-2024	✓	✓	NA	✓	-
20-03-2024	✓	✓	✓	-	-

“✓” - Attended the meeting; “LOA” – Leave of absence; “NA” – Not applicable

[CRD – Mr C R Dua, KNR – Mr K N Radhakrishnan, DPJ – Dr. Deepali Pant Joshi, RG – Mr R Gopalan (upto 2<sup>nd</sup> March 2024) and TK – Mr T Kannan (upto 23<sup>rd</sup> May 2023)]

## 4. Subsidiary companies

The Company has four wholly owned subsidiaries viz., Sundaram Auto Components Limited, TVS Digital Limited [formerly known as TVS Housing Limited], TVS Motor Services Limited and TVS Electric Mobility Limited.

It also has other subsidiaries viz., TVS Credit Services Limited and its three wholly owned subsidiaries viz., Harita ARC Private Limited, Harita Two-wheeler Mall Private Limited and TVS Housing Finance Private Limited.

During the year under review, the Company has acquired additional stake of 25% in Swiss E-Mobility Group (Holding) AG (“SEMG”), Switzerland through its overseas subsidiary viz., TVS Motor (Singapore) Pte. Limited on 9<sup>th</sup> June 2023 from the existing shareholders, thereby SEMG has become a wholly owned subsidiary of TVS Motor (Singapore) Pte Ltd. and the Company.

The foreign subsidiaries are TVS Motor (Singapore) Pte. Limited, TVS Digital Pte Ltd.; TVS Motor Company

(Europe) B.V., PT. TVS Motor Company Indonesia, The Norton Motorcycle Co Limited, UK, EBCO Limited, UK; Swiss E-Mobility Group (SEMG), its subsidiaries viz., Swiss E-Mobility Group (Schweiz) AG, Switzerland, Colag E-Mobility GmbH, Germany, Alexandr’RoEdouard’O Passion VeloSarl, Switzerland, The GO Corporation and its subsidiary viz., EGO Movement Stuttgart GmbH, Germany and Celerity Motor GmbH, Germany.

The Audit Committee reviews the financial statements and in particular the investments made by the said unlisted subsidiaries. The minutes of the Board meetings of the said unlisted subsidiaries, wherever applicable, are periodically placed before the Board.

The Committee is periodically informed about all significant transactions and arrangements entered into by all these unlisted subsidiaries.

#### Material Subsidiaries Policy

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 of 31<sup>st</sup> March 2024, the Company's Indian subsidiary, viz., TVS Credit Services Limited and overseas subsidiary viz., TVS Motor (Singapore) Pte Limited are covered within the definition of "unlisted material subsidiary" in terms of the Regulation 16(1)(c) of the Listing Regulations.

For the purpose of complying with the requirement of Regulation 24 of the Listing Regulations, the Company nominated one of the ID of the Company on the Board of TVS Credit Services Limited and TVS Motor (Singapore) Pte Limited, whose income/net worth exceeds of 20% of the consolidated income or net worth.

The Company has ensured that all the identified material subsidiaries incorporated in India have obtained secretarial audit report from a Company Secretary in Practice for FY 2023-24 and annexed with the annual report of the Company.

Copy of the Material Subsidiary policy is available on the Company's website in the link provided in page no. 186 of this Annual Report.

## 5. Disclosures

### 5.1 Materially significant related party transactions:

All transactions entered into with related parties (RPTs), as defined under the Act, 2013 and the Listing Regulations during the financial year 2023-24 were in the ordinary course of business and at arm's length and do not attract the provisions of Section 188 of the Act, 2013 and the rules made thereunder.

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

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

Details of material related party transactions are enclosed as part of accounts for the year ended 31<sup>st</sup> March 2024.

#### Related Party Transaction Policy

The Board has formulated a policy on related party transactions. The Audit Committee reviews and approves transactions between the Company

and related parties, as defined under the Listing Regulations, to ensure that the terms of such RPTs would reasonably be expected of transactions negotiated or at arm's length and in the ordinary course of business. The audit committee meets prior to each scheduled board meeting to review all RPTs of the Company on a quarterly basis.

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

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

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

Copy of the said Policy is available on the Company's website in the link as provided in page no. 186 of this Annual Report.

The Company has engaged an Independent Audit firm for ensuring correctness of the approach in complying with the criteria on arm's length price and ordinary course of business for all RPTs entered into by the Company from time to time.

### 5.2 Disclosure of accounting treatment:

Pursuant to the notification, issued by the Ministry of Corporate Affairs dated February 16, 2015 relating to the Companies (Indian Accounting Standards) Rules, 2015, the Company has adopted "IND AS" with effect from 1<sup>st</sup> April 2016. Accordingly, the financial statements for the year 2023-24 have been prepared in compliance with the said Rules.

### 5.3 Risk Management:

#### a) The Committee plays a crucial role in overseeing the Company's risk appetite, tolerance, and strategy.

This function is complemented by a well-established Risk Management Policy, which formalizes the Company's approach to managing material business

risks. The policy leverages a combined top-down and bottom-up approach to comprehensively identify, assess, monitor, and manage key risks across all business units.

**b) A robust risk management framework ensures regular internal reviews and reporting to the Board.**

This process involves identifying and prioritizing business risks based on their severity, likelihood of occurrence, and the effectiveness of current detection methods. The framework also monitors ongoing and potential risk exposures, the effectiveness of the risk management system itself, and adherence to Board-approved risk policies. Senior Management reviews these risks on a quarterly basis. Additionally, process owners are assigned for each risk, and metrics are developed to track and evaluate the effectiveness of mitigation strategies.

The Board is confident that the Company has adequate systems and procedures in place to effectively identify, assess, monitor, and manage risks. This confidence is further bolstered by the Company's Audit Committee, which reviews reports from management and recommends appropriate actions when necessary.

**Risk Management Committee:**

As of 31<sup>st</sup> March 2024, the Committee consists of the following Executive/Independent director/Officer viz., Mr K N Radhakrishnan, Director & CEO, Mr Sudarshan Venu, MD, Mr K Gopala Desikan, Chief Financial Officer and Mr Hemant Krishan Singh, Independent Director.

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

Date of the Meetings	Members present (M/s)				
	HKS	SV	LDG	KNR	KGD
07.07.2023	✓	LOA	✓	✓	✓
30.10.2023	✓	LOA	-	✓	LOA

"✓"- Attended the meeting ; "LOA" – Leave of absence

[HKS - Mr Hemant Krishan Singh, SV – Mr Sudarshan Venu, LDG – Mrs Lalita D Gupte (upto 22<sup>nd</sup> Oct 2023), KNR – Mr K N Radhakrishnan, KGD – Mr K Gopala Desikan]

**Scope:**

- (a) Overseeing and approving the Company's enterprise-wide risk management framework;
- (b) Overseeing/identifying/assessing of all risks that the Organization faces such as strategic, financial, credit, marketing, liquidity, security, property, IT, legal, regulatory, reputational;

During the year under review, Mr T Kannan, Independent Director, Chairman of the Committee upon demise on 23<sup>rd</sup> May 2023 and Mrs. Lalita D Gupte, Independent Director completed her tenure of office on 22<sup>nd</sup> October 2023 and thereby both the Directors ceased as members of the Committee.

Mr K N Radhakrishnan, Director and CEO was appointed as Chairman of the Committee effective 7<sup>th</sup> July 2023.

The composition of the Committee is in accordance with the requirements of Regulation 21 of the Listing Regulation. Mr K N Radhakrishnan, Director and CEO is the Chairman and Mr K S Srinivasan, Company Secretary acts as the Secretary of the Committee.

As per the Risk matrix - prioritization, financial impact on roll back of FAME II subsidy by March 2024, International Business Industry Risk on account of forex shortage, and currency depreciation, geo political issues and non-achievement of planned market share were reviewed including the mitigation plans for those critical risks.

**Cyber Threats:**

The Committee received regular updates on the key risk associated with technology, including notable incidents, regulatory developments, governance and strategy, as well as developments in the global cybersecurity threat landscape such as the risk in prominence of ransomware, and the progress of cyber-attack simulation exercises with senior executives and readiness training across all the Companies in the Group.

- (c) Evaluating that adequate risk management infrastructure is in place and capable of addressing those risks; and
- (d) Monitoring/overseeing the implementation of the risk management policy and reviewing the policy periodically

**Role:**

- (a) To identify, evaluate and mitigate the existing as well as potential risks to the Company and to recommend the strategies to the Board to overcome them;
- (b) To develop and implement action plans to mitigate the risks;
- (c) To oversee at such intervals as may be necessary, the adequacy of Company's resources, to perform its risk management responsibilities and achieve its objectives;
- (d) To review the risk management framework for the operations of the Company that are deemed necessary and Company's performance against the identified risks of the Company;
- (e) To formulate the strategies towards identifying any areas that may materially affect the Company's overall risk exposure and to review the risk management plan;
- (f) To adequately transmit necessary information with respect to material risks to Senior Executives/ Board/relevant Committees;
- (g) To check if Cyber security cover has been adopted by Information systems department; and
- (h) Such other items as may be prescribed by regulatory or by the Board, from time to time.

**5.4 Instances of non-compliances, if any:**

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.

**5.5 Disclosure by Senior Management Personnel:**

The Senior Management Personnel have made disclosures to the Board relating to all material, financial and other transactions stating that they did not have personal interest that could result in conflict of interest with the Company at large.

Particulars of senior management personnel of the Company:

S.no	Name of the Senior Management Personnel (M/s.)	Category
1.	K Gopala Desikan	Chief Financial Officer
2.	Sharad Mohan Mishra	President – Group Strategy
3.	Bernhard Heiming	Chief Technology Officer
4.	R Anandakrishnan	Group Head - ERM, HR & IT
5.	K S Srinivasan	Company Secretary

**5.6 CEO and CFO Certification:**

The Director & Chief Executive Officer and Chief Financial Officer of the Company have certified to the Board on financial and other matters in accordance with Regulation 33 of the Listing Regulations for the financial year ended 31<sup>st</sup> March 2024.

**5.7 Compliance with mandatory/non-mandatory requirements:**

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.

**5.8 Code of Conduct for Prevention of Insider Trading:**

In compliance with SEBI (Prohibition of Insider Trading) Regulations 2015, as amended, the Company has a comprehensive Code of Conduct for Prevention of Insider Trading and the same is being strictly adhered to by the Designated persons (DPs) while dealing in Company's securities in excess of the threshold limit as defined under this Code.

The Company also has in place a Code of Practices and Procedures for fair disclosure of "Unpublished Price Sensitive Information" (UPSI) and a Code of Conduct to regulate, monitor and report trading by insiders.

The Company follows closure of trading window from the end of every quarter till 48 hours the UPSI made public. The Company has been advising the DPs covered by the Code not to trade in Company's securities during the closure of trading window period. The Company has set up a mechanism for daily tracking of the dealings of equity shares of the Company by the DPs and their immediate relatives having access to unpublished price sensitive information. In addition, the Company is also closing the trading window for considering the UPSI at the Board meeting and advising the DPs connected with the UPSI.

The Audit Committee also reviewed the Institutional Mechanism for Prevention of Insider trading and the systems for internal control as per Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations 2015 and declarations from DPs affirming their compliance with the Code for the year 2023-24.

The Company has installed necessary software for maintaining a Structured Digital Database as per the circulars issued by the SEBI. The Company regularly shares the importance of recording the UPSI to the DPs concerned. All DPs have been requested to share emails or any communication containing UPSI with others only

for legitimate purposes. Wherever it is required, DPs are requested to record sharing of UPSI details with other employees, Auditors, Consultants within or outside the Company, marking a copy to a dedicated email ID. Emails marked to the specific mail ID can be accessed only by the intended users, till it is made public.

### 5.9 Management Discussion and Analysis Report, Familiarization Programme and Whistle Blower Policy:

All the above Report/Policies form part of the Directors' Report.

### 5.10 Whistle Blower Policy

The Company has cultivated a strong reputation over the years for conducting business with the utmost integrity. This commitment is reflected in our zero-tolerance policy for unethical behaviour. To uphold this standard, we have established a robust vigil mechanism that allows for the reporting of concerns in compliance with the Act and Listing Regulations. The Board's Audit Committee diligently oversees the functioning of this mechanism.

Whistleblowers are empowered to make protected disclosures through various channels. This system facilitates the reporting of actual or suspected instances of fraud or violations of the Company's Code of Conduct.

Copy of the said Policy is available in the Company's website in the following link is available in page no. 186 of this Annual Report.

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

Date of the Meetings	Members present (M/s)				
	CRD	BS	MX	LDG	TK
04.05.2023	LOA	NA	✓	NA	✓
31.05.2023	✓	NA	✓	✓	-
11.09.2023	✓	✓	✓	✓	-
24.01.2024	✓	✓	✓	-	-
20.03.2024	✓	✓	✓	-	-

“✓”- Attended the meeting ; “LOA” – Leave of absence; “NA” – Not Applicable;

[CRD – Mr C R Dua, BS – Mr B Sriram, MX – Mr Kuok Meng Xiong, LDG – Mrs Lalita D Gupte (upto 22<sup>nd</sup> Oct 2023) and TK – Mr T Kannan (upto 23<sup>rd</sup> May 2023) ]

### 6.3 The broad terms of reference of the NRC are as under:

- Guiding the Board for laying down the terms and conditions in relation to the appointment and removal of Director(s), Key Managerial Personnel

## 6. Nomination and Remuneration Committee (NRC)

The NRC assists the Board in its oversight of Board composition and the maintenance of an effective framework for succession planning. It also assists with the implementation of the Remuneration Policy, including the fixing of remuneration of the Executive Directors, Key Managerial Personnel (KMPs) (other than Directors) and Senior Managerial Personnel(SMPs)

### 6.1 Composition of the Committee:

As of 31<sup>st</sup> March 2024, NRC consists of the following Independent Directors viz., M/s C R Dua, Kuok Meng Xiong and B Sriram.

During the year under review, Mr T Kannan, Independent Director, ceased as a member of the Committee upon demise on 23<sup>rd</sup> May 2023.

Mrs Lalita D Gupte, Independent Director was appointed as a member of the Committee effective 25<sup>th</sup> May 2023 through a circular resolution and ceased wef 22<sup>nd</sup> October 2023 on completion of her tenure of Independent Directorship.

Mr B Sriram, Independent Director was appointed as a member of the Committee effective 7<sup>th</sup> July 2023 through a circular resolution.

Mr C R Dua, the Chairman of the Committee was present at the last AGM held on 24<sup>th</sup> July 2023 to answer the Shareholder queries.

Mr K S Srinivasan, Company Secretary acts as the Secretary of the Committee.

(KMP) and Senior Management Personnel (SMP) of the Company.

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

- Recommending to the Board on remuneration payable to the Director(s), KMP and SMP of the Company based on (i) the Company's structure and financial performance and (ii) remuneration trends and practices that prevail in peer companies across the automobile industry.
- Retaining, motivating and promoting talent amongst the employees and ensuring long term sustainability of talented SMP by creation of competitive advantage through a structured talent review.

### 6.4 The role/scope of NRC is as follows:

- To make recommendations to the Board with respect to incentive compensation plans for the Executive Director(s) and remuneration of Non-Executive Director(s) of the Company.
- To identify persons who are qualified to become Director(s), KMP and SMP of the Company.
- To recommend to the Board for the appointment/removal of Director(s), KMP and SMP of the Company.
- To formulate criteria for determining qualification, positive attributes and independence of a Director of the Company.
- To recommend to the Board a Policy for remuneration of Director(s), KMP and SMP of the Company.

### 6.5 Board and Committee Performance Evaluation

The NRC laid down the criteria for evaluating the performance of every Director, Committees of the Board and the Board as a whole and also the performance of KMP and SMP.

#### Board Performance Evaluation

- Composition, Size, and Expertise:** The Board's composition, size, and mix of skills and experience are assessed. The effectiveness of Board meetings is evaluated considering factors such as meeting frequency, discussion quality, decision-making processes, and follow-up actions.
- Information Quality and Governance:** The quality of information provided to the Board and its adherence to good governance practices are reviewed.
- Committee Performance:** The performance of various Board committees established for specific purposes is assessed.

#### Evaluation Methodology

The NRC prescribed a peer evaluation methodology using a set of questionnaires to assess the performance of individual directors, Board committees, the Chairman,

and the Board as a whole. The Board conducted the evaluation following this prescribed methodology.

#### Individual Director Evaluation

The performance of individual directors is evaluated based on their:

- Commitment to their role and fiduciary responsibilities as Board members.
- Attendance and active participation in Board meetings.
- Strategic and lateral thinking abilities.
- Professional contributions and recommendations provided to the Board.
- Leadership or participation in various Board committees.

#### Senior Management Performance

The performance of SMP is measured against their achievement of business plans approved by the Board throughout the financial year and their annual performance incentives tied to those achievements. All SMP evaluations are conducted consistently following the established criteria.

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

### 6.6 Remuneration Policy

The Nomination and Remuneration Policy has been placed on the website of the Company. The details of the website link is available on the Company's website as provided in page no. 186 of this Annual Report. The salient features of the policy are as follows:

NRC formulates policy to ensure that –

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Director(s) of the quality required to run the Company successfully;
- the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- the remuneration to Director(s), KMP and SMP of the Company involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

## 6.7 Remuneration to Directors:

### Executive Directors:

The remuneration payable to Managing Director (MD) and Director & CEO is fixed by the Board and are within the limits approved by the Shareholders in terms of the relevant provisions of the Act, 2013 read with Regulation 17 of the Listing Regulations.

Particulars of remuneration to Executive Directors for the financial year 2023-24:

Name of the Directors	Salary & Perks	Commission	Total
			(₹ In Cr)
CE & MD	0.84	-	0.84
MD	6.70	30.00	36.70
Director & CEO	4.70	15.80	20.50

There is no separate provision for payment of severance fees. The notice period is mutually agreed between these Directors and the Board. The tenure of office of Executive Directors is for five years from their respective dates of appointment/re-appointment.

Commission paid to the Directors are within the permissible limits approved by the Members and determined by the Board every year depending upon the performance of the Company.

### Non-Executive Directors:

#### Sitting fees

The Board at its meeting held on 5<sup>th</sup> May 2022 fixed the payment of sitting fees of ₹ 40,000/- each to the Non-Executive Directors for each of the Board and/or Committee meeting thereof attended by them, which is within the limits, prescribed under the Act, 2013, effective that date.

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.

The Board at its meeting held on 20<sup>th</sup> March 2024, approved the adoption of TVS Motor Company Employee Stock Option Plan ("ESOP Plan") by way of secondary acquisition of fully paid up equity shares of the Company through TVSM Employees Stock Option Trust. The approval of the shareholders for the implementation of ESOP Plan and secondary acquisition of equity shares are being sought by way of special resolutions through postal ballot and the voting results will be published post completion of voting period i.e. 10<sup>th</sup> May 2024.

### Commission

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

NRC Committee, in its meeting held on 8<sup>th</sup> May 2024, recommended the payment of commission to IDs within the permissible limit, in terms of the provisions of Sections 197/198 of the Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and as approved by the shareholders at the general meetings held on 11<sup>th</sup> August 2017.

A Commission of ₹ 30 lakh to all IDs; additionally, ₹ 5 lakh to those IDs serving as a Member of the Audit Committee; and ₹ 3 lakh and ₹ 2 lakh each to those IDs serving as a Member of the Risk Management Committee and other Committees respectively for the year 2023-24, as approved by the board at its meeting held on 8<sup>th</sup> May 2024. The amount of commission for every financial year will be decided by the Board, as approved by the shareholders at AGM held on 11<sup>th</sup> August 2017, 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.

The remuneration was determined by NRC considering the varying demands of the business, time commitment and other requirements of the role of Non-Executive Directors.

## 6.8 Particulars of sitting fees/commission paid to the Non-Executive and Independent/Non-Independent Directors during the financial year 2023-24 are as follows:

Name of the Directors (M/s)	Sitting Fees	Commission	Total
			(₹ in Lakh)
Prof. Sir Ralf Dieter Speth	3.20	-	3.20
C R Dua	7.60	39.00	46.60
Kuok Meng Xiong	4.40	32.00	36.40
Dr. Deepali Pant Joshi (From 11.09.2023)	3.20	17.05	20.25
Vijay Sankar (From 20.03.2024)	0.40	1.05	1.45
H K Singh	5.20	35.00	40.20
B Sriram	6.80	31.47	38.57
Dr. Lakshmi Venu	2.00	-	2.00
T Kannan (Upto 23.05.2023)	2.00	5.96	7.96
R Gopalan (Upto 02.03.2024)	6.00	34.07	40.07
Lalita D. Gupte (Upto 22.10.2023)	2.80	20.43	23.23
<b>Total</b>	<b>43.60</b>	<b>216.03</b>	<b>259.63</b>

6.9 None of the Non-Executive Directors hold shares of the Company as on 31<sup>st</sup> March 2024.

## 7. Stakeholders' Relationship Committee (SRC):

7.1 As of 31<sup>st</sup> March 2024, the Committee consists of the following Executive Directors viz., M/s Venu Srinivasan, Chairman Emeritus & Managing Director (CE & MD) and Sudarshan Venu, Managing Director (MD) and Independent Directors viz., M/s. Hemant Krishan Singh and C R Dua.

During the year under review, Mrs Lalita D Gupte, Independent Director completed her tenure of office on 22<sup>nd</sup> October 2023 and thereby she ceased as a member of the Committee.

Mr Hemant Krishan Singh, Chairman of the Committee was present at the last AGM held on 24<sup>th</sup> July 2023 to answer the Shareholder queries.

Mr K S Srinivasan, Company Secretary acts as the Secretary of the Committee.

7.2 During the year, the SRC Committee met on 30<sup>th</sup> October 2023. Except CE & MD, all other members attended the meeting.

7.3 As required by Listing Regulations, Mr K S Srinivasan, Company Secretary is the Compliance Officer of the Company, who oversees the redressal of investor grievances.

For any clarification/complaint, the Shareholders may contact the Company Secretary.

7.4 SRC oversees and reviews all the matters connected with share transfers, issue of duplicate share certificates and other issues pertaining to shares. SRC also looks into various aspects of interests:

- Resolving the grievances of the security holders relating to transfer/transmission of shares, non-receipt of Annual Report, non-receipt of declared

dividends, issue of new/duplicate certificates, general meetings etc.

- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Company, in order to expedite the process of share transfers delegated the power of share transfers to an officer of the Share Transfer Agent (STA). The Company, as a matter of policy, disposes of investors' complaints within a span of seven days.

7.5 Complaints received and redressed during the year 2023-24:

Nature of complaints	No. of complaints received and redressed
Non-receipt of Annual Report	1
Transmission of shares	2
Non receipt of demand draft in lieu of unclaimed dividend warrant	2
Non-receipt of IEPF Entitlement Letter	1
<b>TOTAL</b>	<b>6</b>

7.6 All the queries and complaints received during the financial year ended 31<sup>st</sup> March 2024, were duly redressed and no queries pending at the year end.

All requests for dematerialization of shares were carried out within the stipulated time period and no request for dematerializing the share certificates was pending.

#### 7.7 Reconciliation of Share Capital Audit:

A firm of Practising Company Secretary carries out Reconciliation of Share Capital (RSC) Audit on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The reports are being regularly placed before the board for its perusal.

The RSC audit reports confirmed that the total issued and listed capital was in agreement with the total number of shares in physical form and in dematerialized form held with NSDL and CDSL.

### 8. Corporate Social Responsibility Committee:

As on 31<sup>st</sup> March 2024, the Corporate Social Responsibility Committee consists of three Directors viz., M/s Venu Srinivasan, Sudarshan Venu and Vijay Sankar. Mr Venu Srinivasan is the Chairman of the Committee.

During the year under review, Mr T Kannan, Independent Director demise on 23<sup>rd</sup> May 2023 and Mr R Gopalan, member of the Committee resigned on 2<sup>nd</sup> March 2024 and ceased as members of the Committee.

Mr Vijay Sankar, Independent Director was appointed as a member of the Committee effective 20<sup>th</sup> March 2024.

The details of CSR Policy, initiatives and spending are disclosed in the Annexure - IV to the Directors Report.

During the year, the Committee met on 4<sup>th</sup> May 2023 and all the members were present at the meeting.

#### Amendment to various policies

The Board at its meeting held on 20<sup>th</sup> March 2024, has reviewed all the policies and amendments were made to the following policies in accordance with the requirements under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 to ensure their continued compliance with the latest regulatory amendments.

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

Date of the Meetings	Members present (M/s)				
	CE	BS	KNR	RG	TK
12.04.2023	✓	NA	✓	NA	LOA
24.07.2023	NA	✓	LOA	✓	-
30.10.2023	NA	✓	✓	✓	-
26.12.2023	NA	✓	LOA	✓	-
20.03.2024	NA	✓	✓	NA	-

✓- Attended the meeting LOA – Leave of absence NA – Not Applicable

[CE- Mr Venu Srinivasan (upto 07.07.2023), BS – Mr B Sriram KNR – Mr K N Radhakrishnan, RG – Mr R Gopalan (upto 02.03.2024), TK– Mr T Kannan (demise on 23.05.2023)]

- Code of conduct to Regulate, Monitor and Report Trading by Insiders
- Corporate Social Responsibility Policy
- Determination of materiality of an event Policy
- Dividend Distribution Policy
- Forex Policy
- Material Subsidiary Policy
- Nomination and Remuneration Policy
- Related Party Transaction Policy

The changes relate to the following:

- Compliance with law – pursuant to the recent amendments in the applicable law, adequate revisions have been carried out in the policies to ensure these changes are being reflected in the policies and are up to date with the rules and regulations in accordance with which the Company has formulated these policies. Further, the Company has attempted to expressly include the provisions under applicable law to make the policies more comprehensive.
- Structural changes – with an intention to bring out more clarity and to make the policies easier to interpret, the Company has carried out certain structural changes in certain policies. This increases the readability of the policies and ensures that the intention behind the provisions are laid out clearly.

### 9. Administrative Committee:

The Administrative Committee consist of two directors viz., M/s K N Radhakrishnan and B Sriram.

During the year under review, Mr T Kannan, Independent Director demise on 23<sup>rd</sup> May 2023, Mr R Gopalan, Chairman of the Committee resigned from the Directorship on 2<sup>nd</sup> March 2024 and Mr Venu Srinivasan, resigned as Chairman & Member of the Committee effective 7<sup>th</sup> July 2023, thereby the aforesaid Directors ceased as members of the Committee.

### 10. General body meeting:

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

Year	Venue of the meeting	Date	Time
2020-21	Through VC/OAVM	29.07.2021	01.30 PM
2021-22	Through VC/OAVM	27.06.2022	02.00 PM
2022-23	Through VC/OAVM	24.07.2023	03.30 PM

#### 10.2 Special resolutions passed in the previous three AGMs:

During the last three years, namely 2020-21 to 2022-23 none of approvals were obtained by passing special resolutions.

#### 10.3 Postal Ballot:

None of the subjects placed before the shareholders in the last/ensuing AGM required/requires approval by Postal Ballot. However, in terms of the Regulation 44 of the Listing Regulations and Section 108 of the Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company facilitated its members to exercise their right to vote through Remote e-Voting and e-Voting at the meeting for all the items approved at the AGM held on 24<sup>th</sup> July 2023.

During the year, the consent of the shareholders were sought for the by way of Ordinary/Special Resolution through Postal Ballot for the below items:

S.no	Date of notice	Items transacted	% of Votes cast in favour of the resolution	% of Votes cast against the resolution	Effective date of Passing of resolution
1.	11.09.2023	Re-appointment of Dr. Deepali Pant Joshi as a Non- Executive Independent Director for a term of five years (Special Resolution)	99.93%	0.07%	
		Re-appointment of Mr K N Radhakrishnan as a Director & Chief Executive Officer of the Company for a period of 5 years (Ordinary Resolution)	87.55%	12.45%	20.10.2023
2.	24.01.2024	Re-appointment of Mr R Gopalan (DIN : 01624555) as an Independent Director of the Company (Special Resolution)			Postal Ballot withdrawn due to resignation of Mr R Gopalan wef 2 <sup>nd</sup> March 2024.
3.	20.03.2024 (Special Resolutions)	Appointment of Mr Vijay Sankar (DIN: 00007875) as a Non-Executive Independent Director for a term of 5 (five) years			Results are expected to be announced on or after 10 <sup>th</sup> May 2024
		Appointment of Mr Shailesh Haribhakti (DIN: 00007347) as a Non-Executive Independent Director for a term of 5 (five) years			
		Approval of 'TVS Motor Company Employee Stock Option Plan ("TVSM ESOP Plan" or "Plan") to the eligible employees of the Company			
		Authorisation for secondary acquisition of equity shares of TVS Motor Company Limited by TVSM Employees Stock Option Trust for implementation of 'TVS Motor Company Employee Stock Option Plan' ("Plan") and providing financial assistance in this regard			

In accordance with General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020 read with other relevant circulars, including General Circular No. 3/2022 dated May 5, 2022, 11/2022 dated December 28, 2022 and 09/2023 dated 25<sup>th</sup> September 2023 issued by the Ministry of Corporate Affairs ("MCA Circulars") and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations, 2015), the above resolutions were passed by means of Postal Ballot including e-Voting.

All the above said Ordinary/Special Resolutions were passed with requisite majority of the shareholders on the last date of e-Voting. Voting results of Postal Ballot is available on the website of the Stock Exchanges and website of the Company.

#### 10.4 Person who conducted the Postal Ballot exercise:

Mr K Sriram, Practising Company Secretary (Membership no. F6312 and CP No. 2215), Chennai was appointed to act as the scrutinizer for conducting the above Postal Ballots and E-voting in a fair and transparent manner.

#### 10.5 Procedure for Postal Ballot:

- The Board of Directors, vide resolution dated 11<sup>th</sup> September 2023, 24<sup>th</sup> January 2024 and 20<sup>th</sup> March 2024 respectively, had appointed Mr K Sriram, Practising Company Secretary as the scrutinizer.
- The details of the dispatch of the Postal Ballot Notice together with Statement was completed on as per the below mentioned table along with forms and postage prepaid business envelopes to all the shareholders whose name(s) appeared on the Registers of Members/list of beneficiaries as on the 'Cut-off Date(s)'.
- The said notice(s) of Postal Ballot(s) have been sent in electronic mode to the Members, whose e-mail IDs were registered with the Company or the Depository Participants. Physical Ballot Forms were sent to (i) Members whose e-mail IDs are not registered with the Company or the Depository Participants and (ii) Members holding shares in physical form.
- Particulars of Postal Ballot forms received from the members using the electronic platform of NSDL were entered in a register separately maintained for the purpose.
- The Postal Ballot forms were kept under the safe custody of the Scrutinizer in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
- All Postal Ballot forms received by the scrutinizer up to 5.00 p.m. on the last date of e-voting have been considered for scrutiny.
- The Scrutinizer had submitted his report on after scrutiny and the results were announced as tabled below:

S.no	Postal Ballot (Board Meeting approved date)	Dispatch date	Cut-off Date	e-Voting period (9.00 a.m – 5.00 p.m.)
1.	11.09.2023	18.09.2023	14.09.2023	21.09.2023 to 20.10.2023
2.	24.01.2024	02.02.2024	31.01.2024	05.02.2024 to 05.03.2024
3.	20.03.2024	10.04.2024	05.04.2024	11.04.2024 to 10.05.2024

There is no immediate proposal for passing any resolution through postal ballot. However, if required, the same shall be passed in compliance of provisions of the Companies Act, 2013, the Listing Regulations or any other applicable laws.

## 11. Means of communication to shareholders

The board believes that effective communication of information is an essential component of corporate governance. The Company regularly interacts with shareholders through multiple channels of communication such as results announcement, annual report, media releases, Company's website and specific communications to Stock Exchanges, where the Company's shares are listed.

During the quarterly results, Director & CEO and CFO, make presentations to institutional investors, analysts and other investors. The presentations are made available on the Company's website.

#### 11.1 Quarterly results:

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

#### 11.2 Newspapers wherein results are normally published:

The results are normally published in English Newspapers viz., The Hindu, Business Line, The Times of India, Economic Times, Business Standard, The New Indian Express and Regional Newspaper viz., Dinamani and are also available on the website of the Company.

#### 11.3 Website:

The Company is maintaining a functional website [www.tvsmotor.com](http://www.tvsmotor.com). This website contains all the information and other details as may be required under the Regulation 46 of Listing Regulations. The Company ensures that the contents of this website are periodically updated.

#### 11.4 Press Release & Investor/ Analysts meet:

In addition, the Company makes use of this website for publishing official news release and presentations, if any, made to institutional investors/analysts, transcripts etc. No unpublished price sensitive information is discussed in the meeting with institutional investors and financial analysts.

## 12. General shareholder information:

#### 12.1 Annual general meeting :

Date and time : Tuesday, 6<sup>th</sup> August 2024 at 2.45 P.M. (IST), through Video Conferencing

#### 12.2 Financial year : 1<sup>st</sup> April to 31<sup>st</sup> March

Financial calendar : 2024-25  
 Financial reporting : Financial calendar against for the quarter ending  
 30<sup>th</sup> June, 2024 : Before 14<sup>th</sup> August, 2024  
 30<sup>th</sup> September, 2024 : Before 14<sup>th</sup> November, 2024  
 31<sup>st</sup> December, 2024 : Before 14<sup>th</sup> February 2025  
 31<sup>st</sup> March, 2025 : Before 30<sup>th</sup> May, 2025

#### 12.3 Particulars of dividend payment:

Particulars of dividend declaration/payment are disclosed in the Directors' Report. Dividends were declared in compliance with the Dividend Distribution Policy of the Company.

#### Dividend distribution policy

SEBI vide its circular No. SEBI/ LAD-NRO/ GN/ 2016-17/008 dated 8<sup>th</sup> July 2016 mandated the top 500 listed companies based on the market capitalization to formulate Dividend Distribution Policy which shall be disclosed in their annual reports and on their websites.

Accordingly, the Board at its meeting held on 24<sup>th</sup> January 2017 had formulated a Dividend Distribution Policy, the details of which are available on the Company's website in the link as provided in page no. 186 of this Annual Report.

#### 12.4 Listing on Stock Exchanges:

Name and address of the Stock Exchange	Stock Code/Symbol
BSE Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001. India Tel.: 91 22 2272 1233 Fax: 91 22 2272 1919	532343
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. India Tel.: 91 22 2659 8100 Fax: 91 22 2659 8120	TVSMOTOR
ISIN allotted by Depositories (Company ID Number) Equity	INE494B01023
Non- Convertible Debentures (NCD) listed with NSE	INE494B08036

(Note: Annual listing fees and custodial charges for the year 2023-24 were duly paid to the above Stock Exchanges and Depositories)

## 12.5 Market Price Data:

Month	NSE (Monthly) (In ₹)		BSE (Monthly) (In ₹)	
	High Price	Low Price	High Price	Low Price
April 2023	1184.40	1073.00	1184.45	1075.00
May 2023	1317.00	1137.05	1316.80	1138.55
June 2023	1384.80	1270.00	1384.55	1269.40
July 2023	1400.90	1293.50	1400.55	1294.00
August 2023	1436.40	1317.00	1436.00	1317.10
September 2023	1546.60	1414.05	1546.20	1410.05
October 2023	1634.00	1489.45	1640.00	1489.30
November 2023	1898.00	1554.50	1898.00	1555.00
December 2023	2058.50	1867.70	2058.05	1868.20
January 2024	2108.95	1923.05	2104.00	1923.75
February 2024	2186.00	1985.00	2185.00	1985.60
March 2024	2313.45	2005.80	2313.90	2006.45

## 12.6 Share price performance in comparison to broad based indices - NSE Nifty and BSE Sensex:

### SHARE PRICE MOVEMENT - NSE (HIGH)



### SHARE PRICE MOVEMENT - BSE (HIGH)



## 12.7 Share Transfer Agents and Share Transfer System:

- The Company has appointed Integrated Registry Management Services Limited, which has been registered with SEBI as Category-I Registrar & Transfer Agent (RTA) with Regn. No. INR000000544, as the Share Transfer Agent of the Company (STA) 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.
  - 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.
  - Shares lodged for transfers are normally processed within the prescribed time from the date of lodgement, if the documents are clear in all respects.
  - All requests for dematerialization of securities are processed and the confirmation is given to the depositories within the prescribed time. Grievances received from investors and other miscellaneous correspondence relating to change of addresses, mandates etc., is processed by STA within the prescribed time.
- Certificates are being obtained and submitted to the Stock Exchanges, on yearly basis, from a company secretary-in-practice towards due compliance of share transfer formalities by the Company within the due dates, in terms of Regulation 40(9) of the Listing Regulations.
  - Certificates have also been received from a company secretary-in-practice and submitted to the Stock Exchanges, on a quarterly basis, for timely dematerialization of shares of the Company and for reconciliation of the share capital of the Company, as required under SEBI (Depositories and Participants) Regulations, 1996.
  - The Company, as required under the Regulation 6(2)(d) of Listing Regulations, has designated the following e-mail IDs, namely [einward@integratedindia.in](mailto:einward@integratedindia.in), [incontactus@tvsmotor.com](mailto:incontactus@tvsmotor.com) in for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances.
  - A certificate signed by the Compliance Officer of STA and the Company Secretary towards maintenance of share transfer facility by STA in compliance with the Regulation 7(3) of the Listing Regulations have been obtained and the same have been submitted to the Stock Exchanges.
  - Shareholders are, therefore, requested to correspond with STA for transfer/transmission of shares, change of address and queries pertaining to their shareholding, dividend, etc., at their address given in this Report.

## 12.8 Shareholding pattern of the Company as on 31<sup>st</sup> March 2024:

Category of Shareholder	No. of shares held	%
<b>Promoter and Promoter Group</b>		
Individual	30,000	0.01
Bodies Corporate	23,87,82,786	50.26
<b>Total (A)</b>	<b>23,88,12,786</b>	<b>50.27</b>
<b>Public Shareholding</b>		
Mutual Funds	7,89,95,597	16.63
Banks/Financial Institutions/NBFCs	3,86,237	0.08
Insurance Companies	1,30,22,698	2.74
Foreign Institutional Investors/Foreign Portfolio Investors	9,89,45,232	20.83
Alternative Investment Funds	14,74,069	0.31
Public Provident Fund	23,62,110	0.50
<b>Total Institutions (B)</b>	<b>19,51,85,943</b>	<b>41.09</b>
Bodies Corporate	29,09,097	0.61
Individuals holding nominal capital in excess of ₹ 2 lakh	2,73,440	0.06
Individuals holding nominal capital up to ₹ 2 lakh	3,34,69,254	7.04
NRI	16,44,686	0.35
Foreign National (IND)	1,000	0.00
Directors & their relatives	53,380	0.01

Category of Shareholder	No. of shares held	%
Clearing members	53,991	0.01
Investor Education Protection Fund	16,24,574	0.34
Others	10,58,963	0.22
<b>Total Non-Institutions (C)</b>	<b>4,10,88,385</b>	<b>8.64</b>
<b>Total Public Shareholding (D) = (B+C)</b>	<b>23,62,74,328</b>	<b>49.73</b>
<b>Grand Total (A+D)</b>	<b>47,50,87,114</b>	<b>100.00</b>

#### 12.9 Distribution of Shareholding as on 31<sup>st</sup> March 2024:

Shareholding (Range)	No. of Members	%	No. of Shares	%
Upto 5000	2,66,312	99.416	2,90,45,847	6.114
5001-10000	604	0.225	43,87,441	0.924
10001-20000	307	0.115	44,41,236	0.935
20001-50000	238	0.089	75,81,541	1.596
50001-100000	148	0.055	1,11,43,565	2.346
100001 & above	268	0.100	41,84,87,484	88.085
	<b>2,67,877</b>	<b>100.000</b>	<b>47,50,87,114</b>	<b>100.000</b>

#### 12.10 Dematerialization of shares and liquidity:

The promoter and promoter group holding consisting of 23,88,12,786 Equity shares of ₹ 1/- each has been fully dematerialized. Out of 23,62,74,328 Equity Shares of ₹ 1/- each held by persons other than promoters, 23,44,82,897 Equity Shares have been dematerialized as on 31<sup>st</sup> March 2024 accounting for 99.24%.

#### 12.11 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.

#### 12.12 Other Disclosures

- Pecuniary relationships or transactions with IDs vis-a-vis the Company during the year under review, do not exceed the threshold limit as laid down under the Listing Regulations.
- During the year, there were no materially significant transactions with related parties that may have potential conflict with the interests of the Company at large.
- Company is a net exporter. 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.
- Company is not a dealer in Commodities. Prices payable to vendors for raw materials and components are negotiated based on internationally available data. Cost of manufacture of all products are reviewed at regular intervals and wherever required suitable price changes in two-wheeler and three-wheeler are done based on market conditions.
- Loans and advances in the nature of loans to firms/companies in which Directors are interests by name and amount – Nil
- Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). - Not Applicable

The Company has not entered into any commodity derivatives with any of the bankers and hence the disclosure of exposure in commodity risks faced by the company does not required, as directed in the SEBI Circular dated 15<sup>th</sup> November 2018.

#### 12.13 Plant Locations:

Hosur	: Post Box No. 4, Harita Hosur - 635 109, Tamilnadu Tel: 04344-276780 Fax: 04344-276878 Email: <a href="mailto:knr@tvsmotor.com">knr@tvsmotor.com</a>
Mysuru	: Post Box No.1 Byathahalli Village, Kadakola Post, Mysore - 571 311, Karnataka. Tel: 0821 – 2596561 Fax: 0821 – 2596550/2596551 Email: <a href="mailto:knr@tvsmotor.com">knr@tvsmotor.com</a>
Himachal Pradesh	: Village & Post Office Bhatian, Bharatgarh Road, Tehsil Nalagarh, District Solan, Himachal Pradesh – 174 101 Tel: 01795 – 220493 Fax: 01795 – 220496 Email: <a href="mailto:knr@tvsmotor.com">knr@tvsmotor.com</a>

#### 12.14 Address for investor correspondence:

(i) For transfer/dematerialization of shares, payment of dividend on shares and any other query relating to the shares of the Company	: Integrated Registry Management Services Limited, Share Transfer Agent (STA) Unit: TVS Motor Company Limited Chennai – 600 006
(ii) For non-receipt of annual report	: Email: <a href="mailto:einward@integratedindia.in">einward@integratedindia.in</a>
(iii) For investors' grievance & general correspondence	: Email: <a href="mailto:einward@integratedindia.in">einward@integratedindia.in</a> <a href="mailto:contactus@tvsmotor.com">contactus@tvsmotor.com</a>
(iii) Debenture Trustee	: Beacon Trusteeship Limited Address: 4C & D Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra East (E), Mumbai – 400051 E-mail: <a href="mailto:compliance@beacontrustee.co.in">compliance@beacontrustee.co.in</a>

#### 12.15 List of Credit Rating:

The Company is maintaining the existing credit rating viz., CARE AA+ for long term borrowings and Non- Convertible Debentures and CARE A1+ for short term borrowings and Commercial Papers.

#### 12.16 Certificate from Practicing Company Secretary:

The Company has received a certificate from the Secretarial Auditor of the Company stating that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

#### 12.17 Fees paid to Statutory Auditor on a consolidated basis:

During the year, the Company has paid ₹1.46 crore to the statutory Auditors for all services received by the listed entity and its subsidiaries, on a consolidated basis.

#### 12.18 Sexual Harassment at 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 2023-24, 1 case of sexual harassment was reported, and enquiry is in progress.

An Internal Committee (IC) is constituted by the Company in all its plants and Corporate Office 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.

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

The Company has been considered as 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.

SEBI vide its circular no. SEBI/HO/DDHS/DDHSRACPOD1/P/CIR/2023/172 dated 19 October 2023, revised the criteria for identifying LCs. The new threshold is on outstanding long-term borrowing of ₹ 1,000 crore or above compared to the previous limit of ₹ 100 crore or above. This revised framework came into effect on 1<sup>st</sup> April 2024 and the Company continues to be a LC as per the revised circular also.

However, the LCs identified as per the erstwhile circular, shall endeavour to comply with the requirement of raising 25% of their incremental borrowings done during FY 2022, FY 2023 and FY 2024 respectively by way of issuance of debt securities till March 31, 2024, failing which, such LCs are permitted to provide a one-time explanation in their Annual Report for FY 2024.

Considering the cash flow situation and a reduced need for additional borrowings post June 23, coupled with limited time frame provided by the circular, the Company has not pursued further issuance of listed debt securities during the year under review.

### 12.20 Disclosure of agreements:

Pursuant to Regulations 30A of the SEBI Listing Regulations an agreement entered on March 2024 was disclosed to the Stock Exchanges. This agreement does not adversely impact the Company's business in any way. The Company's ability to continue its current operations remains unaffected.

### 12.21 Details of material subsidiaries of the listed entity

Particulars	TVS Credit Services Limited	TVS Motor (Singapore) Pte Limited
Date of Incorporation	05.11.2008	19.02.2002
Place of Incorporation	Chennai, Tamil Nadu, India	Singapore
Name of the Auditor	Sundaram & Srinivasan (S&S)	Rama & Co LLP
Date of Appointment	12.11.2021	01.03.2004
Name of Joint Auditor	CNGSN & Associates LLP	-
Date of Appointment	25.11.2022	-

## 13 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:

#### 13.1 The Board:

Prof. Sir Ralf Dieter Speth, Non-Executive Director is the Chairman of the Company as on 31<sup>st</sup> March 2024 and is liable to retire by rotation as per the provisions of the Companies Act, 2013.

#### 13.2 Shareholder rights:

The half-yearly results of the Company are published in newspapers as soon as they are approved by the Board and are also uploaded in the Company's website namely [www.tvsmotor.com](http://www.tvsmotor.com). The results are not sent to the shareholders individually.

#### 13.3 Audit qualifications:

The Auditor's report on the financial statements of the Company are unmodified..

## 14. Request to the Shareholders

Shareholders are requested to follow the general safeguards/procedures as detailed hereunder in order for the Company to serve them efficiently and avoid risks while dealing in the securities of the Company.

#### 14.1 Demat of Shares:

Shareholders are requested to convert their physical holding to demat/ electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.

#### 14.2 Registration of Electronic Clearing Service (ECS) mandate:

SEBI has made it mandatory for all companies to use the bank account details furnished by the Depositories for payment of dividend through ECS to investors wherever ECS and bank details are available. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of/change in such bank details. Members who wish to change such bank account details are therefore

requested to advise their DPs about such change, with complete details of bank account.

ECS helps in quick remittance of dividend without possible loss/delay in postal transit. Shareholders, who have not earlier availed this facility, are requested to register their ECS details with the STA or their respective DPs.

#### 14.3 Transfer of shares:

In terms Listing Regulations securities of listed companies can only be transferred in dematerialised form with effect from April 1, 2019. In view of the above, members are advised to dematerialise equity shares held by them in physical form. The Securities and Exchange Board of India (SEBI) has also, vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2022/8 dated 25.01.2022, mandated listed Companies to issue the securities in dematerialized form only, while processing the following service request viz., Issue of duplicate securities certificate; Claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Subdivision/Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Members holding shares in physical form are requested to submit such service request in Form ISR 4 along with necessary documents/details specified therein, as prescribed by SEBI.

#### 14.4 Non furnishing of PAN, KYC details and Nomination

SEBI has mandated submission of PAN, KYC and nomination details by holders of physical securities by September 30, 2023, and linking PAN with Aadhaar by March 31, 2023 vide its Circulars dated November 3, 2021, December 14, 2021 March 16, 2023 and November 17,2023. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's RTA.

The forms for updating the same are available at the Company's website at [www.tvsmotor.com](http://www.tvsmotor.com). Members holding shares in electronic form are requested to submit the said details to their depository participant(s). The folios of holders of physical securities, wherein any one of the aforesaid document/details are not available on or after October 01, 2023 shall not be processed by our Registrar and Share Transfer Agent (RTA).

The securities in the frozen folios shall be:

- eligible to lodge grievance or avail service request from the RTA only after furnishing the complete documents/details as aforesaid.
- eligible for any payment including dividend, interest or redemption payment only through electronic mode and an intimation from the RTA

to the holder that the aforesaid payment is due and shall be made electronically upon complying with the aforesaid requirements.

If KYC details were not provided to us earlier, you are requested to send duly filled in Form ISR-1, ISR-2, ISR-3 (or) SH-13 along with Self Attested proofs, in support of your Application for Duplicate share certificate. These forms can be downloaded from <https://www.integratedindia.in> and by clicking on "RTA/STA".

#### 14.5 Registration of Nomination/opt out facility:

Under the provisions of Section 72 of the Companies Act, 2013 and SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/ CIR/2021/655 dated 3<sup>rd</sup> November, 2021 shareholder(s) is/are entitled to nominate in the prescribed manner, a person to whom his/her/their shares in the Company, shall vest after his/her/their lifetime. Members who are holding shares in physical form and are interested in availing this nomination facility may submit nomination in the prescribed Form SH-13 with the Company/RTA and any member who desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or Form SH-14, as the case may be, to the Company/RTA. The said forms are available at the Company's website at [www.tvsmotor.com](http://www.tvsmotor.com). In respect of shares held in dematerialized form, members may submit their nomination forms with their respective Depository Participants.

#### 14.6 Updation of KYC details:

Members are requested to note that in case of deletion of name of deceased shareholder, transmission and transposition of names in respect of shares held in physical form, submission of self-attested photocopy of PAN Card of the claimant(s), surviving holder(s), legal heir(s) and joint holder(s) respectively, along with necessary documents at the time of lodgement of request for transmission/transposition, is mandatory.

As required by SEBI, shareholders are requested to furnish details of their bank account number and name and address of the bank for incorporating the same in the warrants. This would avoid wrong credits being obtained by unauthorized persons.

Shareholders are requested to note that the dividends, not claimed for a period of seven years from the date they first became due for payment, shall be transferred to IEPF in terms of Section 124(6) of the Act, 2013 read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Accordingly, a sum of ₹ 62,58,811 being unclaimed dividend, was transferred to IEPF during the year 2023-24.

Shareholders, who have not encashed their dividend warrants, in respect of 1<sup>st</sup> Interim dividend declared for the year ended 31<sup>st</sup> March, 2018 and for any financial year thereafter may contact the Company and surrender their warrants for payment.

Information in respect of unclaimed dividends due for remittance into IEPF is given below:

#### Particulars of unclaimed dividend of the Company.

Financial Year	Date of declaration	Date of transfer to special account	Due date for transfer to the IEPF
2016-2017 2 <sup>nd</sup> Interim	06.03.2017	05.04.2017	05.04.2024
2017-2018 1 <sup>st</sup> Interim	01.11.2017	01.12.2017	01.12.2024
2017-2018 2 <sup>nd</sup> Interim	26.02.2018	28.03.2018	28.03.2025
2018-2019 1 <sup>st</sup> Interim	23.10.2017	22.11.2018	22.11.2025
2018-2019 2 <sup>nd</sup> Interim	11.03.2019	10.04.2019	10.04.2026
2019-2020 1 <sup>st</sup> Interim	04.02.2020	05.03.2020	05.03.2027
2019-2020 2 <sup>nd</sup> Interim	10.03.2020	09.04.2020	09.04.2027
2020-2021 1 <sup>st</sup> Interim	28.01.2021	27.02.2021	27.02.2028
2020-2021 2 <sup>nd</sup> Interim	24.03.2021	23.04.2021	23.04.2028
2021-2022 Interim	18.03.2022	17.04.2022	17.04.2029
2022-2023 Interim	24.01.2023	23.02.2023	23.02.2030
2023-2024 Interim	11.03.2024	10.04.2024	10.04.2031

In terms of SEBI circular dated 25<sup>th</sup> January 2022, the Company has issued letter of confirmations (LoC) in lieu of the original share certificates reported lost. The shareholders were requested to submit the LoC to the Depository Participant where they have opened Demat Account for getting the credit of shares in electronic form. However, one of shareholder holding 1,000 shares has failed to submit the LoC to his/her respective depository participant within 120 days from the date of issue.

Hence, the Company transferred such unclaimed shares entitled to the LoC in the suspense escrow account opened in compliance with SEBI guidelines dated 30<sup>th</sup> December 2022.

The voting rights on the shares outstanding in the suspense account shall remain frozen till the rightful owners claims the shares.

The dividend on the shares in the unclaimed suspense account will be remitted to the shareholders on their claiming the shares, till which time, the dividend will be available in the unpaid dividend bank account for a period of 7 years from date of transfer to respective accounts.

#### 15. Transfer of Shares to Investor Education and Protection Fund (IEPF) authority

As per Section 124(6) of the Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended from time to time, all the shares in respect of which dividend remain unpaid/unclaimed for seven consecutive years or more are required to be transferred to a Demat Account opened in the name of IEPF Authority with Punjab National Bank by the Ministry of Corporate Affairs.

During the year, the Company has sent individual notices to all the shareholders whose dividends are lying unpaid/unclaimed against their name for seven consecutive years or more and also advertised on the Newspapers seeking action from the shareholders. The lists of such shareholders were also displayed on the website of the Company.

In compliance with the aforesaid provisions, the Company transferred 23,853 shares on 12/05/2023 and 27,870 shares on 04/01/2024 to IEPF account bearing Demat Account No. 10656671 and DPID IN300708 which is opened with Punjab National Bank.

Necessary steps will be initiated by the Company to transfer shares held by the members to IEPF, if they the shareholders have not claimed their dividends within the due date(s) mentioned above. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF. As required under the said provisions, all subsequent corporate benefits that accrues in relation to the above shares will also be credited to the said IEPF Account.

In the event of transfer of shares and the unclaimed dividends to IEPF, shareholders are entitled to claim the same from IEPF by submitting an online application in the prescribed web based e-Form IEPF-5 available on the MCA website and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF-5, as per the following procedures:

1. Register yourself on MCA website and login to website of MCA at <https://www.mca.gov.in>.

2. After login, click on 'Investor Services' tab under 'MCA Services' section for filing the web-based form IEPF-5.
3. Fill the details in the web based e-form and attach the requisite documents in it. Save a copy of uploaded e-form and acknowledgement receipt generated with SRN. Take print of auto generated indemnity bond, IEPF Form IEPF-5, SRN and attachments.
4. Submit self-attested copy of e- form, copy of acknowledgement, Indemnity Bond in original along with other documents (cancelled cheque leaf, client master list, PAN card, Aadhar card, original share certificate, entitlement letter) as mentioned in the form to Nodal Officer (IEPF) of the company in an envelope marked "Claim for refund from IEPF Authority.
5. After scrutinizing the documents received, Nodal Officer of the company to verify the claim and furnish the e-verification report to the IEPF Authority within 15 days from the date of filing the claim.
6. On the basis of verification report refund will be released by the IEPF Authority in favour of claimant's Bank or Demat account through electronic transfer.

In the process, general information about the Company which have to be provided are as under.

- (a) Corporate Identification Number (CIN) of Company:- L35921TN1992PLC022845
- (b) Name of the company:- TVS Motor Company Limited
- (c) Address of registered office of the company: "Chaitanya" No. 12 Khader Nawaz Khan Road, Chennai 600 006.
- (d) email ID of the company:- [contactus@tvmotor.com](mailto:contactus@tvmotor.com)

Pursuant to Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amount lying with companies) Rules, 2012, the Company shall provide/host the required details of unclaimed dividend amount referred in relevant sections of the Act, 2013 on its website and also in the Ministry of Corporate Affairs (MCA) website in the relevant form every year.

#### Disclosure in respect of equity shares transferred in the Company's unclaimed suspense account

Pursuant to the requirement of Regulation 34(3) and Schedule V Part F of Listing Regulations, the following table provides the details in respect of the equity shares lying in the suspense account. During the year, the Company has already sent reminders to the shareholders for claiming those shares at their latest available address(es) with the Company or Depository, as the case may be.

All the corporate benefits in terms of securities accruing on those shares like bonus shares, split etc would also be credited to unclaimed suspense account of the Company. The voting rights on shares lying in unclaimed suspense account shall remain frozen till the rightful owner claims the shares.

Details	No. of Shareholders	No. of Shares
No. of shares in the Unclaimed suspense account as on 1 <sup>st</sup> April 2023.	96	65664
Add: No. of shares credited pursuant to Regulation 39(4) of Listing Regulation.	-	-
Less: No. of shares Transferred to the Shareholders on request during the year	4	2032
Less: No. of Shares transferred to IEPF A/c during the year.	4	2428
No. of shares in the Unclaimed suspense account as on 31 <sup>st</sup> March 2024.	88	61204

For and on behalf of the Board of Directors

**PROF. SIR RALF DIETER SPETH**

Chennai  
8<sup>th</sup> May 2024

Chairman  
DIN: 03318908

## LINKS TO COMPANY'S POLICIES

### 1. TERMS OF APPOINTMENT OF IDS

<https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/Terms-of-Appointment-of-IDs-Apr2020.pdf>

### 2. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

<https://www.tvsmotor.com/investors/financial-reports>

### 3. POLICY ON VIGIL MECHANISM/WHISTLE BLOWER POLICY

<https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/Whistle-Blower-Policy-Apr2020.pdf>

### 4. ANNUAL RETURN

<https://www.tvsmotor.com/annual-return>

### 5. CSR POLICY

<https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/Corporate-Social-Responsibility-Policy-Mar2024.pdf>

### 6. DIRECTORS FAMILIARIZATION PROGRAM

<https://www.tvsmotor.com/familiarisation-programme>

### 7. CODE OF BUSINESS CONDUCT AND ETHICS

<https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/CodeofBusinessConductandEthicspdf.pdf>

### 8. MATERIAL SUBSIDIARIES POLICY

<https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/Material-Subsidiary-Policy-Mar2024.pdf>

### 9. RELATED PARTY TRANSACTION POLICY

<https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/Related-Party-Transactions-Policy-Mar2024.pdf>

### 10. NOMINATION AND REMUNERATION POLICY

<https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/Nomination-and-Remuneration-Policy-Mar2024.pdf>

### 11. DIVIDEND DISTRIBUTION POLICY

<https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/Dividend-Policy-Mar2024.pdf>

## AUDITOR'S CERTIFICATE ON COMPLIANCE OF THE PROVISIONS OF THE CODE OF CORPORATE GOVERNANCE

To

The Shareholders of TVS Motor Company Limited,  
Chennai

We have examined the compliance of conditions of Corporate Governance by TVS Motor Company Limited, Chennai - 600006 ('the Company') for the year ended 31<sup>st</sup> March 2024 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Listing Regulations].

The compliance of conditions of Corporate Governance is the responsibility of Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

**S. USHA**

Partner

Membership Number: 211785  
UDIN: 24211785BKCSLO3839

Chennai  
8<sup>th</sup> May 2024

## COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS

To,

The shareholders of TVS Motor Company Limited,  
Chennai

On the basis of the written declarations received from members of the Board and Senior Management Personnel in terms of the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, it is hereby certified that both the Members of the Board and the Senior Management Personnel of the Company have affirmed compliance with the respective provisions of the Code of Business Conduct and Ethics of the Company as laid down by the Board for the year ended 31<sup>st</sup> March 2024.

Place: Chennai  
Date: 8<sup>th</sup> May 2024

**K N Radhakrishnan**  
Director & Chief Executive Officer  
DIN: 02599393

## CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

Dear Sirs/Madam,

We certify that we have reviewed the financial statements prepared based on the Indian Accounting Standards for the year ended 31<sup>st</sup> March 2024 and to the best of our knowledge and belief:

- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (2) these statements together present a true and fair view of the Company's affairs and are in compliance with applicable Indian Accounting Standards, Laws and Regulations.
- (3) no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
- (4) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies.
- (5) We have indicated to the Auditors and the Audit Committee:
  - a) significant changes, if any, in internal control over financial reporting during the year;
  - b) significant changes in accounting policies, if any, during the year and that the same have been disclosed in the notes to the financial statements; and
  - c) that there were no instances of significant fraud of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Chennai

Date: 8<sup>th</sup> May 2024

**K N Radhakrishnan**  
Director &  
Chief Executive Officer  
DIN: 02599393

**K Gopala Desikan**  
Chief Financial Officer

## CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34 (3) read with Schedule V Para C (10) (i) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members of  
TVS Motor Company Limited, [CIN: L35921TN1992PLC022845]  
"Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai - 600 006, Tamil Nadu, India.

We hereby certify that, in our opinion, none of the below named Directors who are on the Board of Directors of TVS MOTOR COMPANY LIMITED ("the Company") as on 31<sup>st</sup> March 2024 have been debarred or disqualified from being appointed or continuing as directors of Companies by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs, Government of India (MCA):

Sl.No.	Name of the Directors	Nature of Directorship	Director Identification Number (DIN)
1.	Prof. Sir Ralf Dieter Speth	Non-Executive Director	03318908
2.	Mr Venu Srinivasan		00051523
3.	Mr Sudarshan Venu	Executive Director	03601690
4.	Mr K N Radhakrishnan		02599393
5.	Mr C R Dua		00036080
6.	Dr. Deepali Pant Joshi		07139051
7.	Mr Kuok Meng Xiong	Independent Director	09117910
8.	Mr Vijay Sankar		00007875
9.	Mr Hemant Krishan Singh		06467315
10.	Mr B Sriram		02993708
11.	Dr. Lakshmi Venu	Non-Executive Director	02702020

We are issuing this certificate based on the following, which to the best of our knowledge and belief were considered necessary in this regard:

1. Information relating to the directors available in the official web site of MCA;
2. Disclosures/declarations/confirmations provided by the said directors to the Company;
3. Registers, records, forms and returns filed/ maintained by the Company; and
4. Information, explanation and representations provided by the Company, its officers and agents.

### Management's responsibility

The management of the Company is responsible to ensure the eligibility of a person for appointment/continuation as a Director on the Board of the Company.

### Our responsibility

Our responsibility is to express an opinion on this, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness of the process followed by the management of the Company with regard to appointment/continuation of a person as a Director of the Company.

For **S Krishnamurthy & Co**  
Company Secretaries

Firm Unique Identification No. P1994TN045300  
(Peer Review Certificate No.739/2020)

**K. SRIRAM**  
Partner

Membership No: F6312  
Certificate of Practice No: 2215  
UDIN: F006312F000332308

Chennai  
8<sup>th</sup> May 2024

## Form No. MR-3

### Secretarial Audit Report for the financial year ended 31st March 2024

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

To the Members of

#### TVS Motor Company Limited

[CIN: L35921TN1992PLC022845]

“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 **TVS MOTOR COMPANY LIMITED** ('the Company') **during the financial year from 1st April 2023 to 31st March 2024** ('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/statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i) Our **verification** of the books, papers, minute books and other records maintained by the Company and furnished to us and scanned copies of some of them provided to us through electronic form for our verification, forms and returns filed, and compliance related action taken by the Company during the financial year as well as after 31st March 2024 but before the issue of this audit report;
- (ii) **Compliance certificates** confirming compliance with all laws applicable to the Company, given by the key managerial personnel of the Company and taken on record by the Board of Directors; and
- (iii) **Representations** made, documents shown and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

We hereby report that, in our opinion, **during the audit period covering the financial year ended on 31st March 2024**, the Company:

- (i) has complied with the statutory provisions listed hereunder; and
- (ii) has 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 our letter of even date annexed to this report as Annexure – A.

### 1. Compliance with specific statutory provisions

#### We further report that:

- 1.1 We have examined the books, papers, Minute books and other records maintained by the Company, and the forms, returns, reports, disclosures and information filed or disseminated during the year, according to the applicable provisions/clauses of:
  - (i) The Companies Act, 2013, and the rules made thereunder ('the Act').
  - (ii) The Securities Contracts (Regulation) Act, 1956, and the rules made thereunder.
  - (iii) The Depositories Act, 1996, and the regulations and bye-laws framed thereunder.
  - (iv) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder ('FEMA'), to the extent of Overseas Direct Investment and External Commercial Borrowings.
  - (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations'):
    - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR');
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; and
    - (d) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021;
  - (vi) The listing agreements ('Agreements') entered into by the Company with the:

(a) National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) in relation to listing of its Equity shares;

(b) NSE in relation to listing of its Non-Convertible Debentures; and

(vii) Secretarial Standards issued by The Institute of Company Secretaries of India ('Secretarial Standards').

1.2 During the period under review, and also considering the compliance related actions taken by the Company after 31st March 2024, but before the issue of this report, **we hereby report that**, to the best of our knowledge and belief, and based on the records, information, explanations and representations furnished to us, the Company has generally complied with:

- (i) The applicable provisions of the Act, Rules and Regulations mentioned in paragraphs 1.1 (i) to 1.1 (iii) above.
- (ii) The applicable provisions of FEMA in respect of the ODI and ECB, mentioned in paragraph 1.1 (iv) above.
- (iii) The applicable provisions of SEBI Regulations and Agreements mentioned in paragraphs 1.1 (v) and (vi) above.
- (iv) The following Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards):
  - (a) On Meetings of the Board of Directors (SS-1) to the extent applicable to Board meetings; and
  - (b) On General Meetings (SS-2) to the extent applicable to the Annual General Meeting held on 24th July 2023, the Postal Ballot processes which concluded on 20th October 2023 and for a Postal Ballot process with respect to the re- appointment of an independent director which was withdrawn by the Company on 2nd March 2024, even before completion of the e-voting period, in view of the said independent director's resignation due to personal reasons before the expiry of his first term on 29th April 2024.

The Company has not adopted the Secretarial Standards on Dividend (SS-3) and the Secretarial Standards on Board's Report (SS-4) issued by the Institute of Company Secretaries of India, since they are not mandatory.

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

- I. The Company was not required to comply with the following on account of the non- occurrence of compliance - triggering events during the year:
  - (i) FEMA, to the extent of Foreign Direct Investment;
  - (ii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act, 2013, and dealing with clients;
  - (iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - (iv) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
  - (v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and
  - (vi) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.
- 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 paragraph 1.2 does not arise.

### 2. Board processes

#### We further report that:

- 2.1 The constitution of the Board of Directors of the Company during the year was generally in compliance with the applicable provisions of the Act.
- 2.2 As on 31st March 2024, the Board has:
  - (i) 3 (three) Executive Directors;
  - (ii) 2 (two) Non-Executive Directors (including 1 (one) Non-Executive Woman Director); and

(iii) 6 (Six) Independent Directors (including 1 (one) Independent Woman Director).

2.3 The processes relating to changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the applicable provisions of the Act.

2.4 Adequate notice was given to all the directors to enable them plan their schedule for the Board meetings. Notice of Board meetings were sent atleast 7 (seven) days in advance, except for 1 (one) meeting which was held at a shorter notice, in compliance with Section 173(3) of the Act.

2.5 Agenda and detailed notes on agenda were sent to the directors atleast 7 (seven) days before the Board meetings (except for some of the meetings which were held at a shorter notice) other than the following items, which were either circulated separately or at the Board meetings, and consent of the Board for so circulating them was duly obtained as required under SS-1:

- (a) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts/results, unaudited financial results and connected papers; and
- (b) Additional subjects/information/presentations and supplementary notes.

2.6 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.

2.7 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 Board member 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:

There are reasonably adequate systems and processes in the Company, commensurate with the Company's size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

### 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:

(a) Direct/ indirect investments in subsidiaries, new acquisitions and associate companies (Indian/ Foreign) as disclosed in the audited financial statement for the financial year ended 31<sup>st</sup> March 2024. This includes the following:

- (i) Swiss E-Mobility Group AG, Switzerland (SEMG) alongwith its three subsidiaries have become step-down as well as wholly-owned subsidiaries of the Company from 9<sup>th</sup> June 2023, through TVS Motor (Singapore) Pte Limited (TVSMS), a material wholly-owned subsidiary of the Company.
- (ii) Killwatt GmbH, Germany has become an Associate of TVSMS from 14<sup>th</sup> April 2023.
- (iii) ION Mobility Pte. Ltd. has become an Associate of TVSMS from 14<sup>th</sup> March 2024.

(b) The name of TVS Housing Limited, a wholly-owned subsidiary of the Company was changed to TVS Digital Limited with effect from 15<sup>th</sup> December 2023.

(c) Emerald Haven Realty Limited (EHRL), ceased to be an Associate of the Company with effect from 14<sup>th</sup> June 2023 consequent to the sale by the Company of its entire holding in EHRL.

(d) Tagbox Solutions Private Limited (TSPL), a Company incorporated in India, ceased to be an Associate of the Company with effect from 30<sup>th</sup> March 2024, consequent to the sale by the Company of its entire holding in TSPL.

(e) Redeemed 310 (Three Hundred and Ten) Unlisted, Unsecured, Zero Coupon Debentures (ZCDs), having face value of ₹ 1 crore each, amounting to ₹ 310 crore on 26<sup>th</sup> December 2023, which was issued to Sundaram Auto Components Limited (SACL), a wholly-owned subsidiary of the Company.

(f) Reduction of capital held in SACL, a wholly-owned subsidiary to the extent of 3,26,31,578 equity shares at a price ₹ 95/- per share, amounting to ₹ 310 crore, on 26<sup>th</sup> December 2023, with the approval of the National Company Law Tribunal, Chennai Bench.

(g) The Board of Directors at the meeting held on 20<sup>th</sup> March 2024, has approved the Scheme of Arrangement between the Company and its shareholders under Sections 230 to 232 of the Companies Act, 2013 ("Scheme"), which, inter-alia, provides for issuance and allotment of cumulative

Non-Convertible Redeemable Preference Shares (NCRPS) by way of bonus (4 NCRPS of ₹ 10/- each fully paid up of the Company for every 1 equity share of ₹ 1/- each fully paid up). The scheme is, inter-alia, subject to receipt of approval from the statutory, regulatory and customary approvals, including approvals from stock exchanges, jurisdictional National Company Law Tribunal ("NCLT"), and the shareholders and creditors (as applicable) of the Company.

(h) The Board of Directors at the meeting held on 20<sup>th</sup> March 2024, has approved implementation of the 'TVS Motor Company Employee Stock Option Plan', through the secondary acquisition of shares of the Company by TVSM Employee Stock Option Trust; and (ii) the provision of a loan to TVSM Employee Stock Option Trust to enable it to purchase the shares of the Company, in furtherance of the Plan. Approval of the

shareholders through postal ballot has been initiated on 20<sup>th</sup> March 2024 and the e- voting period is from 11<sup>th</sup> April 2024 to 10<sup>th</sup> May 2024.

(i) The Company has disinvested 31,69,773 Compulsorily Convertible Preference Shares (CCPS) held in TVS Credit Services Limited, a subsidiary of the Company on 27<sup>th</sup> September 2023 for a consideration of ₹ 100 crore.

For **S. KRISHNAMURTHY & CO.,**  
Company Secretaries  
(Peer Review Certificate No.739/2020)

**K SRIRAM**  
Partner

Membership No.: F6312  
Certificate of Practice No.: 2215  
UDIN: F006312F000331989

Place: Chennai  
Date: 8<sup>th</sup> May 2024

## Annexure – A to Secretarial Audit Report of even date

To the Members of

### TVS Motor Company Limited

[CIN: L35921TN1992PLC022845]

“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 31<sup>st</sup> March 2024, is to be read along with this letter.

### 1. Management’s Responsibility:

The Company’s management is responsible for maintenance of secretarial records, making the statutory/ regulatory disclosures/ filings and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards.

### 2. Secretarial Auditors’ Responsibility:

Our responsibility as a Secretarial Auditor is to express an opinion on the compliance with the applicable laws and maintenance of records based on our audit.

3. 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 auditing 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.
4. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after 31<sup>st</sup> March 2024 but before the issue of this report. This report may be read in conjunction with the annual secretarial compliance report required to be issued under the listing regulations.
5. We have considered compliance related actions taken by the Company based on independent legal/ professional opinion obtained as being in compliance with law.
6. 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.
7. We have not verified the correctness and appropriateness of financial statements, financial records and books of accounts of the Company.
8. We have obtained the Management’s representation about compliance of laws, rules and regulations and happening of events, wherever required.
9. 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.
10. 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 Auditing Standards.

For **S. KRISHNAMURTHY & CO.,**  
Company Secretaries  
(Peer Review Certificate No.739/2020)

### K SRIRAM

Partner

Membership No.: F6312

Certificate of Practice No.: 2215

UDIN: F006312F000331989

Place: Chennai

Date: 8<sup>th</sup> May 2024

## Secretarial Audit Report of TVS Credit Services Limited, a material subsidiary.

To

The Members

### TVS CREDIT SERVICES LIMITED

“Chaitanya”, No.12, Khader Nawaz Khan Road,  
Nungambakkam, Chennai - 600 006

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

### B CHANDRA

Company Secretary

Membership No. ACS 20879

Certificate of Practice No. 7859

UDIN: A020879F00031805

Peer Review Number 602/2019

Place: Chennai

Date: 8<sup>th</sup> May 2024

## Form No. MR-3

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31.03.2024

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

To  
the Members  
**TVS CREDIT SERVICES LIMITED**  
"Chaitanya", No.12, Khader Nawaz Khan Road,  
Nungambakkam, Chennai – 600 006.

Dear Sirs

I have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practice by TVS Credit Services Limited, (hereinafter called the Company).

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

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2024 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- iii) The provisions of The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iv) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable to high value debt listed entities.
- v) Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;

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

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

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c) The Securities and Exchange Board of India (Share based employee Benefits and Sweat Equity) Regulations, 2021 (with effect from 13<sup>th</sup> August 2021;
- d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
- f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

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

- (a) Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023 effective from October 2023 and other directions/ regulations issued by Reserve Bank of India applicable for Middle Layer NBFC;
- (b) Compliance under Prevention of Money Laundering Act, (PMLA) 2002 for the purpose of compliance with the obligations under Know your Customer Norms/ Anti-Money Laundering (AMC) standards & Fair Pricing Code (FPC) and Combating of Finance of Terrorism (CFT) obligations under PMLA, 2002;
- (c) Labour laws & Contract Labour (Regulations & Abolition) Act, 1970 as applicable;
- (d) Indian Stamp Act and Rules;
- (e) Motor Vehicles Act, 1938;

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

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

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

- i) The Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India in terms of Sub-Section 10 of Section 118 of the Companies Act, 2013, for the financial year under review;
- ii) The Company has listed its Commercial papers with National Stock Exchange of India Ltd. (NSE) pursuant to SEBI circular dated 22<sup>nd</sup> October, 2019. The Company has duly complied with the compliances as prescribed in the above-mentioned circular.

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

I further report that:-

- 1) The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors.
- 2) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and in case where meeting was held on shorter notice, necessary compliances as per the act and standards have been complied with and a system exists for seeking and obtaining further information and clarifications on the

agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

S No	Type of Security	No X Face Value each	Allotted on
1	Non convertible Debentures	22500 X 100000	28/06/2023
2	Non convertible Debentures	500 X 10000000	27/12/2023
3	Compulsorily Convertible Preference Shares	63,39,546 X 10	26/06/2023
4	Compulsorily Convertible Preference Shares	12045138 X 10	22/09/2023

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

**B CHANDRA**

Company Secretary  
Membership No. 20879  
Certificate of Practice No. 7859  
UDIN: A020879F000331761  
PEER REVIEW NUMBER 602/2019

Place: Chennai  
Date: 8<sup>th</sup> May 2024

# Independent Auditors' Report

for the year ended 31<sup>st</sup> March 2024

To the members of TVS Motor Company Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the Standalone financial statements of TVS Motor Company Limited ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2024, 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 Standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Standalone financial statements").

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 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, 2024, 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 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 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 on the standalone financial statements.

### Key Audit Matters

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

### Key Audit Matter Principal Audit Procedures

Key Audit matter	Principal Audit Procedure
<p><b>1. Government Grants</b></p> <p>Government has announced various Grants to manufacturers of automobiles. The company in turn is availing the said grants on fulfilling the conditions attached to that.</p> <p>The recognition of Government grants is considered to be key audit matter because of significance of amount of grants and management judgements involved in fulfilling the conditions to receive the grant.</p> <p>The management periodically reviews, during the year, compliance of relevant conditions attached to each grant whether there is a reasonable assurance that the grants will be received, in order to determine the timing and amounts of grants to be recognized in the financial statements.</p>	<p>Determined the appropriateness of the accounting policy for government grants as per the relevant accounting standard;</p> <p>Examined the Company's key internal financial controls over recognition of government grants with regard to its design and implementation. Tested the operating effectiveness of such controls for the transactions selected.</p> <p>Verified documents, on sample basis, submitted to the various government authorities relating to the grants received and receivable and checked the compliance of conditions attached to the respective grants.</p> <p>Considered the basis of management's judgement towards fulfilment of conditions attached to the grants and evaluated the reasonable assurance that grants will be received.</p> <p>Reviewed the appropriateness of the disclosures made in accordance with the relevant accounting standards.</p>

Key Audit matter	Principal Audit Procedure
<p><b>2. Investments</b></p> <p>The Company has significant investments in its subsidiaries and associates.</p> <p>Management reviews regularly whether there are any indicators of impairment of the investments by reference to the requirements under Ind AS 36 "Impairment of Assets".</p> <p>For investments where impairment indicators exist, significant judgments are required to determine the key assumptions used in the valuation model and methodology, such as revenue growth, discount rates, etc.</p> <p>Considering, the impairment assessment which involves significant assumptions and judgement of the management and the same has been considered as key audit matter.</p>	<p>Obtained and read the valuation report used by the management for determining the fair value ('recoverable amount') of its material investments.</p> <p>Considered the independence, competence and objectivity of the management specialist involved in determination of valuation.</p> <p>Tested the fair value of the investment as mentioned in the valuation report to the carrying value in books.</p> <p>Made inquiries with management to understand key drivers of the cash flow forecasts, discount rates, etc.</p> <p>Assessed the disclosures made in the financial statements regarding such investments to comply with the requirements of Standards.</p>
<p><b>3. Evaluation of Uncertain Direct tax and Indirect Tax positions:</b></p> <p>The Company has material uncertain tax positions, including matters under dispute relating Excise, Customs Duty, Value Added Tax (Indirect Taxes) and Income Tax (Direct Tax).</p> <p>These matters involve significant judgment to determine the possible outcome of these disputes</p>	<p>We obtained details of demands relating to Direct Tax and indirect tax, as on 31<sup>st</sup> March 2024.</p> <p>We considered legal precedence and other rulings, obtained external opinions and discussed with company's internal legal team in evaluating management's position on these uncertain tax positions.</p> <p>Satisfied ourselves that it is not probable that an outflow of economic benefits will be required and disclosed such obligation as a contingent liability</p>

### 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 the Management Discussion and analysis, Board's Report including annexures to Board's Report, Business Responsibility and Sustainability 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 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.

### Responsibilities of Management and Those Charged with Governance for the Standalone 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 Standalone 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 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 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, 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 Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditors' 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 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.
  - c. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts.;
  - d. In our opinion, the aforesaid Standalone 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 31<sup>st</sup> March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March

2024 from being appointed as a director in terms of Section 164(2) of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. The remuneration paid by the Company to its Directors is in accordance with the provisions of Section 197 of the Act and the same is not in excess of the limit laid down under 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 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 the impact of pending litigations on its financial position in its standalone financial statements - Refer Note No. 40 (a) to the standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - refer Note 30 (D) to the Standalone financial statements.
  - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - a. 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 42 (xii)), 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. 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 42 (xiii)), 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 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 (a) and (b) above, contain any material misstatement.
- v. The dividends declared and paid by the Company during the year are in accordance with section 123 of the Companies Act 2013.
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For **Sundaram and Srinivasan**  
Chartered Accountants  
Firm Registration No. 004207S

**S. USHA**  
Partner  
Place: Chennai  
Membership No.: 211785  
Date: 8<sup>th</sup> May 2024  
UDIN: 24211785BKCSLO3839

# Annexure A

to Independent Auditors' Report - 31<sup>st</sup> March 2024

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 Motor Company Limited on the Standalone Financial Statements for the year ended 31 March 2024, we report that:

- 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 3 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.
- e. According to the information and explanations 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 Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- 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. The discrepancies arising out of such physical verification did not exceed 10% or more in aggregate for each class of inventory and they have been properly dealt with in the books of accounts.

- 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 and statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

- iii. a. (A) The Company had provided guarantee to its Subsidiaries in earlier years.
- (B) The balance outstanding as on 31<sup>st</sup> March 2024 is ₹ 83.41 crores.

No guarantee was provided during the year.

- b. According to the information and explanations given to us and the records of the Company examined by us, the investments made, and guarantee provided are not prejudicial to the Company's interest.
- c. The company has not provided loans, advances in the nature of loans, and security to Companies, Firms, Limited Liability Partnerships or any other parties. Therefore, the requirement to report under clauses (iii) (d) to (f) of para 3 of the Order are 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 Act, in respect of Investments made and Guarantee provided .
- 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 Act and the rules made thereunder, to the extent applicable. Therefore, the clause (v) of para 3 of the order is not applicable to the Company.
- vi. According to the information and explanations given to us, the Central Government has prescribed the maintenance of cost records under Section 148(1) of the Act in respect of products manufactured by the Company.

We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records u/s 148 (1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have

been made and maintained. However, we have not made detailed examination of the records with a view to determine whether they are accurate or complete.

- 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
- b. According to the information and explanations given to us and the records of the Company examined by us, details of disputed taxes not deposited are as follows:

Rupees in Crores			
Name of the Statute / (Nature of dues)	Period of dues	Amount in ₹	Forum where dispute is pending
Central Excise Act, 1944 (Cenvat / Excise Duty)	1999-00 to 2004-05, 2011-12 and 2015-16	23.61	Central Excise and Service Tax Appellate Tribunal, Chennai/ Bangalore
Finance Act, 1994 (Service Tax)	2002-2014	0.91	Central Excise and Service Tax Appellate Tribunal, Chennai / Bangalore
Sales Tax / VAT Laws (Sales Tax)	1998 to 2016	0.26	Sales Tax Appellate Tribunal - Madhya Pradesh & Jharkand
			0.79
Goods and Service Tax Act	2017-18 to 2020-21	7.21	Assistant/Joint Commissioner (Appeals) - Bihar, Madhya Pradesh, Uttar Pradesh and West Bengal
			Commissioner (Appeals) - GST - Telangana, Rajasthan, Madhya pradesh, Delhi, Chattisgarh, Bihar & Andhra pradesh
Income Tax	AY 2016-17	3.58	Commissioner of Income Tax (Appeals)

- 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.
- 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 is not declared wilful defaulter by any bank or financial institution or any Lender.
  - 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.

statutory dues payable including Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Customs duty, duty of excise and Cess and other material statutory dues as applicable to the Company with the appropriate authorities.

- e. the Company has not taken funds from any entities and persons on account of or to meet the obligations of its subsidiaries or associates.
- f. the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies.
- 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 by way of initial public offer or further public offer (including debt instruments) during the year.
- 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 or fully or partially or optionally convertible debentures during the year.

- 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 Standalone 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 in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- 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 Standalone 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 the directors during the year 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, accordingly, reporting under clause 3(xvi)(b) of the order is not applicable
- 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 (xvi)(c) of the Order is not applicable to the Company.
- d. The Group does not have more than one Core Investment Company, as defined under Core Investment Companies (Reserve Bank) Directions 2016.
- xvii. According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, the Company has not incurred cash losses in the current year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year.
- xix. According to the information and explanations given to us and on the basis of the financial ratios disclosed in note no. 32 to the Standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone 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. 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 proviso to sub section 5 of Section 135 of the Act.
- 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.
- xxi. On the basis of review of Companies (Auditor's Report) Order (CARO) reports of the Companies incorporated

in India and included in the consolidated financial statement, we report that there are no qualifications or adverse remarks by the respective auditors in their CARO reports.

For **Sundaram and Srinivasan**  
Chartered Accountants  
Firm Registration No. 004207S

**S. USHA**  
Partner  
Place: Chennai  
Membership No.: 211785  
Date: 8<sup>th</sup> May 2024  
UDIN: 24211785BKCSLO3839

## Annexure B

to the Independent Auditors' Report - 31<sup>st</sup> March 2024

[Referred to in paragraph 2(f) of our "Report on Other legal and Regulatory Requirements" section of our report of even date]

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

1. We have audited the internal financial controls over financial reporting of TVS Motor Company Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Ind AS Standalone 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.

### Auditors' 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 Standalone 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 Standalone 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 Standalone 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 Standalone 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, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Sundaram and Srinivasan**  
Chartered Accountants  
Firm Registration No. 004207S

### S. USHA

Partner  
Place: Chennai  
Membership No.: 211785  
Date: 8<sup>th</sup> May 2024  
UDIN: 24211785BKCSLO3839

## Balance Sheet

as at 31<sup>st</sup> March 2024

	Notes	As at 31-03-2024	As at 31-03-2023
Rupees in crores			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	3,442.18	3,260.17
Capital work-in-progress	2	329.73	274.12
Other intangible assets	2	329.67	335.72
Intangible assets under development	2	600.41	353.61
Financial assets			
i. Investments	3	6,828.07	5,491.95
ii. Other financial assets	4	152.69	482.54
Non-Current tax assets (Net)		22.34	26.72
Other non-current assets	5	139.33	83.01
		<b>11,844.42</b>	<b>10,307.84</b>
<b>Current assets</b>			
Inventories	6	1,370.80	1,236.36
Financial assets			
i. Investments	3	163.19	191.92
ii. Trade receivables	7	1,302.14	979.29
iii. Cash and cash equivalents	8	485.83	234.35
iv. Bank balances other than (iii) above	9	45.13	7.61
v. Other financial assets	10	77.25	62.83
Other current assets	11	773.48	972.19
		<b>4,217.82</b>	<b>3,684.55</b>
<b>Total assets</b>		<b>16,062.24</b>	<b>13,992.39</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	47.51	47.51
Other equity	13	7,683.53	6,000.34
		<b>7,731.04</b>	<b>6,047.85</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings	14	986.91	1,211.54
ii. Lease liabilities		313.07	313.24
Provisions	15	205.87	175.88
Deferred tax liabilities (Net)	16	187.05	198.20
Other Non current liabilities		31.50	37.13
		<b>1,724.40</b>	<b>1,935.99</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
i. Borrowings	17	526.53	1,033.04
ii. Lease liabilities		137.11	105.54
iii. Trade payables	18		
a. Total outstanding dues of micro and small enterprises		34.80	45.42
b. Total outstanding dues of other than (iii) (a) above		5,077.37	4,085.14
iv. Other financial liabilities	19	126.95	121.65
Other current liabilities	20	526.63	513.29
Provisions	15	143.60	98.54
Current Tax Liabilities (net)		33.81	5.93
		<b>6,606.80</b>	<b>6,008.55</b>
<b>Total liabilities</b>		<b>8,331.20</b>	<b>7,944.54</b>
<b>Total equity and liabilities</b>		<b>16,062.24</b>	<b>13,992.39</b>
Material accounting policies	1		

See the accompanying notes to the financial statements

<b>PROF. SIR RALF DIETER SPETH</b> Chairman DIN: 03318908	<b>SUDARSHAN VENU</b> Managing Director DIN: 03601690	<b>K.N. RADHAKRISHNAN</b> Director & Chief Executive Officer DIN: 02599393	As per our report annexed For <b>Sundaram &amp; Srinivasan</b> Chartered Accountants Firm Regn. No.004207S
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Place: Chennai Date: 8 <sup>th</sup> May 2024	<b>K. GOPALA DESIKAN</b> Chief Financial Officer	<b>K.S.SRINIVASAN</b> Company Secretary	<b>S USHA</b> Partner Membership No.:211785
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## Statement of Profit and Loss

for the period ended 31<sup>st</sup> March 2024

	Notes	Year Ended 31-03-2024	Year Ended 31-03-2023
Rupees in crores			
I Revenue from operations	21	31,776.37	26,378.09
II Other income	22	148.53	100.57
<b>III Total income (I + II)</b>		<b>31,924.90</b>	<b>26,478.66</b>
IV Expenses:			
Cost of materials consumed	23	23,244.16	19,612.59
Purchase of stock-in-trade	23	389.37	378.00
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	(204.56)	5.21
Employee benefits expense	24	1,595.87	1,345.09
Finance costs	25	181.63	140.66
Depreciation and amortisation expense	26	700.35	631.23
Other expenses	27	3,237.42	2,362.51
<b>Total expenses</b>		<b>29,144.24</b>	<b>24,475.29</b>
<b>V Profit before exceptional items and tax (III - IV)</b>		<b>2,780.66</b>	<b>2,003.37</b>
VI Exceptional items		-	-
<b>VII Profit before tax (V + VI)</b>		<b>2,780.66</b>	<b>2,003.37</b>
VIII Tax expense / (credit)	28		
i. Current tax		702.08	503.65
ii. Deferred tax		(4.42)	8.69
<b>Total Tax expense (i+ii)</b>		<b>697.66</b>	<b>512.34</b>
<b>IX Profit for the year (VII - VIII)</b>		<b>2,083.00</b>	<b>1,491.03</b>
X Other comprehensive income			
A. Items that will not be reclassified to profit or loss:			
Remeasurements of post employment benefit obligations		(20.48)	(26.39)
Fair value changes of equity instruments		0.84	(13.66)
Income tax relating to the above items		5.02	9.37
B. Items that will be reclassified to profit or loss:			
Fair value changes on cash flow hedges		(6.84)	4.01
Income tax relating to the above item		1.72	(1.01)
<b>Other comprehensive income for the year, net of tax</b>		<b>(19.74)</b>	<b>(27.68)</b>
<b>XI Total comprehensive income for the year (IX + X)</b>		<b>2,063.26</b>	<b>1,463.35</b>
XII Earnings per equity share (Face value of ₹ 1/- each)			
Basic & Diluted earnings per share (in rupees)	36	43.84	31.38
Material accounting policies	1		

See the accompanying notes to the financial statements

<b>PROF. SIR RALF DIETER SPETH</b> Chairman DIN: 03318908	<b>SUDARSHAN VENU</b> Managing Director DIN: 03601690	<b>K.N. RADHAKRISHNAN</b> Director & Chief Executive Officer DIN: 02599393	As per our report annexed For <b>Sundaram &amp; Srinivasan</b> Chartered Accountants Firm Regn. No.004207S
Place: Chennai Date: 8 <sup>th</sup> May 2024	<b>K. GOPALA DESIKAN</b> Chief Financial Officer	<b>K.S.SRINIVASAN</b> Company Secretary	<b>S USHA</b> Partner Membership No.:211785

## Statement of Changes in Equity

### a Equity Share Capital

	Rupees in crores
<b>As at 01-04-2022</b>	<b>47.51</b>
Changes in Equity Share capital due to prior period errors	-
Restated balance as at 01-04-2022	47.51
Changes in equity share capital during the year	-
<b>As at 31-03-2023</b>	<b>47.51</b>
Changes in Equity Share capital due to prior period errors	-
Restated balance as at 01-04-2023	47.51
Changes in equity share capital during the year	-
<b>As at 31-03-2024</b>	<b>47.51</b>

### b Other Equity

Particulars	Reserves & Surplus			Other Reserves		Total
	General reserve	Capital reserve	Retained earnings	Equity Instruments Fair Valued through Other Comprehensive Income (FVTOCI)	Hedging reserve	
<b>Balance as at 01-04-2022</b>	865.64	6.43	3,891.46	12.65	(1.65)	4,774.53
Add: Profit for the year 2022-23	-	-	1,491.03	-	-	1,491.03
Add: Other comprehensive income for the year 2022-23	-	-	(19.75)	(10.93)	-	(30.68)
Less: Reclassification to profit or loss, net of tax	-	-	-	-	(1.65)	(1.65)
Less: Change in fair value of hedging instruments, net of tax	-	-	-	-	(1.35)	(1.35)
Less: Distribution to shareholders: 2022-23 Interim dividend paid	-	-	237.54	-	-	237.54
<b>Balance as at 31-03-2023</b>	<b>865.64</b>	<b>6.43</b>	<b>5,125.20</b>	<b>1.72</b>	<b>1.35</b>	<b>6,000.34</b>
Add: Profit for the period ended 31-03-2024	-	-	2,083.00	-	-	2,083.00
Add: Other comprehensive income for the year 2023-24	-	-	(15.33)	0.71	-	(14.62)
Less: Reclassification to profit or loss, net of tax	-	-	-	-	1.35	1.35
Less: Change in fair value of hedging instruments, net of tax	-	-	-	-	3.77	3.77
Less: Distribution to shareholders: 2023-24 Interim dividend paid	-	-	380.07	-	-	380.07
<b>Balance as at 31-03-2024</b>	<b>865.64</b>	<b>6.43</b>	<b>6,812.80</b>	<b>2.43</b>	<b>(3.77)</b>	<b>7,683.53</b>

### Nature and purpose of Other Reserves

- General reserve is available for distribution to shareholders.
- Capital reserve

	Rupees in crores
i. On Shares forfeited (₹ 55,200/-)	-
ii. On surplus arising out of amalgamation	6.43
	<b>6.43</b>

- Hedging Reserve - Refer Note No. 30 (D)

It represents the effective portion of the fair value of forward/option contracts designated as cashflow hedge

- FVTOCI reserve

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI reserve within equity.

See the accompanying notes to the financial statements

<b>PROF. SIR RALF DIETER SPETH</b> Chairman DIN: 03318908	<b>SUDARSHAN VENU</b> Managing Director DIN: 03601690	<b>K.N. RADHAKRISHNAN</b> Director & Chief Executive Officer DIN: 02599393	As per our report annexed For <b>Sundaram &amp; Srinivasan</b> Chartered Accountants Firm Regn. No.0042075
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Place: Chennai Date: 8 <sup>th</sup> May 2024	<b>K. GOPALA DESIKAN</b> Chief Financial Officer	<b>K.S.SRINIVASAN</b> Company Secretary	<b>S USHA</b> Partner Membership No.:211785
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# Cash Flow Statement

for the year ended 31<sup>st</sup> March 2024

Rupees in crores

	Year ended 31-03-2024	Year ended 31-03-2023
<b>A. Cash flow from operating activities:</b>		
Profit before tax	2,780.66	2,003.37
Add:		
Depreciation and amortisation for the year	700.35	631.23
(Profit) / loss on sale of property, plant and equipment (Net)	(2.63)	(2.82)
(Profit) on sale of investments (Net)	(145.39)	(22.01)
Loss / (Gain) on valuation of investment (Net)	26.93	(61.69)
(Gain) on lease preclosure (Net)	(4.75)	(0.01)
Unrealised exchange loss / (Gain) (Net)	10.82	0.63
Dividend income	(2.61)	(2.25)
Interest income	(18.88)	(6.21)
Finance cost	181.63	140.66
Provisions	52.98	2.60
	798.45	680.13
Operating profit before working capital changes	<b>3,579.11</b>	2,683.50
Adjustments for:		
Trade receivables	(329.85)	(11.01)
Inventories	(134.44)	(113.68)
Other current assets	198.71	(248.24)
Other financial assets	(24.68)	(23.23)
Trade payables	977.79	104.82
Other financial liabilities	5.14	(3.72)
Other current liabilities	15.46	79.64
Other non - current assets	(53.76)	7.39
	654.37	(208.03)
Cash generated from operations	<b>4,233.48</b>	<b>2,475.47</b>
Direct taxes paid (Net of refunds)	(616.19)	(482.61)
<b>Net cash from operating activities</b>	(A) <b>3,617.29</b>	<b>1,992.86</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of property, plant and equipment, intangible assets, including capital advances	(1,088.81)	(1,015.56)
Proceeds from sale of property, plant and equipment	33.31	18.74
Share application money paid	(121.19)	(445.41)
Investments in subsidiaries/Associates	(1,338.15)	(745.48)
Purchase of Other investments	(31.65)	(131.26)
Sale of Investments in subsidiaries/Associates	576.82	-
Sale / redemption of investments	54.06	-
Interest received	17.37	4.92
Dividends received	1.98	2.25
	(1,896.26)	(2,311.80)
<b>Net cash used in investing activities</b>	(B) <b>(1,896.26)</b>	<b>(2,311.80)</b>

Rupees in crores

	Year ended 31-03-2024	Year ended 31-03-2023
<b>C. Cash flow from financing activities:</b>		
Borrowings:		
Non-current borrowings availed	(289.49)	347.59
Current borrowings availed / (Repaid)	(440.00)	310.00
Other bank balances	(39.47)	65.03
Finance cost paid	(213.73)	(137.10)
Repayment of lease liabilities	(106.79)	(69.17)
Dividend paid	(380.07)	(291.81)
	(1,469.55)	224.54
<b>Net cash from financing activities</b>	(C) <b>(1,469.55)</b>	<b>224.54</b>
<b>Total (A+B+C)</b>	<b>251.48</b>	<b>(94.40)</b>
Cash and cash equivalents at the beginning of the year	234.35	328.75
Cash and cash equivalents at the end of the year (Refer Note No 8)	485.83	234.35
<b>D. Net decrease in cash and cash equivalents</b>	<b>251.48</b>	<b>(94.40)</b>

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

## Change in liability arising from financing activities:

Particulars	As at 01-04-2023	Cash flow	Foreign exchange movement	Amortisation	As at 31-03-2024
Non-current borrowings (Including current maturities)	1,804.58	(289.49)	(3.25)	1.60	1,513.44
Current borrowings	440.00	(440.00)	-	-	-

## Non-cash investing activities:

Particulars	2023-24	2022-23
Acquisition of right-of-use assets	160.55	125.85
Acquisition of investment	-	45.00

**PROF. SIR RALF DIETER SPETH**

Chairman  
DIN: 03318908

**SUDARSHAN VENU**

Managing Director  
DIN: 03601690

**K.N. RADHAKRISHNAN**

Director & Chief Executive Officer  
DIN: 02599393

As per our report annexed

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

**S USHA**

Partner

Place: Chennai

Date: 8<sup>th</sup> May 2024

**K. GOPALA DESIKAN**

Chief Financial Officer

**K.S.SRINIVASAN**

Company Secretary

Membership No.:211785

## Notes to the Financial Statements

### 1. Material Accounting Policies

The accounting policies mentioned herein are relating to the standalone financial statements of the Company.

#### a) Brief description of the Company

TVS Motor Company Limited ('the Company') is a public limited company incorporated and domiciled in India whose shares are publicly traded. The registered office is located at "Chaitanya", No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai 600 006, Tamil Nadu, India.

The Company manufactures two wheelers, three wheelers, parts and accessories thereof. The Company has manufacturing plants located at Hosur in Tamil Nadu, Mysuru in Karnataka and Nalagarh in Himachal Pradesh.

#### 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 31<sup>st</sup> March 2024 have been approved and authorized for issue by the board of directors at its meeting on 8<sup>th</sup> May 2024.

#### 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 are 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

The areas involving critical estimates or judgments are:

- i) Estimation of fair value of unlisted securities - Refer Note 29
- ii) Defined benefit obligation - Refer Note 33
- 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 40(a).

#### e) Revenue recognition

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

#### Sale of products

The Company earns revenue primarily from sale of automotive vehicles, parts and accessories.

Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

The Company's contracts with customers do not provide for any right to returns, refunds or similar obligations. The Company's obligation to repair or replace faulty products under standard warranty terms is recognised as a provision. (Refer Note 37)

Revenue is recognised when the performance obligations are satisfied and the control of the goods is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time the Company has a right to payment for the goods, customer has possession and legal title to the goods, customer bears significant risk and rewards of ownership and the customer has accepted the goods or the Company has objective evidence that all criteria for acceptance have been satisfied.

#### Sale of services

The Company also earns revenue from providing Technical / IT services and Royalty on usage of Company's technical knowhow.

In respect of Technical / IT service, the revenue is recognised on a time proportion basis as the customer simultaneously receives and consumes the benefits as the obligations are performed. Payment for the services provided are received as per the credit terms agreed with the customers. The credit period is

## Notes to the Financial Statements (Contd.)

generally short term, and thus there is no significant financing component.

In respect of Royalty, the performance obligation is, to provide the right-to-use the Company's technical knowhow by the customers, for which usage-based royalty is charged. Payment for the services provided is received as per the credit terms as agreed with the customers. The credit period is generally short term, and thus there is no significant financing component.

#### Warranty Obligations:

The Company provides warranties for products sold as per terms of the contract with ultimate customers. These warranties are considered as assurance type warranties and are accounted for under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets.

#### Significant judgements:

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

Property, plant and equipment (including land, building, furniture and fixtures, office equipment, vehicles, etc.) held for use in the production or supply of goods or services, or for administrative purposes. Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation /amortisation, and impairment if any. Cost includes purchase price, taxes and duties, labour cost and directly attributable overheads 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 credit of the tax is availed of.

Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for its intended use. 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 separate asset is derecognised when replaced. All other repairs and maintenance are charged to Profit and Loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised 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 recognised as profit or loss with in other income /expenses.

#### g) Depreciation and amortisation

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	5 to 61
Plant and machinery	5 to 29
Electrical equipment	15
Furniture and fixtures	10
Computers and information systems	3 to 4
Material handling equipment	5
Mobile phone	2
Vehicles	3 to 6

iii) Tools and dies are generally depreciated based on quantity of components manufactured, subject to a maximum of 5 years. Tools and dies used for low volume models are depreciated over a period of 9 years.

iv) Residual values and useful lives are reviewed, and adjusted, if appropriate, for each reporting period.

v) On property, plant and equipment added / disposed of 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 ₹ 5,000/- is provided at 100%.

## Notes to the Financial Statements (Contd.)

### h) Intangible assets

#### Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately and the estimated useful life is more than one year, is capitalised and carried at cost less accumulated amortisation and accumulated impairment losses.

#### Internally-generated intangible assets -:

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from development phase of internal project is recognised, if and only if, the conditions under the Ind AS 38 – Intangible Asset, are fulfilled. If the conditions are not fulfilled the same is recognised in profit and loss in the period in which it is incurred.

The intangible assets are amortised on straight line basis over its useful life, viz., 2-3 years in the case of software and 6 to 10 years in the case of Design, Development and Technical knowhow. The useful life of the Intangible assets are reviewed annually with respect to estimates and changes if any are, being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised as profit or loss with in other income /expenses.

### i) Impairment of Non-financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for, the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. 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. 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.

### j) Foreign currency translation

#### (i) 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.

#### (ii) Transactions and balances

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

- i) Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.
- ii) Non-monetary items denominated in foreign currency such as investments, Property, Plant and Equipment, etc., are valued at the exchange rate prevailing on the date of transaction. Non-monetary investments measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on account of such translation is recognized in OCI or Profit and Loss in line with the designation of the respective item.
- iii) Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

### k) Hedge accounting

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured 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 recognised assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

## Notes to the Financial Statements (Contd.)

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 29. Movements in the hedging reserve in shareholders' equity are shown in Note 30 (D). 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 and loss.

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 recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit and 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.

### l) Inventories

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

- i) Cost of raw materials, components, stores and spares are ascertained on a moving average basis.
- ii) Cost of finished goods and work-in-progress comprise of direct materials, direct labour and an appropriate proportion of variable and fixed overhead, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory includes cost of purchase and other cost incurred in bringing the inventories to the current location 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 and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.
- iii) Provision for slow and Obsolete inventory:
 

The company has a policy for identifying slow/non-moving inventory. Based on the policy value inventory is provided for obsolescence based on ageing.

### m) 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 measured 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 at the present value of the expected future payments to be made in respect of services provided by employee upto the end of

## Notes to the Financial Statements (Contd.)

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. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are charged to Profit and Loss account.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### 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 eligible senior managers; and
- b) Defined contribution plans 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 at the end of each reporting period 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.

Remeasurement 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 (net-off deferred tax). 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 and loss as past service cost.

### Provident fund:

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The provident fund contributions are made to an irrevocable trust set up by the Company. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the Government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year in which it is incurred.

### iv) Bonus plans:

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

### n) 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. 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 income tax is provided in full, using the balance sheet 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 and or loss. Deferred income

## Notes to the Financial Statements (Contd.)

tax is determined using tax rates (and laws) that have been enacted or substantively 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 liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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 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 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 Company is 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 as deferred tax assets.

### o) 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 and loss of the period in which it becomes available.

Government grants relating to the purchase of property, plant and equipment are included in current / non-current liabilities as deferred income and are credited to profit and loss on a straight-line basis over the expected lives of the related assets.

In case of waiver of duty under EPCG license, such grant is considered as revenue grant and recognized in statement of profit and loss on positive evidence of completion of export obligation as approved by the Regulatory Authorities.

The benefit of a government loan at a below market-rate of interest is treated as government grant and is measured as the difference between proceeds received and fair value of the loan.

### p) Dividends

Dividends are recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be reliably measured.

### q) Provisions and contingent liabilities

#### i) Provision:

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. 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 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.

## Notes to the Financial Statements (Contd.)

### iii) Warranty:

Provision is made for estimated warranty claims in respect of vehicles sold which are still under warranty at the end of the reporting period. These claims are expected to be settled from the next financial year. Management estimates the provision based on historical warranty claim information; and any recent trends that may suggest future claims could differ from historic and the dues which are payable within 12 Months is classified as current and others are non-current.

### r) Segment reporting

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

### s) 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 buildings, 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 payment 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 company's incremental borrowing rate is used, being the rate that

the Company 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 Company 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 and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The carrying amount of lease liability is reduced by net lease payments (i.e. lease payments net off finance cost).

Variable lease payments that depend on sales are recognised in profit and 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

## Notes to the Financial Statements (Contd.)

profit and 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.

### t) 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 financial institutions, 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 shown within borrowings in current liabilities in the balance sheet.

### u) 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.

### v) 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.

### w) Investments and Other financial assets

#### i) Classification

The Company classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through Fair Value Through Other Comprehensive Income (FVOCI), or Fair Value Through Profit or Loss (FVTPL)), and
- Those 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 flow.

#### ii) Measurement

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.

#### 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 at 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 / associates) 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

## Notes to the Financial Statements (Contd.)

reclassification of fair value gains and losses to 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 or loss, changes in the fair value of such financial assets are recognised in the statement of profit and loss.

### Investment in subsidiaries / associates:

Investment in subsidiaries / associates 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 methodology 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) Derecognition of financial assets

A financial asset is derecognised 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 assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred a financial 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.

### Interest Income:

Interest income from debt instruments is recognised 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.

### x) Financial Liabilities:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included under 'Finance costs'.

The effective interest method is a method of calculating the amortised 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.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

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 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.

## Notes to the Financial Statements (Contd.)

### y) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

### z) 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 realised or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realised 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.

### aa) Earnings Per Share (EPS):

Basic earnings per share is computed by dividing the 'profit attributable to ordinary equity shareholders' by the weighted average number of equity shares outstanding during the year/period. 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.

### 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## Notes to the Financial Statements (Contd.)

### 2 Property, Plant & Equipment and Other Intangible Assets - 31st March 2024

Rupees In crores

Description	Property, Plant & Equipment							Other Intangible			
	Land	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Right of Use Asset	Total	Software	Design Development	Total
Cost of assets											
Gross carrying value as at 01-04-2023	397.56	959.46	4,867.15	111.28	52.22	227.09	579.77	7,194.53	177.35	616.04	793.39
Additions	56.21	101.96	380.45	43.27	13.74	42.32	160.55	798.50	21.79	105.05	126.84
<b>Sub-total</b>	<b>453.77</b>	<b>1,061.42</b>	<b>5,247.60</b>	<b>154.55</b>	<b>65.96</b>	<b>269.41</b>	<b>740.32</b>	<b>7,993.03</b>	<b>199.14</b>	<b>721.09</b>	<b>920.23</b>
Sales / deletion	-	3.90	132.97	0.01	5.93	3.99	40.13	186.93	-	-	-
<b>Total</b>	<b>453.77</b>	<b>1,057.52</b>	<b>5,114.63</b>	<b>154.54</b>	<b>60.03</b>	<b>265.42</b>	<b>700.19</b>	<b>7,806.10</b>	<b>199.14</b>	<b>721.09</b>	<b>920.23</b>
Depreciation / Amortisation											
Upto 31-03-2023	-	313.66	3,149.17	76.41	32.77	166.29	196.06	3,934.36	133.42	324.25	457.67
For the year	-	38.49	350.66	12.15	9.00	32.68	124.48	567.46	36.59	96.30	132.89
<b>Sub-total</b>	<b>-</b>	<b>352.15</b>	<b>3,499.83</b>	<b>88.56</b>	<b>41.77</b>	<b>198.97</b>	<b>320.54</b>	<b>4,501.82</b>	<b>170.01</b>	<b>420.55</b>	<b>590.56</b>
Withdrawn on assets sold / deleted	-	2.93	103.75	-	4.70	3.99	22.53	137.90	-	-	-
<b>Total</b>	<b>-</b>	<b>349.22</b>	<b>3,396.08</b>	<b>88.56</b>	<b>37.07</b>	<b>194.98</b>	<b>298.01</b>	<b>4,363.92</b>	<b>170.01</b>	<b>420.55</b>	<b>590.56</b>
Carrying value											
As at 31-03-2024	453.77	708.30	1,718.55	65.98	22.96	70.44	402.18	3,442.18	29.13	300.54	329.67

- a) Cost of buildings includes ₹ 11.42 crores pertaining to buildings constructed on leasehold lands.
- b) Land includes lease hold land of ₹ 0.51 crores, whose ownership is transferrable at the end of the lease term.
- c) Borrowing cost capitalised during the year - 1.78 crores

#### Capital work-in-progress (at cost) as at 31-03-2024

Rupees in crores

(a) Building	58.44
(b) Plant & equipment	271.29
<b>Total</b>	<b>329.73</b>

#### Ageing of Capital work-in-progress as at 31-03-2024:

Particulars	Amount in Capital work-in-progress for a period of				Total
	<1 Year	1-2 years	2-3 years	More than 3 years	
Projects in progress	219.43	33.17	61.97	15.16	329.73

#### Intangible assets under development (at cost) as at 31-03-2024

Ageing of Intangible assets under development as at 31-03-2024

Particulars	Amount in Intangible assets under development for a period of				Total
	<1 Year	1-2 years	2-3 years	More than 3 years	
Projects in progress	345.38	168.61	64.86	21.56	600.41

Capital work-in-progress and Intangible asset under development:

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.

## Notes to the Financial Statements (Contd.)

### 2 Property, Plant & Equipment and Other Intangible Assets - 31st March 2023

Rupees In crores

Description	Property, Plant & Equipment							Other Intangible			
	Land	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Right of Use Asset	Total	Software	Design Development	Total
Cost of assets											
Gross carrying value as at 01-04-2022	226.17	870.30	4,600.48	95.08	40.01	197.20	453.96	6,483.20	156.18	567.06	723.24
Additions	171.39	90.27	391.70	16.86	13.78	36.18	125.85	846.03	40.96	50.44	91.40
<b>Sub-total</b>	<b>397.56</b>	<b>960.57</b>	<b>4,992.18</b>	<b>111.94</b>	<b>53.79</b>	<b>233.38</b>	<b>579.81</b>	<b>7,329.23</b>	<b>197.14</b>	<b>617.50</b>	<b>814.64</b>
Sales / deletion	-	1.11	125.03	0.66	1.57	6.29	0.04	134.70	19.79	1.46	21.25
<b>Total</b>	<b>397.56</b>	<b>959.46</b>	<b>4,867.15</b>	<b>111.28</b>	<b>52.22</b>	<b>227.09</b>	<b>579.77</b>	<b>7,194.53</b>	<b>177.35</b>	<b>616.04</b>	<b>793.39</b>
Depreciation / Amortisation											
Upto 31-03-2022	-	278.05	2,908.92	68.62	27.21	145.61	114.99	3,543.40	119.89	236.53	356.42
For the year	-	35.86	350.04	8.17	6.85	26.74	81.07	508.73	33.32	89.18	122.50
<b>Sub-total</b>	<b>-</b>	<b>313.91</b>	<b>3,258.96</b>	<b>76.79</b>	<b>34.06</b>	<b>172.35</b>	<b>196.06</b>	<b>4,052.13</b>	<b>153.21</b>	<b>325.71</b>	<b>478.92</b>
Withdrawn on assets sold / deleted	-	0.25	109.79	0.38	1.29	6.06	-	117.77	19.79	1.46	21.25
<b>Total</b>	<b>-</b>	<b>313.66</b>	<b>3,149.17</b>	<b>76.41</b>	<b>32.77</b>	<b>166.29</b>	<b>196.06</b>	<b>3,934.36</b>	<b>133.42</b>	<b>324.25</b>	<b>457.67</b>
Carrying value											
As at 31-03-2023	397.56	645.80	1,717.98	34.87	19.45	60.80	383.71	3,260.17	43.93	291.79	335.72

- a) Cost of buildings includes ₹ 35.11 crores pertaining to buildings constructed on leasehold lands.
- b) Land includes lease hold land of ₹ 0.51 crores, whose ownership is transferrable at the end of the lease term.
- c) Borrowing cost capitalised during the year - Nil

#### Capital work-in-progress (at cost) as at 31-03-2023

Rupees in crores

(a) Building	62.37
(b) Plant & equipment	211.75
<b>Total</b>	<b>274.12</b>

#### Ageing of Capital work-in-progress as at 31-03-2023

Particulars	Amount in Capital work-in-progress for a period of				Total
	<1 Year	1-2 years	2-3 years	More than 3 years	
Projects in progress	153.06	83.82	20.58	16.66	274.12

#### Intangible assets under development (at cost) as at 31-03-2023

Ageing of Intangible assets under development as at 31-03-2023

Particulars	Amount in Intangible assets under development for a period of				Total
	<1 Year	1-2 years	2-3 years	More than 3 years	
Projects in progress	216.68	109.39	22.93	4.61	353.61

Capital work-in-progress and Intangible asset under development:

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.

## Notes to the Financial Statements (Contd.)

### 3 Investments

#### 3A Non Current Investments

Sl. No.	Particulars	Subsidiary / Associate	No. of shares / units		Face Value	Currency	Rupees in crores	
			As at 31-03-2024	As at 31-03-2023			As at 31-03-2024	As at 31-03-2023
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(a)	<b>Investment in Equity Instruments:</b>							
	<b>Fair valued through OCI:</b>							
	<b>Quoted:</b>							
(i)	Ucal Fuel Systems Limited, Chennai		91,760	91,760	10.00	INR	1.33	1.00
	<b>Unquoted:</b>							
(ii)	Green Infra BTW Limited, New Delhi		32,50,000	32,50,000	10.00	INR	1.89	1.75
(iii)	TVS Lanka (Private) Limited, Colombo		50,00,000	50,00,000	10.00	LKR	4.48	4.38
(iv)	Green Infra Wind Power Projects Limited, New Delhi		1,11,600	1,11,600	10.00	INR	0.08	0.08
(v)	Green Infra Wind Power Generation Limited, New Delhi		2,16,000	2,16,000	10.00	INR	0.18	0.17
(vi)	Condivision Solutions Pvt. Limited, Bengaluru		6,760	6,760	10.00	INR	-	-
(vii)	Mulanur Renewable Energy Pvt. Limited, Chennai		15,000	15,000	10.00	INR	0.02	0.02
(viii)	Atria Wind Power Bijapur 1 Limited, Bengaluru		1,01,217	1,01,217	10.00	INR	2.00	2.00
(ix)	Altizon Systems Private Limited, Pune		10	10	10.00	INR	0.01	0.01
(x)	Roppen Transportation Services Private Limited, Hyderabad		10	10	1.00	INR	0.05	0.05
(xi)	Roppen Transportation Services Private Limited, Hyderabad <sup>§</sup>		23,985	23,985	10.00	INR	119.73	113.93
(xii)	Green Infra Wind Energy Generation Limited, Gurugram		28,45,000	23,45,000	10.00	INR	2.85	2.35
	<b>Valued at Cost (Unquoted):</b>							
(i)	Sundaram Auto Components Limited, Chennai	Subsidiary	1,19,37,422	4,45,69,000	10.00	INR	108.46	336.20
(ii)	TVS Motor Company (Europe) B.V., Amsterdam	Subsidiary	2,25,301	2,25,301	100.00	EUR	1.80	1.80
(iii)	TVS Motor (Singapore) Pte. Limited, Singapore	Subsidiary	67,16,85,616	42,01,55,810	1.00	SGD	3,576.68	2,021.12
(iv)	PT.TVS Motor Company Indonesia, Jakarta	Subsidiary	85,97,000	85,97,000	97,400.00	IDR	389.06	389.06
(v)	TVS Digital Limited, Chennai (Formerly known as TVS Housing Limited)	Subsidiary	30,50,000	50,000	10.00	INR	3.05	0.05
(vi)	TVS Motor Services Limited, Chennai	Subsidiary	14,96,33,814	14,96,33,814	10.00	INR	148.68	148.68
(vii)	TVS Credit Services Limited, Chennai	Subsidiary	19,54,24,754	19,54,24,754	10.00	INR	1,960.99	1,960.99
(viii)	TVS Credit Services Limited, Chennai <sup>§</sup>	Subsidiary	31,69,773	-	10.00	INR	100.00	-
(ix)	TVS Electric Mobility Limited, Chennai	Subsidiary	10,00,000	10,00,000	10.00	INR	1.00	1.00
(x)	Emerald Haven Realty Limited, Chennai	Associate	-	11,12,19,512	10.00	INR	-	111.22
(xi)	Ultraviolette Automotive Private Limited, Bengaluru	Associate	14,850	14,850	10.00	INR	11.00	11.00

## Notes to the Financial Statements (Contd.)

Sl. No.	Particulars	Subsidiary / Associate	No. of shares / units		Face Value	Currency	Rupees in crores	
			As at 31-03-2024	As at 31-03-2023			As at 31-03-2024	As at 31-03-2023
(xii)	Ultraviolette Automotive Private Limited, Bengaluru <sup>§</sup>	Associate	12,316	12,316	*	INR	110.00	110.00
(xiii)	Tagbox Solutions Private Limited, Bengaluru	Associate	-	45,710	1.00	INR	-	1.19
(xiv)	Tagbox Solutions Private Limited, Bengaluru <sup>§</sup>	Associate	-	3,83,983	16.00	INR	-	9.99
(xv)	DriveX Mobility Pvt Ltd., Coimbatore	Associate	9,766	9,766	10.00	INR	87.17	87.17
(xvi)	Indian Foundation for Quality Management, Bengaluru	Associate	2,50,00,000	-	10.00	INR	25.00	-
	<b>Total value of Equity Instruments (a)</b>						<b>6,655.51</b>	<b>5,315.21</b>
(b)	<b>Investments in Preference Shares (Unquoted):</b>							
	<b>Fair valued through OCI:</b>							
(i)	Axiom Research Labs Private Limited, Delhi		82	82	10.00	INR	-	-
(ii)	Pinnacle Engines Inc., USA (face value 0.01 cent)		24,09,638	24,09,638	0.0001	USD	-	-
	<b>Fair valued through Profit and Loss:</b>							
(iii)	TVS Motor Services Limited, Chennai	Subsidiary	5,00,00,000	5,00,00,000	10.00	INR	50.00	50.00
	<b>Total value of Preference shares (b)</b>						<b>50.00</b>	<b>50.00</b>
(c)	<b>Investment in Debt Instruments (unquoted):</b>							
	<b>Valued at Amortised Cost:</b>							
(i)	Fabric IOT Private Limited, Bengaluru					INR	17.79	16.28
	<b>Pension Funds / Government Securities</b>							
(ii)	ICICI Prudential Life Insurance Group Superannuation Fund, Mumbai					INR	6.63	6.39
(iii)	Life Insurance Corporation Pension Policy, Mumbai					INR	20.35	19.00
	<b>Fair valued through Profit and Loss:</b>							
(iv)	Fabric IOT Private Limited, Bengaluru					INR	45.00	45.00
	<b>Total value of Debt instruments (c)</b>						<b>89.77</b>	<b>86.67</b>
(d)	<b>Other non-current Investments (Unquoted):</b>							
	<b>Fair valued through OCI:</b>							
(i)	Autotech Fund I, L.P., USA					USD	32.79	40.07
	<b>Total value of other non-current investments (d)</b>						<b>32.79</b>	<b>40.07</b>
	<b>Total (a) + (b) + (c) + (d)</b>						<b>6,828.07</b>	<b>5,491.95</b>
	Aggregate amount of quoted investments and market value thereof						1.33	1.00
	Aggregate amount of unquoted investments						6,826.74	5,490.95
	<b>Total</b>						<b>6,828.07</b>	<b>5,491.95</b>

All investments are fully paid up.

<sup>§</sup> Preference shares in the nature of equity instruments

## Notes to the Financial Statements (Contd.)

*Particulars of preference shares held in Ultraviolette Automotive Private Limited, Bengaluru	No. of shares / units		Face Value (in ₹)
	As at 31-03-2024	As at 31-03-2023	
Series A2 Preference Shares	990	990	50,545
Series B Preference Shares	7,387	7,387	40,616
Series C Preference Shares	3,939	3,939	1,90,384
<b>Total</b>	<b>12,316</b>	<b>12,316</b>	

### 3B Current Investments

Sl. No.	Particulars	Subsidiary / associate	No. of shares / units		Face Value (in ₹)	Currency	Rupees in crores	
			As at 31-03-2024	As at 31-03-2023			As at 31-03-2024	As at 31-03-2023
(a)	<b>Investment in Equity Instruments Fair valued through Profit or Loss</b>							
	<b>Quoted:</b>							
(i)	TVS Supply Chain Solutions Limited, Chennai		1,05,62,200	1,06,62,200	1.00	INR	163.19	191.92
	<b>Total (a)</b>						<b>163.19</b>	<b>191.92</b>
	Aggregate amount of Quoted investments						163.19	191.92
	<b>Total</b>						<b>163.19</b>	<b>191.92</b>

All investments are fully paid up.

### 4 Other Financial Assets - Non Current

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Claims receivable Non Current	31.50	37.13
Share application money paid (pending allotment)	121.19	445.41
<b>Total</b>	<b>152.69</b>	<b>482.54</b>

### 5 Other Non-Current Assets

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Capital advances	125.91	69.70
Advances other than capital advances:		
Deposits made	13.42	13.31
<b>Total</b>	<b>139.33</b>	<b>83.01</b>

### 6 Inventories

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Raw materials and components	650.11	655.57
Goods-in-transit - Raw materials and components	44.99	107.41
Work-in-progress	48.89	46.06
Finished goods	466.13	255.24
Stock-in-trade	104.70	113.86
Stores and spares	55.98	58.22
<b>Total</b>	<b>1,370.80</b>	<b>1,236.36</b>

## Notes to the Financial Statements (Contd.)

### 7 Trade Receivables

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Secured, considered good	14.13	11.53
Unsecured, considered good*	1,288.01	967.76
Receivables which have significant increase in credit risk	28.13	26.93
	<b>1,330.27</b>	<b>1,006.22</b>
Less: Loss allowance	28.13	26.93
	<b>1,302.14</b>	<b>979.29</b>

\* Includes balances with related parties [Refer Note 34 (c)(i)]

#### (i) Ageing for trade receivable as on 31.03.2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,009.64	279.69	7.12	4.11	1.58	1,302.14
(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	-	-	1.08	1.31	25.74	28.13
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>1,009.64</b>	<b>279.69</b>	<b>8.20</b>	<b>5.42</b>	<b>27.32</b>	<b>1,330.27</b>

#### (ii) Ageing for trade receivable as on 31.03.2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	724.77	224.44	14.47	15.34	0.27	979.29
(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	-	-	1.08	1.31	24.54	26.93
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>724.77</b>	<b>224.44</b>	<b>15.55</b>	<b>16.65</b>	<b>24.81</b>	<b>1,006.22</b>

### 8 Cash and Cash Equivalents

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Balances with banks	235.62	234.20
Cash on hand	0.21	0.15
Cash equivalents:		
Deposits with maturity of less than three month from the date of deposit.	250.00	-
	<b>485.83</b>	<b>234.35</b>
<b>Cash and cash equivalents for the purpose of cash flow statement</b>	<b>485.83</b>	<b>234.35</b>

## Notes to the Financial Statements (Contd.)

## 9 Other Bank Balances

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Earmarked balances with banks	45.02	7.51
Deposits with maturity of more than three month and less than one year from the date of deposit	0.11	0.10
	<b>45.13</b>	<b>7.61</b>

## 10 Other Financial Assets - Current

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Unsecured, considered good:		
- Employee advances	11.75	11.16
- Other bank balances (Bank deposit)	2.09	0.14
- Security deposits	37.72	21.80
- Claims receivable	25.69	23.82
- Hedge asset - receivable	-	5.91
	<b>77.25</b>	<b>62.83</b>

## 11 Other Current Assets

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Balances with tax authorities	424.99	370.72
Prepaid expense	71.44	50.50
Vendor advance*	109.94	73.01
Trade deposits	0.89	0.67
Incentive receivable from government^	182.61	472.10
Employee benefit assets (Refer Note 33)	4.77	7.42
	<b>794.64</b>	<b>974.42</b>
Less: Loss allowance	21.16	2.23
	<b>773.48</b>	<b>972.19</b>

\* Includes balances with related parties [Refer Note 34(c)(i)]

^ Includes EV subsidy receivable of ₹ 148.62 crores (Previous Year ₹ 448.40 crores)

## 12 Equity Share Capital

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

Particulars	As at 31-03-2024		As at 31-03-2023	
	Number	Rupees in crores	Number	Rupees in crores
<b>Authorised:</b>				
Equity shares of ₹ 1/- each	50,00,00,000	50.00	50,00,00,000	50.00
Issued, subscribed and fully paid up:				
Equity shares of ₹ 1/- each	47,50,87,114	47.51	47,50,87,114	47.51
	<b>47,50,87,114</b>	<b>47.51</b>	<b>47,50,87,114</b>	<b>47.51</b>

## Notes to the Financial Statements (Contd.)

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

Particulars	As at 31-03-2024		As at 31-03-2023	
	Number	Rupees in crores	Number	Rupees in crores
Shares outstanding at the beginning of the year	47,50,87,114	47.51	47,50,87,114	47.51
Shares issued during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>47,50,87,114</b>	<b>47.51</b>	<b>47,50,87,114</b>	<b>47.51</b>

## (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 31-03-2024		As at 31-03-2023	
		No. of shares held	% of holding	No. of shares held	% of holding
TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited) (Holding Company)	Equity	23,87,82,786	50.26	23,87,82,786	50.26

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

Name of shareholder	Class of share	As at 31-03-2024		As at 31-03-2023	
		No. of shares held	% of holding	No. of shares held	% of holding
ICICI Prudential Mutual Fund	Equity	3,75,37,940	7.90	4,67,41,798	9.35

## (f) Shares held by Promoters at the end of the year 31-03-2024

Promoter name	Class of share	As at 31-03-2024		As at 31-03-2023		
		No. of shares held	% of holding	No. of shares held	% of holding	% change during the year
TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited)(Holding Company)	Equity	23,87,82,786	50.26	23,87,82,786	50.26	-

## 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	% change during the year
Sundaram-Clayton Limited	Equity	23,87,82,786	50.26	23,87,82,786	50.26	-

## Notes to the Financial Statements (Contd.)

### 13 Other Equity

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
General reserve	865.64	865.64
Capital reserve	6.43	6.43
Retained earnings	6,812.80	5,125.20
Other Reserves	(1.34)	3.07
	<b>7,683.53</b>	<b>6,000.34</b>

### 14 Non-Current Liabilities - Financial Liabilities - Borrowings

Description	Frequency	No. of instalments due	Maturity	Rupees in Crores	
				As at 31-03-2024	As at 31-03-2023
<b>Secured:</b>					
State owned corporation	Specific Period	2	Apr 2030	9.68	84.68
<b>Unsecured:</b>					
Non Convertible Debentures - I	-	-	-	-	499.93
Non Convertible Debentures - II	End of Tenure	1	Mar 2026	124.87	124.81
Non-Convertible Zero Coupon Debentures #	-	-	-	-	310.00
Term loan from Bank - I	Quarterly	12	Mar 2027	429.96	479.93
Term loan from Bank - II	Quarterly	8	Mar 2026	199.56	199.20
Term loan from Bank - III	Quarterly	10	July 2026	187.38	-
Term loan from Bank - IV	Quarterly	8	May 2026	499.08	-
ECB Loan from Bank	-	-	-	-	27.39
Sales Tax Deferral	Yearly	4	Jun 2027	62.91	78.64
<b>Total Long-term Borrowings:</b>				<b>1,513.44</b>	<b>1,804.58</b>
Less: Current Maturities of Long-term Borrowings				526.53	593.04
<b>Total Long-term Borrowings (net)</b>				<b>986.91</b>	<b>1,211.54</b>

Details of securities created:

- (i) Soft loan - State owned corporation viz., SIPCOT - First charge on the specific plant and equipment and also secured by equitable mortgage created by way of deposit of title deeds of land.

# due to related parties [Refer Note 34 (b)(xii)].

Amount payable in each instalment:

Description	Currency	Amount*	Rate of Interest
State owned corporation	INR	₹ 4.45 crores and ₹ 5.22 crores (Two instalments between April 2026 and April 2030)	0.10%
Non Convertible Debentures - II (12500 numbers, face value of ₹ 1 lakh each)	INR	₹ 125 crores at the end of the term - March 2026	Repo Rate plus Margin
Term Loan from Bank - I	INR	12 quarterly unequated instalments from 28 <sup>th</sup> June 2024	6.30%
Term Loan from Bank - II	INR	8 quarterly equated instalments beginning from 30 <sup>th</sup> June 2024	Repo Rate plus Margin
Term loan from Bank - III	INR	10 quarterly unequated instalments from 30 <sup>th</sup> June 2024	Repo Rate plus Margin
Term loan from Bank - IV	INR	8 quarterly equated instalments beginning from 31 <sup>st</sup> August 2024	Repo Rate plus Margin
Sales tax deferral	INR	₹ 15.73 crores per annum from June - 2024 to June - 2027	Nil

\* undiscounted cash outflows

## Notes to the Financial Statements (Contd.)

### 15 PROVISIONS

Particulars	As at 31-03-2024		As at 31-03-2023	
	Current	Non-current	Current	Non-current
Provision for employee benefits:				
(a) Pension	65.85	100.25	48.39	94.44
(b) Leave salary	11.51	83.54	8.82	67.66
Others:				
(a) Warranty	66.24	22.08	41.33	13.78
	<b>143.60</b>	<b>205.87</b>	<b>98.54</b>	<b>175.88</b>

### 16 Deferred Tax Liabilities (NET)

The balance comprises temporary differences attributable to:

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
<b>Deferred tax liability consists of tax impact on:</b>		
- Depreciation	324.87	290.80
- Others	19.49	33.81
<b>Total deferred tax liability (A)</b>	<b>344.36</b>	<b>324.61</b>
<b>Deferred tax asset consists of tax impact on:</b>		
- Employee Benefits expense	49.14	42.82
- Warranty provision	23.95	15.59
- Others	84.22	68.00
<b>Total deferred tax assets (B)</b>	<b>157.31</b>	<b>126.41</b>
<b>Net deferred tax liability (A)-(B)</b>	<b>187.05</b>	<b>198.20</b>

### Movement in deferred tax:

Particulars	Rupees in Crores		
	Depreciation	Others	Total
<b>As at 31-03-2022</b>			197.87
<b>Charged/(credited):</b>			
- to profit or loss	(4.68)	13.37	8.69
- to other comprehensive income	-	(8.36)	(8.36)
<b>As at 31-03-2023</b>			198.20
<b>Charged/(credited):</b>			
- to profit or loss	34.07	(38.49)	(4.42)
- to other comprehensive income	-	(6.73)	(6.73)
<b>As at 31-03-2024</b>			<b>187.05</b>

### 17 Financial Liabilities - Borrowings - Current

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Borrowings repayable on demand from banks:		
Unsecured	-	440.00
Current Maturities of long term borrowings:		
Unsecured	526.53	593.04
	<b>526.53</b>	<b>1,033.04</b>

## Notes to the Financial Statements (Contd.)

### 18 Trade Payables

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Dues to Micro and Small Enterprises**	34.80	45.42
Dues to enterprises other than Micro and Small Enterprises#	5,077.37	4,085.14
	<b>5,112.17</b>	<b>4,130.56</b>

\*\* 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 is no principal or interest due thereon and remaining unpaid at the end of the year. (Refer Note 38)

# Includes balances due to related parties [Refer Note 34 (c)(iii)].

### Ageing for trade payables as on 31-03-2024

Particulars	Not due	Outstanding for following periods from due date of payment				
		<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
		(i) Micro and Small Enterprises (MSME)	34.80	-	-	-
(ii) Others	3,181.44	309.99	29.46	19.48	20.25	3,560.62
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
<b>Total (i) to (iv)</b>	<b>3,216.24</b>	<b>309.99</b>	<b>29.46</b>	<b>19.48</b>	<b>20.25</b>	<b>3,595.42</b>
Accrued expenses						1,516.75
<b>Total</b>						<b>5,112.17</b>

### Ageing for trade payables as on 31-03-2023

Particulars	Not due	Outstanding for following periods from due date of payment				
		<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
		(i) Micro and Small Enterprises (MSME)	45.42	-	-	-
(ii) Others	2,632.07	567.60	19.46	8.25	16.69	3,244.07
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
<b>Total (i) to (iv)</b>	<b>2,677.49</b>	<b>567.60</b>	<b>19.46</b>	<b>8.25</b>	<b>16.69</b>	<b>3,289.49</b>
Accrued expenses						841.07
<b>Total</b>						<b>4,130.56</b>

### 19 Other Financial Liabilities

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Interest accrued but not due on loans	4.26	37.96
Trade deposits received	32.33	32.76
Unclaimed dividends (Not due for transfer to Investor Education and Protection Fund)	4.07	3.88
Payables against capital goods	80.91	47.05
Hedge liability (Net)	5.38	-
	<b>126.95</b>	<b>121.65</b>

### 20 Other Current Liabilities

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Statutory dues	164.78	117.70
Employee related	157.37	159.74
Advance received from customers	198.85	228.10
Deferred income	5.63	7.75
	<b>526.63</b>	<b>513.29</b>

## Notes to the Financial Statements (Contd.)

### 21 Revenue from Operations

Particulars	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Sale of products	31,449.57	25,938.78
Sale of services	52.92	69.28
Other operating revenue#	273.88	370.03
	<b>31,776.37</b>	<b>26,378.09</b>

# Includes Government Grants of ₹ 237.02 crores (Last year ₹ 234.10 crores)

### 22 Other Income

Particulars	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Dividend income from:		
(i) Subsidiaries	1.96	2.23
(ii) Other investments designated as Fair Value through OCI	0.65	0.02
Interest income	18.88	6.21
Profit on sale of investments - (Net)	145.39	22.01
Profit on sale of property, plant and equipment (Net)	2.63	2.82
(Loss)/Gain on valuation of investments Fair Valued through profit and loss (Net)	(26.93)	61.69
Other non-operating income	5.95	5.59
	<b>148.53</b>	<b>100.57</b>

### 23 Material Cost

Particulars	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Cost of materials consumed:		
Opening stock of raw materials and components	655.57	625.26
Add: Purchases	23,238.70	19,642.90
	<b>23,894.27</b>	<b>20,268.16</b>
Less: Closing stock of raw materials and components	650.11	655.57
	<b>23,244.16</b>	<b>19,612.59</b>
Purchases of stock-in-trade:		
Spare parts	211.35	202.53
Engine oil	178.02	175.47
	<b>389.37</b>	<b>378.00</b>
Changes in inventories of finished goods, work-in-progress and stock-in-trade:		
Opening stock:		
Work-in-progress	46.06	43.07
Stock-in-trade	113.86	98.58
Finished goods	255.24	278.72
<b>(A)</b>	<b>415.16</b>	<b>420.37</b>
Closing stock:		
Work-in-progress	48.89	46.06
Stock-in-trade	104.70	113.86
Finished goods	466.13	255.24
<b>(B)</b>	<b>619.72</b>	<b>415.16</b>
<b>(A)-(B)</b>	<b>(204.56)</b>	<b>5.21</b>

## Notes to the Financial Statements (Contd.)

### 24 Employee Benefits Expense

Particulars	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Salaries, wages and bonus	1,334.59	1,149.19
Contribution to provident and other funds	121.12	92.85
Staff welfare expenses	140.16	103.05
	<b>1,595.87</b>	<b>1,345.09</b>

### 25 Finance Costs

Particulars	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Interest on borrowings	137.39	109.16
Interest on lease liabilities	44.75	31.26
Exchange differences	(0.51)	0.24
	<b>181.63</b>	<b>140.66</b>

### 26 Depreciation and Amortisation Expense

Particulars	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Depreciation on property, plant and equipment	442.98	427.66
Amortisation on right of use asset	124.48	81.07
Amortisation on intangible assets	132.89	122.50
	<b>700.35</b>	<b>631.23</b>

### 27 Other Expenses

Particulars	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
(a) Consumption of stores, spares and tools	52.96	52.43
(b) Power and fuel	102.80	101.93
(c) Repairs - buildings	35.08	21.62
(d) Repairs - plant and equipment	81.40	74.68
(e) Insurance	43.78	35.04
(f) Rates and taxes (excluding taxes on income)	5.96	5.59
(g) Audit fees <sup>#</sup>	1.15	1.15
(h) Cost audit fees	0.08	0.08
(i) Packing and freight charges	524.74	499.72
(j) Advertisement and publicity	536.78	328.56
(k) Other marketing expenses	567.52	340.83
(l) Foreign exchange loss (Net)	1.35	-
(m) Corporate Social Responsibility expenditure*	30.00	19.00
(n) Contributions to Electoral Trust	40.00	5.00
(o) Miscellaneous expenses (under this head there is no expenditure which is in excess of 1% of revenue from operations or ₹ 10 lakh, whichever is higher)	1,213.82	876.88
	<b>3,237.42</b>	<b>2,362.51</b>

<sup>#</sup>Refer Note No. 39 for details on Audit fees.

\* Refer Note No. 45 for details on Corporate Social Responsibility expenditure.

## Notes to the Financial Statements (Contd.)

### 28 Tax Expense and Reconciliation

Particulars	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
<b>(a) Tax expense</b>		
Current tax:		
On profits for the year	702.08	504.82
Adjustments for prior periods	-	(1.17)
<b>(A)</b>	<b>702.08</b>	<b>503.65</b>
Deferred tax:		
Decrease / (increase) in deferred tax assets	(82.78)	(54.04)
(Decrease) / increase in deferred tax liabilities	78.36	62.73
<b>(B)</b>	<b>(4.42)</b>	<b>8.69</b>
<b>(A + B)</b>	<b>697.66</b>	<b>512.34</b>
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:</b>		
<b>Profit before income tax expense</b>	<b>2,780.66</b>	<b>2,003.37</b>
Tax expense at 25.168%	699.84	504.21
Add / (Less): Tax Impact on		
Tax on income chargeable at lower rates	(39.40)	-
Capital receipts	-	(1.63)
Expenses not admissible for deduction	37.06	10.93
Others	0.17	-
Tax relating to earlier years	-	(1.17)
<b>Tax expense</b>	<b>697.66</b>	<b>512.34</b>

### 29 Fair Value Measurements

Particulars	As at 31-03-2024			As at 31-03-2023		
	FVTPL <sup>\$</sup>	FVTOCI <sup>*</sup>	Amortised cost	FVTPL <sup>\$</sup>	FVTOCI <sup>*</sup>	Amortised cost
<b>Financial assets</b>						
Investments						
- Equity instruments	163.19	132.62	-	191.92	125.74	-
- Preference shares	50.00	-	-	50.00	-	-
- Other non-current investments	-	32.79	-	-	40.07	-
- Debt Instruments	45.00	-	44.77	45.00	-	41.67
Trade receivables	-	-	1,302.14	-	-	979.29
Derivative financial asset	-	-	-	-	5.91	-
Cash and cash equivalents	-	-	485.83	-	-	234.35
Other bank balances - Bank deposit	-	-	2.20	-	-	0.24
Earmarked balances with banks	-	-	45.02	-	-	7.51
Other financial assets	-	-	106.66	-	-	93.91
	<b>258.19</b>	<b>165.41</b>	<b>1,986.62</b>	<b>286.92</b>	<b>171.72</b>	<b>1,356.97</b>
<b>Financial liabilities</b>						
Borrowings	-	-	1,513.44	-	-	2,244.58
Trade payables	-	-	5,112.17	-	-	4,130.56
Lease liability	-	-	450.18	-	-	418.78
Derivative financial liability	-	5.38	-	-	-	-
Other financial liability	-	-	121.57	-	-	121.65
	<b>-</b>	<b>5.38</b>	<b>7,197.36</b>	<b>-</b>	<b>-</b>	<b>6,915.57</b>

\* FVTOCI - Fair Valued Through Other Comprehensive Income \$ FVTPL- Fair Value Through Profit or Loss

## Notes to the Financial Statements (Contd.)

### (i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values to be disclosed in the financial instruments that are recognised and measured at fair value and that are measured at amortised cost. To provide an indication about the reliability of the inputs used in determining fair value, the Company 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

As at 31-03-2024	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Financial investments at FVTPL	3A & 3B	163.19	-	95.00	258.19
Financial investments at FVTOCI	3A	1.33	32.79	131.29	165.41
		164.52	32.79	226.29	423.60
<b>Financial liabilities</b>					
Derivatives	19	-	5.38	-	5.38
		-	5.38	-	5.38

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

As at 31-03-2024	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Investments					
Debt instruments	3A	-	-	44.77	44.77
		-	-	44.77	44.77
<b>Financial liabilities</b>					
Borrowings	14 & 17	-	-	1,513.44	1,513.44
		-	-	1,513.44	1,513.44

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

As at 31-03-2023	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Financial Investments at FVTPL	3A & 3B	-	-	286.92	286.92
Financial Investments at FVTOCI	3A	1.00	40.07	124.74	165.81
Derivatives	10	-	5.91	-	5.91
		1.00	45.98	411.66	458.64

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

As at 31-03-2023	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Investments					
Debt instruments	3A	-	-	41.67	41.67
		-	-	41.67	41.67
<b>Financial liabilities</b>					
Borrowings	14 & 17	-	-	2,244.58	2,244.58
		-	-	2,244.58	2,244.58

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

## Notes to the Financial Statements (Contd.)

Level 2: The fair value of financial instruments that are not traded in an active market 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, preference shares and other non current investments included in level 3.

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

During the reporting period, there are no transfers among the three levels.

### (ii) Valuation technique used to determine fair value (Level 2)

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 interest rate swaps is calculated as the present value of estimated cash flows based on observable yield curves.
- the fair value of forward exchange contract and principal only swap is determined using forward exchange rate at the balance sheet date.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

### (iii) Fair value measurements using significant unobservable inputs (level 3)

Particulars	Unlisted Equity Shares	Unlisted Preference Shares	Debt Instruments	Total
<b>As at 01-04-2022</b>	139.87	-	-	139.87
Additions / (Deletions)	116.41	50.00	45.00	211.41
Gains/(losses) recognised in profit or loss	61.69	-	-	61.69
Gains/(losses) recognised in other comprehensive income	(1.31)	-	-	(1.31)
<b>As at 31-03-2023</b>	316.66	50.00	45.00	411.66
Additions / (Deletions)	0.50	-	-	0.50
Reclassified from level 3 to Level 1	(191.92)	-	-	(191.92)
Gains/(losses) recognised in other comprehensive income	6.05	-	-	6.05
<b>As at 31-03-2024</b>	<b>131.29</b>	<b>50.00</b>	<b>45.00</b>	<b>226.29</b>

### (iv) Valuation inputs and relationships to fair value

Particulars	Fair value as at		Significant unobservable input	Probability weighted range for the year ended		Sensitivity
	31-03-2024	31-03-2023		31-03-2024	31-03-2023	
Preference Share	50.00	50.00	a) Earnings growth rate	1-3%	1-3%	Not significant
			b) Risk adjusted discount rate	8%	8%	
Debt Instrument	45.00	45.00	a) Earnings growth rate	1-3%	1-3%	Not significant
			b) Risk adjusted discount rate	8%	8%	
Unquoted Equity shares	131.29	316.66	a) Earnings growth rate	1-3%	1-3%	Not significant
			b) Risk adjusted discount rate	8%	8%	

### (v) Valuation processes

Discount rates are determined using a capital asset pricing model to calculate a pretax rate that reflects current market assessments of the time value of money and the risk specific to the asset. Earnings growth factor of preference shares are based on cash flow projections of future earnings of the Company and unlisted equity securities are estimated based on market information for similar type of companies. Risk adjustments have been derived based on the market risk premium adjusted for companies relevant financial data.

## Notes to the Financial Statements (Contd.)

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

Rupees in crores

Particulars	As at 31-03-2024		As at 31-03-2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
<b>Investments:</b>				
Preference shares	-	-	-	-
Debt instruments	44.77	44.77	41.67	41.67
	<b>44.77</b>	<b>44.77</b>	<b>41.67</b>	<b>41.67</b>
<b>Financial liabilities</b>				
Borrowings	1,513.44	1,513.44	2,244.58	2,244.58
	<b>1,513.44</b>	<b>1,513.44</b>	<b>2,244.58</b>	<b>2,244.58</b>

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for preference shares and other debt instruments are calculated based on cash flows discounted using effective interest 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 values of non-current borrowings are based on discounted cash flows using a effective interest rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

## 30 Financial Risk Management

The Company's activities exposes 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 manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Risk Parameters and Mitigation
Credit risk	Cash, Cash equivalents and Trade receivables	Credit risk primarily arises from cash and cash equivalents, trade receivables and investments carried at amortised cost. 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 forward-looking information (more specifically described below). 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, when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.
	a. Cash and Cash Equivalents	Surplus cash is deposited only with banks / financial institutions with a high external credit rating.
	b. Domestic Trade Receivables	Domestic sales to the Dealers are based on advance payments received through banking channels or through inventory funding facilities availed by them from the banks. The Company extends limited credit to the dealers and such extension of credit is based on dealers' credit worthiness, ability to repay and past track record. The Company has extensive reporting and review system to constantly monitor the outstandings.
	c. Export Trade Receivables	The Company's export business is mostly based on Letters of credit. Export receivables are also covered through Insurance with ECGC Limited.
Liquidity risk	INR denominated borrowings [other than soft loans given by Govt. Authorities]	The company's liquidity management policy involves projecting cash flows in major currencies by considering the level of liquid assets necessary to meet the same, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. The Company works out a detailed annual operating plans to assess the fund requirements - both short term and long term. Detailed month wise cash flow forecast is also carried out along with required sensitivities. Based on these factors adequate working capital credit limits are organised in advance. Company has pre-approved credit lines with various banks and these are constantly reviewed and approved by the Board. For long term fund requirements, Company targets various options such as rupee term loan, external commercial borrowing, debentures etc. The Company obtains a credit rating for the various borrowing facilities on annual basis. Company constantly monitors the free cash flow from operations to ensure that the borrowing is minimized.

## Notes to the Financial Statements (Contd.)

Risk	Exposure arising from	Risk Parameters and Mitigation
Market risk	(i) Foreign exchange	The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions. 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 Company has a forex management policy which is duly approved by the Board. The objective of the hedges when taken is to minimise the volatility of the INR cash flows of highly probable forecasted transactions.
	a. Export trade receivables and Import payables	The company has a forex management policy duly approved by the Board. The Company's policy is to hedge most of its net currency exposure. Company reviews the forex exposure on a regular basis and also reports its adherence to the Board on a quarterly basis. The recording and reporting requirements are strictly adhered.
	b. Foreign currency denominated borrowings	The Company has hedged its borrowings by covering the principal repayments.
	(ii) Interest rate - Foreign currency denominated borrowings	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. Company's policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

### (A) Credit risk

Basis of recognition of expected credit loss provision

Rating	Category	Description of category	Investments	Loans and deposits	Trade receivables
1	High Quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.	12 month expected credit losses	12 month expected credit losses	Life time expected credit losses (simplified approach)
2	Quality assets, low credit risk	Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past			
3	Standard Assets, moderate credit risk	Assets where the probability of default is considered moderate and where the counter-party's capacity to meet the obligations is not strong.			
4	Substandard Assets, relatively high credit risk	Assets where there has been a significant increase in credit risk since initial recognition.			
5	Low quality assets, very high credit risk	Assets where there is a high probability of default. Also includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 180 days past due.		Life time expected credit losses	
6	Doubtful assets, credit impaired	Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.			Asset is written off

## Notes to the Financial Statements (Contd.)

### As at 31-03-2024

a) Expected credit loss for investments, loans and other financial assets

Rupees in crores

Particulars	Internal rating	Asset/Asset group	Gross carrying amount	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	2	Investments at amortised cost	44.77	0%	-	44.77
	1	Other financial assets	106.66	0%	-	106.66

b) Expected credit loss for trade receivables under simplified approach

Rupees in crores

Particulars	0 to 180 days past due	More than 180 days past due	Total
Gross carrying amount	1,009.64	320.63	1,330.27
Expected loss rate	-	9%	
Expected credit losses	-	28.13	28.13
Carrying amount of trade receivables	1,009.64	292.50	1,302.14

### As at 31-03-2023

a) Expected credit loss for investments, loans and other financial assets

Rupees in crores

Particulars	Internal rating	Asset/Asset group	Gross carrying amount	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	2	Investments at amortised cost	41.67	0%	-	41.67
	1	Other financial assets	93.91	0%	-	93.91

b) Expected credit loss for trade receivables under simplified approach

Rupees in crores

Particulars	0 to 180 days past due	More than 180 days past due	Total
Gross carrying amount	724.77	281.45	1,006.22
Expected loss rate	-	10%	
Expected credit losses	-	26.93	26.93
Carrying amount of trade receivables	724.77	254.52	979.29

Reconciliation of loss allowance provision - Trade receivables

Rupees in crores

Loss allowance on 01-04-2022	28.23
Changes in loss allowance	(1.30)
Loss allowance on 31-03-2023	26.93
Changes in loss allowance	1.20
Loss allowance on 31-03-2024	28.13

## (B) Liquidity risk

### (i) Financing arrangements

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

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	1,920.54	1,779.58
- Expiring beyond one year (bank loans)	-	-

## Notes to the Financial Statements (Contd.)

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 and have an average maturity ranging 30 to 180 days.

### (ii) Maturities of financial liabilities

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

- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

#### As at 31-03-2024

Contractual Maturities of Financial Liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	96.55	143.33	286.65	983.36	5.23	1,515.12
Lease liabilities	35.35	34.68	67.08	363.92	27.60	528.63
Trade payables	5,112.17	-	-	-	-	5,112.17
Other financial liabilities	126.95	-	-	-	-	126.95

#### As at 31-03-2023

Contractual Maturities of Financial Liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	968.15	12.50	52.39	907.00	310.00	2,250.04
Lease liabilities	27.43	26.10	52.01	379.90	11.81	497.25
Trade payables	4,130.56	-	-	-	-	4,130.56
Other financial liabilities	121.65	-	-	-	-	121.65

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

## (C) Market risk

### i) Foreign exchange risk

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Particulars	As at 31-03-2024		As at 31-03-2023	
	USD	EUR	USD	EUR
<b>Exposure in foreign currency</b>				
<b>Financial assets:</b>				
Trade receivables	888.20	87.45	740.28	66.88
Investments	32.79	-	40.07	-
Derivative assets				
Foreign exchange forward contracts				
Sell foreign currency	(888.20)	(87.45)	(847.89)	(62.75)
<b>Financial liabilities:</b>				
Foreign currency loan	-	-	27.39	-
Trade payables	108.88	15.22	176.24	7.53
Derivative liabilities				
Foreign exchange forward contracts				
Buy foreign currency	-	-	-	-
Principal swap				
Buy foreign currency	-	-	(27.39)	-

## Notes to the Financial Statements (Contd.)

### Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

Particulars	Impact on profit after tax*		Impact on other components of equity*	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
<b>USD sensitivity</b>				
INR/USD increases by 10%	58.38	41.98	(64.08)	(60.12)
INR/USD decreases by 10%	(58.38)	(41.98)	64.08	60.12
<b>EURO sensitivity</b>				
INR/EURO increases by 10%	5.41	4.42	(6.55)	(4.67)
INR/EURO decreases by 10%	(5.41)	(4.42)	6.55	4.67

\* Holding all other variables constant

### ii) Interest rate risk

For short term borrowings, interest rates are based on central bank approved benchmark rates plus margin. Whenever the Company resorts to short term borrowings through Commercial Paper, the rate of interest is fixed in advance. In respect of long term foreign currency borrowings, the interest rates are covered through interest rate swaps (IRS)

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Variable rate borrowings	1,012.53	792.39
Fixed rate borrowings	502.59	1,457.73

The Amount disclosed in the table are the contractual undiscounted cash flows.

Sensitivity	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Increase in interest rates by 100 bps	(7.58)	(5.90)
Decrease in interest rates by 100 bps	7.58	5.90

### iii) Price risk

The company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. To manage its price risk from investments in equity securities, the Company diversifies its portfolio. The impact of the changes in price risk is not material.

## (D) Impact of hedging activities

### i) Disclosure of effects of hedge accounting on financial position

#### a) Disclosure of effects of hedge accounting on financial position as at 31-03-2024

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Changes in fair value of hedging instrument since inception of hedge	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities			
Cash flow hedge							
Foreign exchange forward contracts	975.65	-	-	5.38	Apr'24 to Dec'24	5.38	(5.38)

## Notes to the Financial Statements (Contd.)

### b) Disclosure of effects of hedge accounting on financial position as at 31-03-2023

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Changes in fair value of hedging instrument since inception of hedge	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities			
Cash flow hedge							
Foreign exchange forward contract	910.64	-	2.74	-	Apr'23 to Dec'23	2.74	(2.74)
Foreign currency loan:							
Principal swap	-	27.39	2.91	-	Sep'23	2.91	(2.91)
Interest rate swap	-	27.39	0.26	-		0.26	(0.26)

### ii) Disclosure of effects of hedge accounting on financial performance:

for the year ended 31-03-2024:

Type of hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit and loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Rupees in Crores				
<b>Cash flow hedge:</b>				
Foreign exchange risk/ POS/ IRS	(3.77)	-	1.35	Revenue and Borrowing cost

for the year ended 31-03-2023:

Type of hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit and loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Rupees in Crores				
<b>Cash flow hedge:</b>				
Foreign exchange risk/ POS/ IRS	1.35	-	(1.65)	Revenue and Borrowing cost

## 31 Capital Management

### (a) Risk management

The Company's objectives when managing capital are to

- safeguard our ability to continue as a going concern, so that we 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 an optimum gearing ratio. The gearing ratios were as follows:

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Net debt	1,027.61	2,010.23
Total equity	7,731.04	6,047.85
<b>Net debt to equity ratio (times)</b>	<b>0.1</b>	<b>0.3</b>

## Notes to the Financial Statements (Contd.)

### The company also monitors Interest coverage ratio:

Company's earnings before interest, taxes and exceptional items (EBIT) divided by Interest

### The Company's strategy is to maintain an optimum interest coverage ratio.

The Interest coverage ratio were as follows:

Particulars	Rupees in Crores	
	Year ended 31-03-2024	Year ended 31-03-2023
EBIT	2,962.29	2,144.03
Interest	136.88	109.40
<b>Interest coverage ratio (times)</b>	<b>21.6</b>	<b>19.6</b>

### (b) Dividends

Particulars	Rupees in Crores	
	Year ended 31-03-2024	Year ended 31-03-2023
(i) Equity shares		
Interim dividend for the year ended 31-03-2024 of ₹ 8.00 (31-03-2023 of ₹ 5.00) per fully paid share	380.07	237.54
(ii) Dividends not recognised at the end of the reporting period	-	-

### 32 Key Financial Ratios

Sl. No.	Particulars	As at 31-03-2024	As at 31-03-2023	Variance
1	Current ratios (times) [Current Assets / Current Liabilities]	0.6	0.6	0.0%
2	Net Debt / Equity Ratio (times) [ (Total borrowing - Cash) / Equity] - Note 1	0.1	0.3	66.7%
3	Debt Service Coverage Ratio (times) [ Earnings before Interest, Tax and Exceptional Items / (Interest Expense + Principal repayments of long term loan made during the period excluding prepayment)] - Note 1	2.5	5.4	(53.3%)
4	Return on Equity (%) [Net Profit after tax/Average shareholders equity]	30.2%	29.2%	3.6%
5	Inventory Turnover Ratio (times) [ Annualised Cost of goods sold / Average Inventory]	18.0	17.0	(6.0%)
6	Debtors Turnover ratio (times) [ Annualised Turnover / Average Debtors ]	27.9	27.0	(3.1%)
7	Trade Payable turnover ratio (times) [(Cost of Goods sold + Other expenses) /Average Trade payable]	5.8	5.6	(4.0%)
8	Net Capital Turnover ratio (times) [Net Sales /(Current Asset - Current Liabilities excluding current maturities of long term borrowing)]	NA	NA	NA
9	Net Profit ratio (%) [Profit after tax / Turnover]	6.6%	5.7%	16.0%
10	Return on Capital Employed (%) [Earnings before Interest, Tax and Exceptional Items / Capital Employed]	31.4%	25.3%	24.4%
11	Return on Investment (%) [Income generated from invested funds/Average invested funds.] - Note 2	NA	NA	NA

- Reflects repayment of borrowings during the year.
- Significant investments held by the Company is for strategic purposes. Benchmarking the return on annual basis will not reflect yield from such investments.

## Notes to the Financial Statements (Contd.)

### 33 Employee Benefit Obligations

#### Defined benefit plans as per actuarial valuation

	Funded Plan			Unfunded Plans
	Gratuity			Pension
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation
<b>As at 01-04-2022</b>	<b>160.92</b>	<b>(157.48)</b>	<b>3.44</b>	<b>141.56</b>
Current service cost	29.53	-	29.53	-
Interest expense/(income)	12.46	(11.59)	0.87	9.03
<b>Total amount recognised in profit or loss</b>	<b>41.99</b>	<b>(11.59)</b>	<b>30.40</b>	<b>9.03</b>
<b>Remeasurements</b>				
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.10	0.10	-
(Gain)/loss from change in financial assumptions	4.87	-	4.87	(18.65)
Experience (gains)/losses	(2.65)	-	(2.65)	14.89
<b>Total amount recognised in other comprehensive income</b>	<b>2.22</b>	<b>0.10</b>	<b>2.32</b>	<b>(3.76)</b>
Employer contributions	-	(43.58)	(43.58)	-
Benefit payments	(18.87)	18.87	-	(4.00)
<b>As at 31-03-2023</b>	<b>186.26</b>	<b>(193.68)</b>	<b>(7.42)</b>	<b>142.83</b>
Current service cost	36.01	-	36.01	-
Interest expense/(income)	14.52	(13.78)	0.74	10.85
<b>Total amount recognised in profit or loss</b>	<b>50.53</b>	<b>(13.78)</b>	<b>36.75</b>	<b>10.85</b>
<b>Remeasurements</b>				
Return on plan assets, excluding amounts included in interest expense/(income)	-	6.10	6.10	-
(Gain)/loss from change in financial assumptions	4.28	-	4.28	0.92
Experience (gains)/losses	(7.03)	-	(7.03)	16.21
<b>Total amount recognised in other comprehensive income</b>	<b>(2.75)</b>	<b>6.10</b>	<b>3.35</b>	<b>17.13</b>
Employer contributions	-	(37.45)	(37.45)	-
Benefit payments	(12.89)	12.89	-	(4.72)
<b>As at 31-03-2024</b>	<b>221.15</b>	<b>(225.92)</b>	<b>(4.77)</b>	<b>166.09</b>

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Company has created an Employees' Group Gratuity Fund which has taken a Group Gratuity Assurance Scheme with the Life Insurance Corporation of India. Company's contributions are based on actuarial valuation arrived at the end of each year and charged to Statement of Profit and Loss.

#### The defined benefit obligations maturing after year ended March 31, 2024 are as follows

Year ending March 31,	Defined Benefit Obligations
2025	24.55
2026	19.46
2027	14.71
2028	16.4
2029	18.98
2030-2034	82.68

## Notes to the Financial Statements (Contd.)

The significant actuarial assumptions were as follows:

Particulars	As at 31-03-2024	As at 31-03-2023
Discount rate (Gratuity)	7.0%	7.2%
Discount rate (Pension)	7.0%	7.0%
Salary growth rate	5.5%	5.5%
Pre-retirement Mortality rate	IALM (2006-08) Ultimate	
Post-retirement Mortality rate	LIC Ann (1996-98)	
Attrition rate (For Gratuity)	3.0%	3.0%
Attrition rate (For Pension)	0.0%	0.0%

Assumptions regarding future mortality for pension 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 age 58.

### (i) Sensitivity analysis

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

	Impact on defined benefit obligation - Gratuity					
	Change in assumption		Increase in assumption		Decrease in assumption	
	Year ended 31-03-2024	Year ended 31-03-2023	Year ended 31-03-2024	Year ended 31-03-2023	Year ended 31-03-2024	Year ended 31-03-2023
Discount rate	0.50%	0.50%	211.96	178.57	231.03	194.53
Salary growth rate	0.50%	0.50%	231.13	194.63	211.79	178.42
Mortality	5.00%	5.00%	221.18	186.30	221.10	186.22

	Impact on defined benefit obligation - Pension					
	Change in assumption		Increase in assumption		Decrease in assumption	
	Year ended 31-03-2024	Year ended 31-03-2023	Year ended 31-03-2024	Year ended 31-03-2023	Year ended 31-03-2024	Year ended 31-03-2023
Discount rate	1.00%	1.00%	150.75	129.49	184.21	159.40
Salary growth rate	1.00%	1.00%	185.21	160.28	149.74	128.60
Mortality	5.00%	5.00%	164.70	142.02	167.55	144.38

The above sensitivity analysis is 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.

### (ii) 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 underperform this yield, this will create a deficit.

**Changes in bond:** A decrease in bond yields will increase plan liabilities, although this will be partially offset by an yield 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 obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

### (iii) Defined contribution plans:

The Company's contribution to defined contribution plan i.e., provident fund of ₹ 44.73 crores (previous year ₹ 36.63 crores) has been recognised in the Statement of Profit and Loss.

## Notes to the Financial Statements (Contd.)

### 34 Related Party Disclosure

#### (a) (i) Related parties and their relationship where control exists

##### Holding company:

TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited)

##### Subsidiaries:

Sundaram Auto Components Limited, Chennai

TVS Digital Limited, Chennai (Formerly known as 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)

PT TVS Motor Company Indonesia, Jakarta

Harita ARC Services Private Limited, Chennai

Harita Two Wheeler Mall Private Limited, Chennai (Formerly known as 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

EGO Movement Stuttgart, GmbH, Germany (Subsidiary of GO AG)

Swiss E-Mobility Group (Schweiz) AG Switzerland

Colag E-Mobility GmbH, Germany, Germany

Alexand'Ro Edouard'O Passion Vélo Sàrl, Switzerland

##### Associate company:

Ultraviolette Automotive Private Limited, Bengaluru

Tagbox Solutions Private Limited, Bengaluru [Upto 30<sup>th</sup> March 2024]

DriveX Mobility Private Limited, Coimbatore

Indian Foundation for Quality Management, Bengaluru [From 15<sup>th</sup> Feb 2024]

ION Mobility Private Limited, Singapore [From 14<sup>th</sup> March 2024]

Emerald Haven Realty Ltd., Chennai (Upto 14<sup>th</sup> June 2023)

#### (ii) Other related parties and their relationship where transaction exists

##### Associate / Joint venture of holding / ultimate holding / subsidiary / fellow subsidiary company:

Predictronics Corp, USA

Emerald Haven Realty Ltd., Chennai (From 16<sup>th</sup> June 2023)

Emerald Haven Development Limited, Chennai

## Notes to the Financial Statements (Contd.)

### (iii) Enterprises under Common control

Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)

#### Enterprises in which directors are interested:

Dua Associates, Delhi

Dua Consulting Private Limited, Delhi

McCann-Erickson (India) Private Limited, Delhi

Trichur Sundaram Santhanam & Family Private Limited, Chennai

T.V Sundram Iyengar & Sons Private Limited, Madurai

Lakshmi Energy and Environment Design Private Limited, Coimbatore

TVS Organics Private Limited, Chennai

Adwaith Lakshmi Industries Private Limited, Coimbatore ( From 01<sup>st</sup> April 2023)

#### Key Management personnel

##### Executive Directors:

Mr. Venu Srinivasan, Chairman Emeritus & Managing Director

Mr Sudarshan Venu, Managing Director

Mr K N Radhakrishnan, Director & Chief Executive Officer

##### Non-Executive Directors:-

##### Independent Directors:

Mr. C R Dua

Mr. R Gopalan (Upto 2<sup>nd</sup> March 2024)

Dr. Deepali Pant Joshi (From 11<sup>th</sup> September 2023)

Mrs. Lalita D Gupte (Upto 22<sup>nd</sup> October 2023)

Mr. T Kannan (Upto 23<sup>rd</sup> May 2024)

Mr. Kuok Meng Xiong

Mr. Vijay Sankar (From 20<sup>th</sup> March 2024)

Mr. Hemant Krishan Singh

Mr. B Sriram

##### Non-Independent Directors:

Sir Ralf Dieter Speth

Dr. Lakshmi Venu

##### Chief Financial Officer

K. Gopala Desikan

##### Company Secretary

K.S. Srinivasan

##### Post Employment benefit plans:

TVS Motor Company Employees' Gratuity Fund

TVS Motor Company Employees' Provident Fund

## Notes to the Financial Statements (Contd.)

### (b) Transactions with related parties: (Transactions from the date of becoming/ upto the date of ceasing to be related party)

	Rupees in Crores	
	As at / Year Ended 31-03-2024	As at / Year Ended 31-03-2023
<b>(i) Purchase of goods (Including sales reversal)</b>		
- Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited)	126.75	-
- Subsidiary companies		
Sundaram Auto Components Limited, Chennai	398.38	377.46
PT.TVS Motor Company Indonesia, Jakarta	0.09	0.35
Swiss E-Mobility Group (Schweiz) AG Switzerland	0.13	0.08
- Associate / joint venture		
Tagbox Solutions Private Limited, Bengaluru	0.73	1.43
- Enterprises under Common control		
Sundaram-Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	255.24	412.62
- Enterprises in which directors are interested		
T.V Sundram Iyengar & Sons Private Limited, Madurai	-	0.23
TVS Organics Private Limited, Chennai	0.69	0.19
Adwaith Lakshmi Industries Pvt Ltd., Coimbatore	0.01	-
<b>(ii) Sale of goods</b>		
- Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited)	471.96	420.09
- Subsidiary companies		
Sundaram Auto Components Limited, Chennai	-	0.11
PT.TVS Motor Company Indonesia, Jakarta	354.27	405.02
The Norton Motorcycle Co. Ltd., UK	0.72	-
Celerity Motor GmbH, Germany	0.06	-
- Associate company		
DriveX Mobility Private Limited, Coimbatore	0.06	-
- Enterprises under Common control		
Sundaram-Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	9.60	19.52
- Enterprises in which directors are interested		
T.V Sundram Iyengar & Sons Private Limited, Madurai	-	-
<b>(iii) Purchase of assets</b>		
- Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited)	39.00	-
- Associate / joint venture		
Ultraviolette Automotive Private Limited, Bengaluru	-	3.00
Tagbox Solutions Private Limited, Bengaluru	0.61	-
- Associate / joint venture of holding / ultimate holding / subsidiary / fellow subsidiary company		
Predictronics Corporation, USA	-	0.07
<b>(iv) Sale of assets</b>		
- Subsidiary companies		
Sundaram Auto Components Limited, Chennai	0.02	-
- Enterprises under Common control		
Sundaram-Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	0.29	-
<b>(v) Rendering of services</b>		
- Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited)	0.45	1.79
- Subsidiary companies		
Sundaram Auto Components Limited, Chennai	0.11	0.11
PT. TVS Motor Company Indonesia, Jakarta	0.55	0.55
TVS Credit Services Limited, Chennai	5.43	8.61
The Norton Motorcycle Co. Ltd., UK	8.58	4.23
- Enterprises under Common control		
Sundaram-Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	1.34	-
- Associate / Joint Venture of holding / ultimate holding / subsidiary / fellow subsidiary company		
Emerald Haven Realty Limited, Chennai	1.05	-

## Notes to the Financial Statements (Contd.)

	Rupees in Crores	
	As at / Year Ended 31-03-2024	As at / Year Ended 31-03-2023
<b>(vi) Availing of services (includes sub-contract charges paid)</b>		
- Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited)	118.03	62.15
- Subsidiary company		
Sundaram Auto Components Limited, Chennai	2.84	0.87
TVS Credit Services Limited, Chennai	6.10	5.17
TVS Digital Pte Limited, Singapore	0.34	0.26
- Associate / joint venture(Tagbox Solutions Private Limited, Bengaluru)	-	0.16
- Enterprises under Common control		
Sundaram-Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	3.35	-
- Enterprises in which directors are interested		
Dua Associates, Delhi	0.35	0.70
Dua Consulting Private Limited, Delhi	4.57	4.33
McCann-Erickson (India) Private Limited, Delhi	3.59	3.47
Lakshmi Energy and Environment Design Private Limited, Coimbatore	0.20	0.20
Harita Techserv Limited, Chennai (upto 27 <sup>th</sup> Jun 2022)	-	0.90
TV Sundram Iyengar & Sons Private Limited, Madurai	-	0.83
Trichur Sundaram Santhanam & Family Private Limited, Chennai	0.65	0.12
<b>(vii) Investments made / (Redemption) during the year</b>		
- Subsidiary companies		
TVS Motor (Singapore) Pte. Limited, Singapore	1,231.34	108.31
TVS Motor Services Limited, Chennai	-	50.00
TVS Credit Services Limited, Chennai	100.00	500.00
Sundaram Auto Components Limited, Chennai (Reduction of share capital)	(310.00)	-
TVS Digital Limited, Chennai	3.00	-
- Associate / Joint venture		
Ultraviolette Automotive Private Limited, Bengaluru	-	-
DriveX Mobility Private Limited, Coimbatore	-	87.17
Indian Foundation for Quality Management, Bengaluru [From 15.02.2024]	25.00	-
<b>(viii) Share application money pending allotment</b>		
- Subsidiary companies		
TVS Motor (Singapore) Pte Limited, Singapore	121.19	445.41
<b>(ix) Remuneration to key management personnel:</b>		
Short-term employee benefits	64.74	84.24
Post-employment benefits	0.65	0.47
<b>(x) Obligation arising out of agreements facilitating credit / payment to service provider</b>		
- Subsidiary companies		
PT. TVS Motor Company Indonesia, Jakarta	-	41.09
TVS Motor (Singapore) Pte. Limited, Singapore	83.41	82.17
<b>(xi) Contributions to post employment benefit plans:</b>		
TVS Motor Company Employees' Gratuity Fund	38.51	43.71
TVS Motor Company Employees' Provident Fund (Including Employee and Employer Contributions)	114.30	92.25
<b>(xii) Loan and Advances</b>		
- Issue / (Redemption) of Non convertible zero coupon debentures		
Sundaram Auto Components Limited, Chennai	(310.00)	310.00
<b>(xiii) Dividend received from</b>		
Subsidiary Company (Sundaram Auto Components Limited, Chennai)	1.96	2.23
<b>(xiv) Dividend paid to</b>		
- Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited)	191.03	119.39

## Notes to the Financial Statements (Contd.)

### (c) Balances with related parties:

	Rupees in Crores	
	As at / Year Ended 31-03-2024	As at / Year Ended 31-03-2023
<b>(i) Trade receivables / Other current assets</b>		
- Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited)	74.23	17.36
- Subsidiary companies		
Sundaram Auto Components Limited, Chennai	0.75	0.14
PT. TVS Motor Company Indonesia, Jakarta	412.13	376.93
TVS Credit Services Limited, Chennai	8.17	4.72
The Norton Motorcycle Co. Ltd., UK	18.99	6.61
TVS Digital Pte Limited, Singapore	8.03	6.66
Swiss E-Mobility Group (Schweiz) AG Switzerland	0.98	-
Celerity Motor GmbH, Germany	0.06	-
- Associate / joint venture		
Tagbox Solutions Private Limited, Bengaluru	-	0.16
- Associate / joint venture of holding / ultimate holding / subsidiary / fellow subsidiary company		
Emerald Haven Development Limited, Chennai	0.09	-
Emerald Haven Realty Limited, Chennai	11.96	5.78
- Enterprises under Common control		
Sundaram-Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	0.93	-
- Enterprises in which directors are interested		
Trichur Sundaram Santhanam & Family Private Limited, Chennai	0.52	-
McCann-Erickson (India) Private Limited, Delhi	0.02	-
<b>(ii) Trade payables</b>		
- Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited)	1.25	-
- Subsidiary companies		
Sundaram Auto Components Limited, Chennai	5.54	-
TVS Motor (Singapore) Pte Limited, Singapore	1.52	4.03
TVS Credit Services Limited, Chennai	1.81	-
PT. TVS Motor Company Indonesia, Jakarta	0.11	-
- Associate / joint venture		
DriveX Mobility Private Limited, Coimbatore	0.04	-
- Associate / joint venture of holding / ultimate holding / subsidiary / fellow subsidiary company		
Predictronics Corporation, USA	0.07	0.07
- Enterprises under Common control		
Sundaram-Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	20.98	7.97
- Enterprises in which directors are interested		
Dua Consulting Private Limited, Delhi	0.32	0.32
McCann-Erickson (India) Private Limited, Delhi	-	0.32
TV Sundram Iyengar & Sons Private Limited, Madurai	0.07	0.03
Lakshmi Energy and Environment Design Private Limited, Coimbatore	-	0.06
TVS Organics Private Limited, Chennai	0.03	-
<b>(iii) Guarantees issued</b>	83.41	123.26

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and settlement occurs in cash.

## Notes to the Financial Statements (Contd.)

### 35 Revenue from Contract with Customers

#### A 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:

		Rupees in crores	
Sl. No.	Particulars	For the year ended 31-03-2024	For the year ended 31-03-2023
<b>(a) Type of goods and service</b>			
(i)	Two wheelers	26,388.94	21,243.75
(ii)	Three wheelers	1,890.10	1,989.90
(iii)	Parts and accessories	3,170.53	2,705.13
(iv)	Technical / IT Services	39.65	61.26
(v)	Royalty	13.27	8.02
		<b>31,502.49</b>	<b>26,008.06</b>
<b>(b) Geographical markets</b>			
(i)	Domestic	24,072.51	18,862.57
(ii)	Exports	7,429.98	7,145.49
		<b>31,502.49</b>	<b>26,008.06</b>

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

#### C Reconciliation of contracts with customers

Movement of contract liabilities for the reporting period given below:

		Rupees in Crores	
Particulars	For the year ended 31-03-2024	For the year ended 31-03-2023	
Contract Liabilities at the beginning of the period	154.70	147.64	
Add / (Less):			
Consideration received during the year as advance	265.58	154.70	
Revenue recognized from contract liability	(154.70)	(147.64)	
<b>Contract Liabilities at the end of the period</b>	<b>265.58</b>	<b>154.70</b>	

Payment is 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.

#### D Transaction price allocated to the remaining performance obligations

The Company's contracts with customers are short term (i.e., the performance obligations are expected to be met within one year or less). Therefore, taking the practical expedient, the details on transaction price allocated to the remaining performance obligations are not disclosed.

#### E Reconciliation of revenue with contract price

		Rupees in crores	
Sl. No.	Particulars	For the year ended 31-03-2024	For the year ended 31-03-2023
(i)	Contract price	30,270.38	25,144.29
(ii)	Adjustments:		
	Incentive schemes	705.62	450.97
	Transport cost	526.49	412.80
(iii)	Revenue from sale of products/services (refer note no: 21)	31,502.49	26,008.06

## Notes to the Financial Statements (Contd.)

### 36 Earnings Per Share

		Rupees in Crores	
Particulars	As at / Year Ended 31-03-2024	As at / Year Ended 31-03-2023	
Profit attributable to ordinary shareholders	2,083.00	1,491.03	
Number of equity shares	47,50,87,114	47,50,87,114	
Face value of the share (in rupees)	1.00	1.00	
Weighted average number of equity shares outstanding during the year	47,50,87,114	47,50,87,114	
Basic and diluted earnings per share for continued operations (in rupees)	43.84	31.38	
Basic and diluted earnings per share for discontinued operations (in rupees)	-	-	
Basic and diluted earnings per share for continued and discontinued operations (in rupees)	43.84	31.38	

### 37 Warranty Provision

		Rupees in Crores	
Particulars	As at / Year Ended 31-03-2024	As at / Year Ended 31-03-2023	
Opening balance	55.11	41.32	
Add: Provision for the year (net)	88.32	55.11	
	<b>143.43</b>	<b>96.43</b>	
Less: Payments / debits (net)	55.11	41.32	
<b>Closing balance</b>	<b>88.32</b>	<b>55.11</b>	

### 38 Disclosure Under Micro, Small and Medium Enterprises Development Act, 2006.

		Rupees in Crores	
Particulars	As at / Year Ended 31-03-2024	As at / Year Ended 31-03-2023	
Trade Payables pertaining to dues to Micro and Small Enterprises (all are within agreed credit period and not due for payment) [Refer note 18]	34.80	45.42	
(i) The principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil	
(ii) 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	
(iii) 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	
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil	
(v) 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	

### 39 Payment to Auditors Comprises

		Rupees in Crores	
Particulars	As at / Year Ended 31-03-2024	As at / Year Ended 31-03-2023	
As statutory auditors	0.85	0.85	
Taxation matters	0.20	0.20	
Certification matters	0.10	0.10	
	<b>1.15</b>	<b>1.15</b>	
Miscellaneous expenses include travel and stay expenses of auditors	0.03	0.05	
	<b>1.18</b>	<b>1.20</b>	

## Notes to the Financial Statements (Contd.)

### 40 Contingent Liabilities and Commitments not Provided for

Particulars	Rupees in Crores	
	As at / Year Ended 31-03-2024	As at / Year Ended 31-03-2023
<b>(a) Claims against the company not acknowledged as debts:</b>		
(i) Excise	31.14	52.44
(ii) Service tax	0.95	0.95
(iii) Customs	-	39.27
(iv) Sales tax	2.00	2.00
(v) Guarantees given to bank/others for credit facility granted to subsidiary Companies	83.41	123.26
(vi) Income tax	46.85	53.24
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.		
<b>(b) Other money for which the company is contingently liable:</b>		
On bills discounted with banks	250.99	146.91
<b>(c) Commitments:</b>		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	229.94	259.85
(ii) On Investments	1.88	3.90

### 41 Leases

#### Company as a Lessee

The company has taken land, warehouses and sales offices across the country on lease for lease period ranging from 6-99 years. Company also has other assets on leases, the lease term here ranges from 2-9 Years.

Wherever the lease includes extension option and it is reasonably certain to exercise that option, the same is considered for computing the lease term. In other cases, the term is limited to initial lease period. Lease term includes non-cancellable period and expected lease period.

Payment made towards short term leases during the year is ₹ 78.46 Cr (Previous year: ₹ 45.34 Cr)

Payment made towards Low value assets during the year is Nil (Previous year: Nil)

Payment relating to leases are disclosed in Cash flow statement

Income from sub-leasing of Right of use asset is ₹ NIL (Previous year: ₹ 7.47 Cr)

### 42 Additional Regulatory Disclosures as Per Schedule iii of Companies Act, 2013

- 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.
- The Company does not have any investment property.
- As per the Company's accounting policy, Property, Plant and Equipment (including Right of Use Assets) and intangible assets are carried at historical cost (less accumulated depreciation & impairment, if any), hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.

## Notes to the Financial Statements (Contd.)

- 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.
- 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.
- The Company has sanctioned facilities from banks on the basis of security of current assets. The periodic returns filed by the Company with such banks are in agreement with the books of accounts of the Company.
- The company has adhered to debt repayment and interest service obligations on time. "Wilful defaulter" related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.
- There are no transactions with the companies whose names were struck off under section 248 of The Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2024.
- 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<sup>st</sup> March 2024.
- 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.
- No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.
- 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.
- The Company has 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.
- The Company has not operated in any crypto currency or Virtual Currency transactions.
- During the year the Company has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.

## Notes to the Financial Statements (Contd.)

### 43 Disclosure Made in Terms Of Regulation 34(3) of Listing Regulations

Sl. No.	Particulars	Name of the company	Rupees in Crores	
			Amount outstanding as at 31-03-2024	Amount outstanding as at 31-03-2023
<b>(a) Investments by the company</b>				
<b>(i) In subsidiary companies</b>				
		<b>Sundaram Auto Components Limited, Chennai</b>	108.46	336.20
		[1,19,37,422 (last year-4,45,69,000) Equity shares of ₹10/- each fully paid up]	108.46	
		Maximum amount held at any time		
		During the year		
		During the previous year	336.20	
		<b>TVS Digital Limited, Chennai (Formerly known as TVS Housing Limited)</b>	3.05	0.05
		[30,50,000 (last year - 50,000) Equity shares of ₹10/- each fully paid up]	3.05	
		Maximum amount held at any time		
		During the year		
		During the previous year	0.05	
		<b>TVS Motor Services Limited, Chennai</b>	148.68	148.68
		[14,96,33,814 (last year -14,96,33,814) Equity shares of ₹10/- each fully paid up]	148.68	
		Maximum amount held at any time		
		During the year		
		During the previous year	148.68	
		<b>TVS Motor Services Limited, Chennai</b>	50.00	50.00
		[5,00,00,000 (last year - 5,00,00,000) Preference shares of ₹ 10/- each fully paid up]	50.00	
		Maximum amount held at any time		
		During the year	50.00	
		During the previous year	50.00	
		<b>TVS Credit Services Limited, Chennai</b>	1,960.99	1,960.99
		[19,54,24,754 (last year - 19,54,24,754) Equity shares of ₹10/- each fully paid up]		
		Maximum amount held at any time		
		During the year	1960.99	
		During the previous year	1960.99	
		<b>TVS Credit Services Limited, Chennai</b>	100.00	-
		[31,69,773 (last year - Nil ) Preference shares of ₹ 10/- each fully paid up]		
		Maximum amount held at any time		
		During the year	200	
		During the previous year	-	
		<b>TVS Motor Company (Europe) B.V., Amsterdam</b>	1.80	1.80
		[2,25,301 (last year- 2,25,301) Ordinary shares of Euro 100/- each fully paid up]		
		Maximum amount held at any time		
		During the year	1.80	
		During the previous year	1.80	
		<b>TVS Motor (Singapore) Pte. Limited, Singapore</b>	3,697.87*	2,466.53*
		[67,16,85,616 (last year 42,01,55,810) Ordinary shares of Singapore \$ 1/- each fully paid up]		
		Maximum amount held at any time		
		During the year	3,697.87	
		During the previous year	2,466.53	
		(* - Including share application money pending allotment)		

## Notes to the Financial Statements (Contd.)

Sl. No.	Particulars	Name of the company	Rupees in Crores	
			Amount outstanding as at 31-03-2024	Amount outstanding as at 31-03-2023
		<b>PT. TVS Motor Company Indonesia, Jakarta</b>	389.06	389.06
		[85,97,000 (last year - 85,97,000) Equity shares of Indonesian Rp.97,400/- each fully paid up]		
		Maximum amount held at any time		
		During the year	389.06	
		During the previous year	389.06	
		<b>TVS Electric Mobility Ltd., Chennai</b>	1.00	1.00
		[10,00,000 (last year -10,00,000) Equity shares of ₹ 10/- each fully paid up]		
		Maximum amount held at any time		
		During the year	1.00	
		During the previous year	1.00	
		<b>(ii) in associate companies</b>		
		<b>Emerald Haven Realty Limited, Chennai,</b>	-	111.22
		Nil (last year - 11,12,19,512) Equity shares of ₹ 10/- each fully paid up]		
		Maximum amount held at any time		
		During the year	111.22	
		During the previous year	111.22	
		<b>Ultraviolette Automotive Private Limited, Bengaluru</b>	11.00	11.00
		[14,850 (last year-14,850) Equity shares of ₹ 10/- each fully paid up]		
		Maximum amount held at any time		
		During the year	11.00	
		During the previous year	11.00	
		<b>Ultraviolette Automotive Private Limited, Bengaluru</b>	5.00	5.00
		[990 (last year - 990) Preference shares of ₹ 50,545/- each fully paid up]		
		Maximum amount held at any time		
		During the year	5.00	
		During the previous year	5.00	
		<b>Ultraviolette Automotive Private Limited, Bengaluru</b>	30.00	30.00
		(7387 (last year - 7387) Preference shares of ₹ 40,616/- each fully paid up]		
		Maximum amount held at any time		
		During the year	30.00	
		During the previous year	30.00	
		<b>Ultraviolette Automotive Private Limited, Bengaluru</b>	75.00	75.00
		[3939 (last year - 3939) Preference shares of ₹ 1,90,384/- each fully paid up]		
		Maximum amount held at any time		
		During the year	75.00	
		During the previous year	75.00	
		<b>Tagbox Solutions Private Limited, Bengaluru</b>	-	1.19
		[Nil (last year - 45,710) Equity shares of ₹ 1 each fully paid]		
		Maximum amount held at any time		
		During the year	1.19	
		During the previous year	1.19	
		<b>Tagbox Solutions Private Limited, Bengaluru</b>	-	9.99
		[Nil (last year - 383,983) Preference shares of ₹ 16 each fully paid]		
		Maximum amount held at any time		
		During the year	9.99	
		During the previous year	9.99	

## Notes to the Financial Statements (Contd.)

Sl. No.	Particulars	Name of the company	Rupees in Crores	
			Amount outstanding as at 31-03-2024	Amount outstanding as at 31-03-2023
		<b>DriveX Mobility Private Limited, Coimbatore</b>	87.17	87.17
		[9766 (last year - 9766) Equity shares of ₹ 10 each fully paid]		
		Maximum amount held at any time		
		During the year	87.17	
		During the previous year	87.17	
		<b>Indian Foundation for Quality Management, Bengaluru</b>	25.00	-
		[2,50,00,00 (last year - Nil) Equity shares of ₹ 10 each fully paid]		
		Maximum amount held at any time		
		During the year	25.00	
		During the previous year	-	
<b>(b)</b>	<b>Investments by the holding company</b>	<b>TVS Holdings Limited (formerly Sundaram-Clayton Limited)</b>	17.15	17.15
		Chennai holds,		
		23,87,82,786 (last year 23,87,82,786) Equity shares of ₹ 1/- each fully paid up		
		Maximum amount held at any time		
		During the year	17.15	
		During the previous year	17.15	

### 44 Details of Loans given, Investments Made and Guarantees given

(DISCLOSURE AS PER SECTION 186 OF THE COMPANIES ACT, 2013)

- (a) Investments made - Refer Note No.3
- (b) Guarantee issued towards credit facility / business purpose - Refer 34 b (x)

## Notes to the Financial Statements (Contd.)

### 45 Corporate Social Responsibility

Expenditure incurred on Corporate Social Responsibility (CSR) activities:

- (a) Gross amount required to be spent during the year is ₹ 26.39 crores (Previous Year ₹ 18.61 crores)
- (b) Amount spent during the year:

Sl. No.	Particulars	In cash	Yet to be paid in cash	Rupees in Crores	
				Year ended 31-03-2024	Year ended 31-03-2023
1	Construction/acquisition of any asset	-	-	-	-
2	Other than above	-	-	30.00	19.00

Sl. No.	Particulars	Year ended 31-03-2024	Year ended 31-03-2023
1	Amount required to be spent by the Company during the year	26.39	18.61
2	Amount of expenditure incurred	30.00	19.00
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	-	-
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, environment sustainability, social empowerment, infrastructure development and conservation of natural resources.

46 Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.

<b>PROF. SIR RALF DIETER SPETH</b>	<b>SUDARSHAN VENU</b>	<b>K.N. RADHAKRISHNAN</b>	As per our report annexed
Chairman	Managing Director	Director & Chief Executive Officer	For <b>Sundaram &amp; Srinivasan</b>
DIN: 03318908	DIN: 03601690	DIN: 02599393	Chartered Accountants
			Firm Regn. No.004207S

Place: Chennai	<b>K. GOPALA DESIKAN</b>	<b>K.S.SRINIVASAN</b>	<b>S USHA</b>
Date: 8 <sup>th</sup> May 2024	Chief Financial Officer	Company Secretary	Partner
			Membership No.:211785

# Independent Auditors' Report

for the year ended 31<sup>st</sup> March 2024

To the members of TVS Motor Company Limited

## Report on the Audit of Consolidated Ind AS Financial Statements

### Opinion

We have audited the accompanying consolidated Ind AS financial statements of TVS Motor Company Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associates, which comprise the consolidated Balance Sheet as at March 31, 2024, and the consolidated statement of Profit and Loss, (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated Ind AS financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 Indian Accounting standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rule, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates as at March 31, 2024, and its consolidated profit, its consolidated total

comprehensive income, its consolidated changes in equity and its consolidated cash flows for the year then ended.

### 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 Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements" section of our report. We are independent of the Group and its associates in accordance with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters section below, other than the unaudited financial statements/ financial information as certified by the management and referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit matter	Principal Audit Procedure
<p><b>1. Carrying Value of Goodwill</b></p> <p>Management has obtained a valuation report of the Cash Generating Unit, wherein valuers have arrived at a fair value, based on weighted average of the Discounted Cash Flow Method and Comparable Companies Multiples Method.</p> <p>We gained an understanding of the key assumptions used to forecast the cash flows and the discount rates applied Weighted Average Cost of Capital (WACC) as well as the Comparable Companies considered in arriving at the fair value. We consider that the management conclusions concerning the absence of impairment in the goodwill are adequately supported and consistent with the information currently available.</p>	<p>Management has obtained a valuation report of the Cash Generating Unit, wherein valuers have arrived at a fair value, based on weighted average of the Discounted Cash Flow Method and Comparable Companies Multiples Method.</p> <p>We gained an understanding of the key assumptions used to forecast the cash flows and the discount rates applied Weighted Average Cost of Capital (WACC) as well as the Comparable Companies considered in arriving at the fair value. We consider that the management conclusions concerning the absence of impairment in the goodwill are adequately supported and consistent with the information currently available.</p>
<p><b>2. Government Grants</b></p> <p>Government has announced various Grants to manufacturers of automobiles. The company in turn is availing the said grants on fulfilling the conditions attached to that.</p> <p>The recognition of Government grants is considered to be key audit matter because of significance of amount of grants and management judgements involved in fulfilling the conditions to receive the grant.</p> <p>The management periodically reviews, during the year, compliance of relevant conditions attached to each grant whether there is a reasonable assurance that the grants will be received, in order to determine the timing and amounts of grants to be recognized in the financial statements.</p>	<p>Determined the appropriateness of the accounting policy for government grants as per the relevant accounting standard;</p> <p>Examined the Company's key internal financial controls over recognition of government grants with regard to its design and implementation. Tested the operating effectiveness of such controls for the transactions selected.</p> <p>Verified documents, on sample basis, submitted to the various government authorities relating to the grants received and receivable and checked the compliance of conditions attached to the respective grants.</p> <p>Considered the basis of management's judgement towards fulfilment of conditions attached to the grants and evaluated the reasonable assurance that grants will be received.</p> <p>Reviewed the appropriateness of the disclosures made in accordance with the relevant accounting standards.</p>

Key Audit matter	Principal Audit Procedure
<p><b>3. Investments</b></p> <p>The Company has significant investments in its subsidiaries and associates.</p> <p>Management reviews regularly whether there are any indicators of impairment of the investments by reference to the requirements under Ind AS 36 "Impairment of Assets".</p> <p>For investments where impairment indicators exist, significant judgements are required to determine the key assumptions used in the valuation model and methodology, such as revenue growth, discount rates, etc.</p> <p>Considering, the impairment assessment which involves significant assumptions and judgement of the management and the same has been considered as key audit matter.</p>	<p>Obtained and read the valuation report used by the management for determining the fair value ('recoverable amount') of its material investments.</p> <p>Considered the independence, competence and objectivity of the management specialist involved in determination of valuation.</p> <p>Tested the fair value of the investment as mentioned in the valuation report to the carrying value in books.</p> <p>Made inquiries with management to understand key drivers of the cash flow forecasts, discount rates, etc.</p> <p>Assessed the disclosures made in the financial statements regarding such investments to comply with the requirements of Standards.</p>
<p><b>4. Evaluation of Uncertain Direct tax and Indirect Tax positions:</b></p> <p>The Company has material uncertain tax positions, including matters under dispute relating Excise, Customs Duty, Value Added Tax (Indirect Taxes) and Income Tax (Direct Tax).</p> <p>These matters involve significant judgment to determine the possible outcome of these disputes</p>	<p>We obtained details of demands relating to Direct Tax and indirect tax, for the year ended 31<sup>st</sup> March 2024.</p> <p>We considered legal precedence and other rulings, obtained external opinions and discussed with company's internal legal team in evaluating management's position on these uncertain tax positions.</p> <p>Satisfied ourselves that it is not probable that an outflow of economic benefits will be required and disclosed such obligation as a contingent liability</p>

### Information other than the Consolidated Ind AS 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 Annual Report (Financial Highlights, Board's Report, Management Discussion and Analysis and Report on Corporate Governance) report but does not include the consolidated Ind AS financial statements and our auditors' report thereon.

Our opinion on the consolidated Ind AS 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 consolidated Ind AS 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 consolidated Ind AS 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 therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Act, that give a true and fair view of the consolidated

financial position, consolidated financial performance and consolidated cash flows, and consolidated Changes in Equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates 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 the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

### Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

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

- Identify and assess the risk of material misstatement of consolidated Ind AS 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 of 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 collusions, 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. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated Ind AS financial statements 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 significantly doubt on the ability of the Group and its associates 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 Ind AS 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 and its associates to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS 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 entities or business activities within the Group and its associates to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by 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.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors 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 consolidated Ind AS financial statements of the current periods 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.

### Other Matters

The consolidated Ind AS financial statement include the audited financial statements of 11 subsidiaries, whose Ind AS financial statement reflect total asset of ₹ 6,235.23 crores as at 31<sup>st</sup> March 2024 and total revenues of ₹ 1,795.38 Crores, total net loss after tax of ₹ 382.93 Crores and total comprehensive loss of ₹ 376.44 Crores, for the year ended 31<sup>st</sup> March 2024 and cash flow of ₹ 40.04 crores for the period from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024. The

consolidated audited Ind AS financial statement also include the Group's share of net loss of ₹ 3.65 crores and total comprehensive Loss of ₹ 3.65 for the year ended 31<sup>st</sup> March 2024, as considered in the consolidated audited Ind AS financial Statement, in respect of 1 associate company, whose Ind AS financial statement have not been audited by us. This financial Statement have been audited by other auditor's whose report has been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and one associate, is based solely on the report of the other auditors.

We have audited the Ind AS financial Statement of 1 subsidiary along with another firm of Chartered Accountants as Joint Auditors whose financial Statement is included in the consolidated audited Ind AS financial Statement which reflect total assets of ₹ 28,141.01 crores as at 31<sup>st</sup> March 2024 and total revenues of ₹ 5,796.01 Crores and total net profit after tax of ₹ 572.56 Crores and total comprehensive income of ₹ 551.85 Crores, for the year ended 31<sup>st</sup> March 2024 and cash flow of ₹ 221.56 crores for the period from 01<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024. Our opinion on the Ind AS Financial Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on our Joint opinion on the audit of Ind AS financial Statement of the said subsidiary.

The consolidated annual Ind AS financial Statement include the unaudited Ind AS financial Statement of 9 subsidiaries which have not been audited by their auditors and are based solely on management certified accounts, whose Ind AS financial Statement reflect total asset of ₹ 1,159.39 crores as at 31<sup>st</sup> March 2024 and total revenue of ₹ 716.67 Crores and total net loss after tax of ₹ 364.43 Crores and total comprehensive Loss of ₹ 364.43 Crores for the year ended 31<sup>st</sup> March 2024 and cash flow of ₹ (4.58) crores for the period from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024 as considered in the consolidated Ind AS audited financial Statement. The consolidated Ind AS audited financial Statement also include the Group's share of net loss after tax of ₹ 39.82 Crores and total comprehensive Loss of ₹ 39.82 Crores for the year ended 31<sup>st</sup> March 2024, as considered in the consolidated Ind AS audited financial Statement, in respect of 10 associates based on their financial statement which have not been audited by their auditors and are based solely on management certified accounts.

The financial information of subsidiaries and associates located outside India have been prepared in accordance with accounting principles generally accepted in their respective countries. The Holding Company's Management has converted this financial information from accounting principles generally accepted in their respective countries, to Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. We have

audited these conversion adjustments made by the Parent Company's Management. Our opinion in so far as it relates to such subsidiaries and associates located outside India is based on the aforesaid conversion adjustments report prepared by the Parent Company's Management.

This financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion, on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to this associate, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, this financial statement / financial information is not material to the Group.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, we report, to the extent applicable, that
  - 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 Ind AS financial statements.
  - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Statement of Changes in Equity 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 Ind AS financial statements.
  - In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards 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 of the Holding Company as on 31<sup>st</sup> March, 2024, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and its associate companies, incorporated in India, none of the directors of the Group companies, its associate companies incorporated in India is disqualified as on 31<sup>st</sup> March, 2024, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.
- g. (i) The remuneration paid / provided by the group and its associates to the directors during the year is in accordance with the Section 197 read with Schedule V of the Act.
- (ii) This clause is not applicable to the overseas subsidiary companies and associate companies incorporated outside India.
- 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 consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (refer note no. 43).
- ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, and required to be transferred, to the Investor Education Protection Fund by the Group, its associates incorporated in India.
- iv. a) The respective Managements of the Company, its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts (refer note no 45 (viii)), 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 or associates 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, 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 and associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. This clause is not applicable to company incorporated outside India.
- b) The respective Managements of the Company its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts (refer note no 45 (ix)) no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries and associates from any person(s) or entity(ies), including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries or associates 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. This clause is not applicable to the companies incorporated outside India.
- 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 and associates 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 dividends declared and paid during the year by the Group, are in accordance with Section 123 of the Companies Act 2013.
- vi. Based on our examination, which included test checks, and that performed by the respective auditors of the group and associates and which are companies incorporated in India whose financial statements have been audited under the Act the Group and associates have used accounting software for maintaining books of account for the financial year ended 31<sup>st</sup> March 2024 which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of performing the procedures, we, and the respective auditors of such group and its associates, did not notice any instance of the audit trail feature being tampered with.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024
- The reporting requirement under this clause is not applicable to subsidiary companies and associate companies incorporated outside India.

For **Sundaram and Srinivasan**  
Chartered Accountants  
Firm Registration No. 004207S

**S. USHA**  
Partner  
Place: Chennai  
Membership No.: 211785  
Date: 8<sup>th</sup> May 2024  
UDIN: 24211785BKCSLP3972

## Annexure

to the Independent Auditors' Report for the year ended 31<sup>st</sup> March 2024 To the members of TVS Motor Company Limited

### Report on the Internal Financial Controls 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 Ind AS financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of TVS Motor Company Ltd. ("the Holding Company"), the subsidiary companies and its associate companies incorporated in India.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and its associates, 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 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 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 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") issued by the ICAI 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 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.

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 authorisation 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 consolidated Ind AS 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 the Holding Company, its subsidiary companies and its associates, which are companies 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 March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to seven subsidiary companies and one associate company, which companies are incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the

internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which company is incorporated in India, is based on the corresponding report issued by us along with the other firm as joint auditors of such company incorporated in India.

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to five associate companies, which companies are incorporated in India, is based on the management certificate of such companies incorporated in India.

The reporting under section 143(3)(i) of the Act is not applicable to thirteen subsidiary companies and five associate companies, which companies are incorporated outside India.

Our opinion is not modified in respect of this matter.

For **Sundaram and Srinivasan**  
Chartered Accountants  
Firm Registration No. 004207S

**S. USHA**  
Partner  
Membership No.: 211785  
UDIN: 24211785BKCSLP3972

Place: Chennai  
Date: 8<sup>th</sup> May 2024

## Balance Sheet

as at 31<sup>st</sup> March 2024

	Notes	As at 31-03-2024	As at 31-03-2023
Rupees in crores			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	4,294.12	4,177.40
Capital work-in-progress	2	338.01	315.81
Investment properties	3	137.70	137.70
Goodwill on consolidation		597.05	597.05
Other intangible assets	2	861.95	835.88
Intangible assets under development		694.94	427.64
Financial assets			
i. Investments	4	482.75	364.10
ii. Loans (receivable from financing activity)	5	12,054.55	10,321.42
iii. Other Financial Assets	6	195.52	192.93
Investments accounted using equity method	7	477.25	411.23
Non-current tax assets (Net)		23.55	27.60
Deferred tax assets	8	394.28	305.73
Other non-current assets	9	148.78	94.14
		<b>20,700.45</b>	<b>18,208.63</b>
<b>Current assets</b>			
Inventories	10	2,248.40	1,921.51
Financial assets			
i. Trade receivables	11	1,839.42	1,256.42
ii. Investments	4	163.19	191.92
iii. Loans (receivable from financing activity)	5	13,417.26	10,225.16
iv. Cash and cash equivalents	12	2,355.80	1,851.19
v. Bank balances other than (iv) above	13	69.93	27.92
vi. Other financial assets	14	202.66	241.26
Current tax assets (Net)		23.89	4.56
Other current assets	15	1,199.46	1,304.34
		<b>21,520.01</b>	<b>17,024.28</b>
		<b>42,220.46</b>	<b>35,232.91</b>
<b>Total assets</b>			
<b>EQUITY AND LIABILITIES</b>			
Equity			
Equity share capital	16	47.51	47.51
Other equity	17	6,736.00	5,457.49
Equity attributable to owners		<b>6,783.51</b>	<b>5,505.00</b>
Non-controlling interest		727.60	404.85
		<b>7,511.11</b>	<b>5,909.85</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings	18	12,629.32	9,064.08
ii. Lease Liabilities		503.68	563.51
Provisions	19	270.18	231.26
Deferred tax liabilities (Net)	20	196.46	208.37
Other non current liabilities		31.50	37.14
		<b>13,631.14</b>	<b>10,104.36</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	21	12,657.30	12,562.15
ii. Lease Liabilities		215.40	185.84
iii. Trade payables	22		
a. Total outstanding dues of micro and small enterprises		62.38	75.83
b. Total outstanding dues of other than (iii) (a) above		6,575.84	5,020.84
iv. Other financial liabilities	23	459.58	355.60
Provisions	19	166.64	115.74
Current tax liabilities		34.58	16.05
Other current liabilities	24	906.49	886.65
		<b>21,078.21</b>	<b>19,218.70</b>
		<b>34,709.35</b>	<b>29,323.06</b>
<b>Total liabilities</b>			
<b>Total equity and liabilities</b>		<b>42,220.46</b>	<b>35,232.91</b>
Material accounting policies	1		

See the accompanying notes to the financial statements

<b>PROF. SIR RALF DIETER SPETH</b> Chairman DIN: 03318908	<b>SUDARSHAN VENU</b> Managing Director DIN: 03601690	<b>K.N. RADHAKRISHNAN</b> Director & Chief Executive Officer DIN: 02599393	As per our report annexed For <b>Sundaram &amp; Srinivasan</b> Chartered Accountants Firm Regn. No.004207S
Place: Chennai Date: 8 <sup>th</sup> May 2024	<b>K. GOPALA DESIKAN</b> Chief Financial Officer	<b>K.S.SRINIVASAN</b> Company Secretary	<b>S USHA</b> Partner Membership No.:211785

## Statement of Profit and Loss

for the year ended 31<sup>st</sup> March 2024

	Notes	Year Ended 31-03-2024	Year Ended 31-03-2023
Rupees in crores			
I Revenue from operations	25	39,144.74	31,973.99
II Other income	26	105.82	138.00
<b>III Total Income (I + II)</b>		<b>39,250.56</b>	<b>32,111.99</b>
IV Expenses:			
Cost of material consumed	27	23,717.91	20,096.24
Purchase of stock in trade	27	1,011.69	890.95
Changes in inventories of finished goods, Stock-in-trade and work-in-progress	27	(324.35)	(140.93)
Employee benefits expense	28	3,385.19	2,890.25
Finance costs	29	1,927.72	1,367.89
Depreciation and amortisation expense	30	975.12	858.86
Other expenses	31	5,810.89	4,170.10
<b>Total expenses</b>		<b>36,504.17</b>	<b>30,133.36</b>
<b>V Profit before exceptional items, share of net profit/(loss) from associates and tax (III - IV)</b>		<b>2,746.39</b>	<b>1,978.63</b>
VI Share of net profit / (loss) from associates using equity method		(43.47)	(40.73)
<b>VII Profit before exceptional items and tax (V + VI)</b>		<b>2,702.92</b>	<b>1,937.90</b>
VIII Exceptional items		-	(1.87)
<b>IX Profit before tax (VII + VIII)</b>		<b>2,702.92</b>	<b>1,936.03</b>
X Tax expense	32		
i) Current tax		1,012.63	703.46
ii) Deferred tax		(88.25)	(76.89)
<b>Total Tax expense (i+ii)</b>		<b>924.38</b>	<b>626.57</b>
<b>XI Profit for the year (IX - X)</b>		<b>1,778.54</b>	<b>1,309.46</b>
XII (Profit) / Loss attributable to non-controlling Interest		(92.17)	19.21
<b>XIII Profit for the year attributable to owners (XI + XII)</b>		<b>1,686.37</b>	<b>1,328.67</b>
XIV Other comprehensive income			
A. Items that will not be reclassified to profit or loss:			
Remeasurements of post employment benefit obligations		(28.42)	(27.62)
Change in fair value of equity instruments		0.32	(13.49)
Share of other comprehensive income of an associate		0.01	(0.03)
Income tax relating to the above items		3.93	10.38
B. Items that will be reclassified to profit or loss:			
Fair value changes on cash flow hedges		(27.47)	16.85
Foreign currency translation adjustments		(8.08)	78.17
Income tax relating to the above items		6.24	(4.98)
<b>Other comprehensive income for the year, net of tax (XIV)</b>		<b>(53.47)</b>	<b>59.28</b>
XV Other comprehensive income attributable to non-controlling interest		(5.93)	23.29
<b>XVI Other comprehensive income attributable to owners (XIV - XV)</b>		<b>(47.54)</b>	<b>35.99</b>
<b>XVII Total comprehensive income attributable to owners (XIII +XVI)</b>		<b>1,638.83</b>	<b>1,364.66</b>
XVIII Earnings per equity share (Face value of ₹ 1/- each)			
Basic & Diluted earnings per share (in rupees)	41	35.50	27.97
Material accounting policies	1		

See the accompanying notes to the financial statements

<b>PROF. SIR RALF DIETER SPETH</b> Chairman DIN: 03318908	<b>SUDARSHAN VENU</b> Managing Director DIN: 03601690	<b>K.N. RADHAKRISHNAN</b> Director & Chief Executive Officer DIN: 02599393	As per our report annexed For <b>Sundaram &amp; Srinivasan</b> Chartered Accountants Firm Regn. No.004207S
Place: Chennai Date: 8 <sup>th</sup> May 2024	<b>K. GOPALA DESIKAN</b> Chief Financial Officer	<b>K.S.SRINIVASAN</b> Company Secretary	<b>S USHA</b> Partner Membership No.:211785

## Statement of Changes in Equity

### a Equity Share Capital

	Rupees in crores
<b>As at 01-04-2022</b>	47.51
Changes in Equity Share capital due to prior period errors	-
Restated balance as at 01-04-2022	<b>47.51</b>
Changes in equity share capital during the year	-
<b>As at 31-03-2023</b>	<b>47.51</b>
Changes in Equity Share capital due to prior period errors	-
Restated balance as at 01-04-2023	47.51
Changes in equity share capital during the year	-
<b>As at 31-03-2024</b>	<b>47.51</b>

### b Other Equity

Particulars	Reserves & Surplus				Other Reserves			Non Controlling Interest	Total
	General reserve	Capital reserve	Statutory Reserve	Retained earnings	Equity Instruments Fair Valued through Other Comprehensive Income	Foreign currency translation reserve	Hedging reserve		
<b>Balance as at 31-03-2022</b>	876.24	6.51	116.66	3,284.51	12.71	52.33	2.98	653.56	5,005.50
Add: Profit for the year 2022-23	-	-	-	1,328.67	-	-	-	(19.21)	1,309.46
Add: Other comprehensive income for the year 2022-23	-	-	-	(19.88)	(10.76)	55.70	-	24.20	49.26
Add: Share of OCI from associates, net of tax	-	-	-	(0.03)	-	-	-	-	(0.03)
Less: Reclassification to profit or loss, net of tax	-	-	-	-	-	-	6.02	-	6.02
Less: Reclassification to retained earnings, net of tax	-	-	-	(0.41)	-	-	0.41	-	-
Less: Change in fair value of hedging instruments, net of tax	-	-	-	-	-	-	(16.98)	0.91	(16.07)
Add: Transfer from Retained earnings to Statutory reserve	-	-	77.73	(77.73)	-	-	-	-	-
Less: Non-controlling interests on sale of subsidiary	-	-	-	(65.48)	-	47.78	-	325.01	307.31
Add: Non-controlling interests on acquisition of subsidiary	-	-	-	-	-	-	-	(1.33)	(1.33)
<b>Transaction in capacity of owners</b>									
Add: Transactions with non-controlling interest	-	-	(10.80)	(28.47)	-	-	-	73.55	34.28
Less: Distribution to shareholders:									
2022-23 Interim dividend paid	-	-	-	237.54	-	-	-	-	237.54
<b>Balance as at 31-03-2023</b>	<b>876.24</b>	<b>6.51</b>	<b>183.59</b>	<b>4,315.42</b>	<b>1.95</b>	<b>60.25</b>	<b>13.53</b>	<b>404.85</b>	<b>5,862.34</b>
Add: Profit for the year 2023-24	-	-	-	1,686.37	-	-	-	92.17	1,778.54
Add: Other comprehensive income for the year 2023-24	-	-	-	(22.98)	0.19	(6.09)	-	(5.93)	(34.81)
Add: Share of OCI of an associate, net of tax	-	-	-	0.01	-	-	-	-	0.01
Less: Reclassification to profit or loss, net of tax	-	-	-	-	-	-	1.35	-	1.35
Less: Issue expense taken to reserve	-	-	-	18.94	-	-	-	4.45	23.39
Less: Change in fair value of hedging instruments, net of tax	-	-	-	-	-	-	17.32	-	17.32
Add: Transfer from Retained earnings to Statutory reserve	-	-	114.37	(114.37)	-	-	-	-	-

Particulars	Reserves & Surplus				Other Reserves			Non Controlling Interest	Total
	General reserve	Capital reserve	Statutory Reserve	Retained earnings	Equity Instruments Fair Valued through Other Comprehensive Income	Foreign currency translation reserve	Hedging reserve		
<b>Transaction in capacity of owners</b>									
Add: Transactions with non-controlling interest	-	-	-	63.92	(9.11)	(17.97)	1.85	240.96	279.65
Less: Distribution to shareholders:									
2023-24 Interim dividend paid	-	-	-	380.07	-	-	-	-	380.07
<b>Balance as at 31-03-2024</b>	<b>876.24</b>	<b>6.51</b>	<b>297.96</b>	<b>5,529.36</b>	<b>(6.97)</b>	<b>36.19</b>	<b>(3.29)</b>	<b>727.60</b>	<b>7,463.60</b>

### Nature and purpose of Other Reserves

- General reserve is available for distribution to share holders.
- Capital reserve

	Rupees in crores
i. On shares forfeited (₹55,200)	-
ii. On surplus arising out of amalgamation	6.51
	<b>6.51</b>

- Statutory Reserve has been created pursuant to section 45 - IC of the RBI Act,1934. Owners portion of Statutory Reserve created in subsidiary shown above after becoming subsidiary.

- Hedging Reserve - Refer Note No. 35(D)

It represents the effective portion of the fair value of forward/option contracts designated as cashflow hedge

- FVTOCI reserve

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI reserve within equity.

See the accompanying notes to the financial statements

<b>PROF. SIR RALF DIETER SPETH</b>	<b>SUDARSHAN VENU</b>	<b>K.N. RADHAKRISHNAN</b>	As per our report annexed
Chairman	Managing Director	Director & Chief Executive Officer	For <b>Sundaram &amp; Srinivasan</b>
DIN: 03318908	DIN: 03601690	DIN: 02599393	Chartered Accountants
			Firm Regn. No.0042075

Place: Chennai	<b>K. GOPALA DESIKAN</b>	<b>K.S.SRINIVASAN</b>	<b>S USHA</b>
Date: 8 <sup>th</sup> May 2024	Chief Financial Officer	Company Secretary	Partner
			Membership No.:211785

# Cash Flow Statement

for the year ended 31<sup>st</sup> March 2024

Rupees in crores

	Year ended 31-03-2024	Year ended 31-03-2023
<b>A. Cash flow from operating activities:</b>		
Net profit before tax	2,702.92	1,936.03
Add:		
Depreciation and amortisation for the year	975.12	858.86
(Profit) on sale of property, plant and equipment (Net)	(3.38)	(2.65)
Loss / (Gain) on valuation of investment (Net)	26.93	(61.84)
(Profit) on sale of investments (Net)	(89.47)	(45.56)
(Gain) on lease preclosure	(4.75)	(0.01)
Unrealised exchange (gain) / loss	10.82	0.63
Net (profit)/ loss from associates using equity method	43.47	40.73
Dividend income	(0.65)	(0.02)
Interest income	(22.10)	(10.99)
Finance cost [excluding relatable to financial enterprise]	274.08	199.61
Provisions	61.40	15.74
	1,271.47	994.50
Operating profit before working capital changes	<b>3,974.39</b>	<b>2,930.53</b>
Adjustments for:		
Loans given by a financial enterprise (Net)	(4,925.23)	(6,530.88)
Trade receivables	(590.00)	(95.16)
Inventories	(326.89)	(313.99)
Other current assets	104.88	(334.61)
Other financial assets	15.54	(155.08)
Trade payables	1,537.73	517.35
Other financial liabilities	49.00	(11.55)
Other current liabilities	36.88	161.07
Other non - current assets	(169.55)	35.38
	(4,267.64)	(6,727.47)
Cash generated from operations	<b>(293.25)</b>	<b>(3,796.94)</b>
Direct taxes paid	(959.42)	(607.87)
<b>Net cash from operating activities</b>	(A) <b>(1,252.67)</b>	<b>(4,404.81)</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of property, plant and equipment, intangible assets, capital work-in-progress, intangibles under development, net of capital advances	(1,145.17)	(1,340.77)
Sale of fixed assets	34.63	21.94
Purchase of investments	(223.25)	(265.58)
Purchase of Investments in associates/Subsidiaries	(387.59)	(87.17)
Sale of Investments in subsidiaries/Associates	168.59	-
Sale / redemption of investments	47.82	-
Loss of control	-	317.01
Contribution from non-controlling Interest	480.00	68.80
Consideration paid towards business combination	-	(34.63)
Interest received	23.61	12.64
	(1,001.36)	(1,307.76)
<b>Net cash from / (used in) investing activities</b>	(B) <b>(1,001.36)</b>	<b>(1,307.76)</b>

Rupees in crores

	Year ended 31-03-2024	Year ended 31-03-2023
<b>C. Cash flow from financing activities:</b>		
Borrowings:		
Non-current borrowings availed / (repaid)	3,844.07	5,467.90
Current borrowings availed / (repaid)	(182.03)	1,119.78
Other bank balances	(43.96)	62.27
Finance cost paid	(283.67)	(112.08)
Lease liabilities paid	(195.70)	(127.98)
Dividend paid	(380.07)	(291.81)
	2,758.64	6,118.08
<b>Net cash from / (used in) financing activities</b>	(C) <b>2,758.64</b>	<b>6,118.08</b>
<b>Total (A)+(B)+(C)</b>	<b>504.61</b>	<b>405.51</b>
Cash and cash equivalents at the beginning of the year	1,851.19	1,445.68
Cash and cash equivalents at the end of the year	2,355.80	1,851.19
<b>D. Net increase/(decrease) in cash and cash equivalents</b>	<b>504.61</b>	<b>405.51</b>

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

## Change in liability arising from financing activities

Particulars	As at 31-03-2023	Cash flow	Foreign exchange movement	As at 31-03-2024
Non-current borrowings	16,816.86	3,844.07	(3.25)	20,657.68
Current borrowings (Excluding overdraft utilisation)	4,809.37	(182.03)	1.60	4,628.94

## Non-cash financing and investing activities

Particulars	2023-24	2022-23
Acquisition of right-of-use assets	160.55	328.48
Acquisition of investment	-	45.00

**PROF. SIR RALF DIETER SPETH**Chairman  
DIN: 03318908**SUDARSHAN VENU**Managing Director  
DIN: 03601690**K.N. RADHAKRISHNAN**Director & Chief Executive Officer  
DIN: 02599393

As per our report annexed

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

Place: Chennai

Date: 8<sup>th</sup> May 2024**K. GOPALA DESIKAN**

Chief Financial Officer

**K.S.SRINIVASAN**

Company Secretary

**S USHA**

Partner

Membership No.:211785

## Notes to the Consolidated Financial Statements

### 1 Material Accounting Policies

The accounting policies mentioned herein are relating to the consolidated financial statements of TVS Motor Company Limited and its subsidiaries and associates.

#### a) Brief description of the Group

TVS Motor Company Limited (the Company) is a public limited company, incorporated and domiciled in India whose shares are publicly traded. The registered office is located at "Chaitanya", No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai - 600006, Tamil Nadu, India. The Company together with its subsidiaries and associates (collectively referred to as the "Group") operate in a wide range of activities such as manufacturing of automotive vehicles, automotive components, spare parts & accessories thereof, housing development and financial services.

#### b) Basis of preparation

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.

The financial statement has been prepared on the historical cost convention under accrual basis of accounting except for certain assets and liabilities (as per the accounting policy below), which have been measured at fair value. These financial statements for the year ended 31<sup>st</sup> March 2024 have been approved and authorised for issue by the Board of Directors at its meeting held on 8<sup>th</sup> May 2024.

#### 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 like 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. Accounting policies of subsidiaries have been changed where necessary to ensure consistency 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.

##### Associates

Associates are all entities over which the group has significant influence but not control or joint control. (This is generally the case where the group holds between 20% and 50% of the voting rights). Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an investment accounted under equity method equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of investees accounted under equity method have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of investments accounted under equity method are tested for impairment in accordance with the policy described in note 1(k) below.

## Notes to the Consolidated Financial Statements (Contd.)

The subsidiary companies and associates considered in consolidated financial statements are:

Sl. No.	Name of the Company	Country of incorporation	Proportion of ownership (interest/voting power -%)		Reporting date
			2023-24	2022-23	
1	<b>Subsidiary Companies:</b>				
a.	Sundaram Auto Components Limited, Chennai	India	100	100	31-03-2024
b.	TVS Motor Company (Europe) B.V. Amsterdam	Netherlands	100	100	31-03-2024
c.	PT. TVS Motor Company Indonesia, Jakarta	Indonesia	51.20% direct holding, 31.71% by (d) and 17.09% by (b)	51.20% direct holding, 31.71% by (d) and 17.09% by (b)	31-03-2024
d.	TVS Motor (Singapore) Pte. Limited, Singapore	Singapore	100	100	31-03-2024
e.	TVS Digital Limited (Formerly known as TVS Housing Limited)	India	100	100	31-03-2024
f.	TVS Motor Services Limited, Chennai	India	100	100	31-03-2024
g.	TVS Credit Services Limited, Chennai	India	80.53 % direct holding and 0.44% by (f)	85.63 % direct holding and 0.48% by (f)	31-03-2024
h.	Harita ARC Services Private Limited, Chennai	India	100% by (g)	100% by (g)	31-03-2024
i.	Harita Two Wheeler Mall Private Limited, Chennai	India	100% by (g)	100% by (g)	31-03-2024
j.	TVS Housing Finance Private Limited, Chennai	India	100% by (g)	100% by (g)	31-03-2024
k.	The Norton Motorcycle Co. Limited, London	United Kingdom	100% by (d)	100% by (d)	31-03-2024
l.	TVS Digital Pte Limited, Singapore	Singapore	100% by (d)	100% by (d)	31-03-2024
m.	The GO Corporation, Switzerland (GO AG)	Switzerland	87.82% by (d)	81.90% by (d)	31-03-2024
n.	EGO Movement Stuttgart, GmbH	Germany	100% by (m)	100% by (m)	31-03-2024
o.	TVS Electric Mobility Ltd., Chennai	India	100	100	31-03-2024
p.	Swiss E-Mobility Group (Holding) AG	Switzerland	100% by (d)	75% by (d)	31-03-2024
q.	Swiss E-Mobility Group (Schweiz) AG	Switzerland	100% by (p)	100% by (p)	31-03-2024
r.	Colag E-Mobility GmbH, Germany	Germany	100% by (p)	100% by (p)	31-03-2024
s.	Alexand'Ro Edouard'O Passion Vélo Sàrl ("Passion Vélo"), Neuchatel, Switzerland	Switzerland	100% by (p)	100% by (p)	31-03-2024
t.	EBCO Limited, Warwickshire, England	United Kingdom	70% by (d)	70% by (d)	31-03-2024
u.	Celerity Motor GmbH, Germany	Germany	100% by (d)	100% by (d)	31-03-2024
2.	<b>Associate Companies:</b>				
aa.	Emerald Haven Realty Limited, Chennai	India	-	43.54	31-03-2024
ab.	Ultraviolette Automotive Private Limited, Bengaluru	India	30.83	28.66	31-03-2024
ac.	Tagbox Solutions Private Limited, Bengaluru	India	-	23.5	31-03-2024
ad.	Tagbox Pte Ltd., Singapore	Singapore	24.32% by (l)	24.32% by (l)	31-03-2024
ae.	Predictronic Corp, USA	USA	23.49% by (l)	23.49% by (l)	31-03-2024
af.	Scienaptic Systems Inc., USA	USA	21.03% by (l)	21.72% by (l)	31-03-2024
ag.	Altizon Inc, USA	USA	20.0% by (l)	20.0% by (l)	31-03-2024
ah.	DriveX Mobility private Limited, Coimbatore (Formerly known as Nkars Mobility Millennial Solutions Private Limited)	India	48.27	48.27	31-03-2024
ai.	Indian foundation for Quality Management	India	28.57	-	31-03-2024
aj.	Kilwatt GmbH	Germany	49.00 by (d)	-	31-03-2024
ak.	ION Mobility Pte Ltd.	Singapore	25.64 by (d)	-	31-03-2024

## Notes to the Consolidated Financial Statements (Contd.)

### 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 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 or judgements are:

- Estimation of useful life of Property, Plant and Equipment - Refer Note 1(f) and 1(g).
- Estimation of fair value of unlisted securities - (Refer Note 33).
- Estimation of impairment of goodwill. (Refer Note 37)
- Defined benefit obligation - (Refer Note 38).
- Estimation of provision (Refer Note 42).
- Estimation and evaluation of provisions and contingencies relating to tax litigations (Refer Note 43(a))

### e) Revenue recognition

Sale of automotive vehicles, parts and automotive components

Revenue is recognised when the performance obligations are satisfied and the control of the goods is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time, the Group has a right to payment for the goods, customer has possession and legal title to the goods, customer bears significant risk and rewards of ownership and the customer has accepted the goods or the Group has objective evidence that all criteria for acceptance have been satisfied.

Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period

is generally short term, thus there is no significant financing component.

The Group's contracts with customers does not provide for any right to returns, refunds or similar obligations. The Group's obligation to repair or replace faulty products under standard warranty terms is recognised as a provision (Refer Note 42).

#### Sale of services

The Group also earns revenue from providing Technical/IT services and Royalty on usage of Group's technical knowhow. In respect of Technical/IT service, the revenue is recognised on a time proportion basis as the customer simultaneously receives and consumes the benefits as the obligations are performed. Payment for the services provided are received as per the credit terms agreed with the customers. The credit period is generally short term, and thus there is no significant financing component.

In respect of Royalty, the performance obligation is, to provide the right-to-use the Group's technical knowhow by the customers, for which usage-based royalty is charged. Payment for the services provided is received as per the credit terms as agreed with the customers. The credit period is generally short term, and thus there is no significant financing component.

#### Revenue from financing

Interest income for loans [other than Purchase of Originally Credit Impaired (POCI)] is recognised using the Effective Interest Rate (EIR) method.

For financial assets that are not "POCI" but have subsequently become credit-impaired (or 'stage-3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

Income in the nature of overdue interest, and bounce charges are recognized on realization, due to uncertainty of collection.

#### Warranty Obligations:

The Company provides warranties for products sold as per terms of the contract with ultimate customers. These warranties are considered as assurance type warranties and are accounted for under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets.

#### Significant judgements

There are no significant judgements made by the Group in determining the timing of satisfaction of performance obligation. It is determined as per the terms of the contract. In case of multiple performance obligations, the Group uses the adjusted market

## Notes to the Consolidated Financial Statements (Contd.)

assessment approach to allocate the transaction price between multiple performance obligations. If a discount is granted, the same is adjusted against the transaction price of the contract.

### f) Property, Plant and Equipment

Property, plant and equipment (including land, building, furniture, fixtures, vehicles, etc.) are held for use in the production or supply of goods or services, or for administrative purposes. Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation / amortisation and impairment, if any. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for its intend use. Cost includes purchase price, taxes and duties, labour cost and directly attributable overheads incurred upto the date the asset is ready for its intended use. However, cost excludes Goods and Services Tax to the extent credit of the duty or tax is availed of.

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 Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised 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 recognised as profit or loss with in other income /expenses.

### g) Depreciation and amortisation

- Depreciation on property, plant and equipment is charged over the estimated useful life of the asset or part of the asset (after considering double/triple shift) as evaluated by a Chartered Engineer, on straight line method, in accordance with Part A of Schedule II to the Companies Act, 2013.
- Keeping in mind the rigorous and periodic maintenance programme followed by the Group, the estimated useful life of the property, plant and

equipment as assessed by the Chartered Engineer and followed by the Group is given below:

Description	Years
Factory building and other buildings	5 to 61
Plant and machinery	4 to 29
Electrical equipment	15
Furniture and fixtures	4 to 10
Computers and information systems	3 to 4
Material handling equipment	5
Mobile phone	2
Vehicles	3 to 6

- Tools and dies are generally depreciated based on quantity of components manufactured, subject to a maximum of 5 years. Tools and dies used for low volume models are depreciated over a period of 9 years
- Residual values and useful lives are reviewed, and adjusted, if appropriate, for each reporting period.
- On property, plant and equipment added / disposed of during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.
- Depreciation in respect of property, plant and equipment costing less than ₹ 5,000/- is provided at 100%.

### h) Investment properties

Property that is held for long term rental yields or for capital appreciation or both, and that is not occupied by the group is classified as investment property. Investment Property is measured initially at its cost including related transaction cost where applicable, borrowing cost. 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 group and the cost of the item is measured reliably.

### i) Intangible assets

#### Goodwill

Goodwill on acquisition of business is included in intangible assets. Goodwill is not amortised but 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, if any.

## Notes to the Consolidated Financial Statements (Contd.)

Goodwill is allocated to the cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or group of cash generating units that are expected to benefit from the business combination in which the goodwill arose. The units or group of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the cash generating units.

### Other intangible assets

#### *Intangible assets acquired separately:*

Intangible assets with finite useful lives that are acquired separately and the estimated useful life is more than one year, is capitalised and carried at cost less accumulated amortisation and accumulated impairment losses.

#### *Internally-generated intangible assets - research and development expenditure:*

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from development phase of internal project is recognised, if and only if, the conditions under the Ind AS 38 – Intangible Asset, are fulfilled. If the conditions are not fulfilled the same is recognised in profit and loss in the period in which it is incurred.

The intangible assets are amortised on straight line basis over its useful life, viz., 2 years in the case of software, 8 years in case of acquired brand and trademark and 6 to 10 years in the case of Design, Development and Technical knowhow.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised as profit or loss with in other income /expenses.

### j) Loans (receivable from financing activity)

The Loans (receivable from financing activity) are stated at the contract value plus transaction costs less origination income that are directly attributable to the acquisition of the loan. Interest income is recognised using the Effective Interest Rate (EIR) method. Loans are stated at carrying value less impairment loss.

### k) Impairment of Non-financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss

is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. 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. For the purposes of assessing impairment, assets are grouped at the lowest levels 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.

### l) Foreign currency translation

#### (i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are prepared in INR and all values are rounded off to nearest crore.

#### (ii) Transactions and balances

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

- i) Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.
- ii) Non-monetary items denominated in foreign currency such as investments, Property, Plant and Equipment, etc., are valued at the exchange rate prevailing on the date of transaction. Non-monetary investments measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on account of such translation is recognized in OCI or Profit and Loss in line with the designation of the respective item.
- iii) Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

## Notes to the Consolidated Financial Statements (Contd.)

### (iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency in the following manner:

- a) assets and liabilities are translated at the closing rate at the date of that balance sheet;
- b) income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- c) all resulting exchange differences are recognised in other comprehensive income.

### m) Hedge accounting

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured 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 Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges), or
- hedges of a particular risk associated with the cash flows of recognised 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 Group 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 Group 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 33. Movements in the hedging reserve in shareholders' equity are shown in Note 34. 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 is 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 statement of profit and loss.

When forward contracts are used to hedge forecasted transactions, the Group 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 recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit and 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 forecasted 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 the statement of profit and loss.

### n) Inventories

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

- i) Cost of raw materials, components, stores and spares are ascertained on a moving average basis.
- ii) Cost of finished goods and work-in-progress comprise of direct materials, direct labour and an appropriate proportion of variable and fixed overhead, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of

## Notes to the Consolidated Financial Statements (Contd.)

weighted average costs. Costs of purchased inventory includes cost of purchase and other cost incurred in bringing the inventories to the current location after deducting rebates and discounts. 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 and supplies held for use in production of inventories 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 material, obsolescence, defective inventories are duly provided for.

iii) Provision for slow and Obsolete inventory:

The company has a policy for identifying slow/non-moving inventory. Based on the policy value inventory is provided for obsolescence based on ageing.

iv) Land held for development / sale by the real estate subsidiary is valued at the lower of cost and net realisable value. Cost includes cost of acquisition and all related costs.

### o) 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 measured 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 obligations:

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 at the present value of the expected future payments to be made in respect of services provided by employee upto 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. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other

comprehensive income. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### iii) Post-employment obligation:

The Group operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees, pension plan for its eligible senior managers; and
- Defined contribution plans 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 at the end of each reporting period by Actuaries using the projected unit credit method.

The present value of the defined benefit obligation 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.

Remeasurement 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 (net-off deferred tax). 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 and loss as past service cost.

#### Provident fund:

The eligible employees of the Group are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees

## Notes to the Consolidated Financial Statements (Contd.)

and the Group make monthly contributions at a specified percentage of the covered employees' salary. The provident fund contributions are made to an irrevocable trust set up by the Company or to the Regional Provident Fund Commissioner. Where irrevocable trust exists, the Group is generally liable for contributions and any shortfall in the fund assets based on the Government specified minimum rates of return. The Group recognises such contributions and shortfall, if any, as an expense in the year in which it is incurred.

#### (iv) Bonus plans:

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

### p) 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 Group'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 income tax is provided in full, using the balance sheet 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 and loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively 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 liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred Tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. 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 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 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 Group is 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 Group accounts for such allowances as tax credits, which means that the allowances reduce income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward.

### q) 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 Group will comply with all attached conditions.

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

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit

## Notes to the Consolidated Financial Statements (Contd.)

and loss on a straight-line basis over the expected lives of the related assets.

The benefit of a government loan at a below market-rate of interest is treated as government grant and is measured as the difference between proceeds received and fair value of the loan.

In case of waiver of duty under EPCG licence, such grant is considered as revenue grant and recognized in statement of profit and loss on based on positive evidence of completion of export obligation as approved by Regulatory Authorities.

### r) Dividends

Dividends are recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be reliably measured.

### s) Provisions and contingent liabilities

#### i) Provision:

A provision is recorded when the Group 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. When products are sold, the estimated liability for product warranties is recorded 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 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.

#### iii) Warranty:

Provision is made for estimated warranty claims in respect of vehicles sold which are still under warranty at the end of the reporting period. These claims are expected to be settled from the next financial year. Management estimates the provision based on historical warranty claim information; and any recent trends that may suggest future claims could differ from historic and the dues which are payable within 12 Months is classified as current and others are non-current.

#### t) Segment reporting

The Group has identified the operating segments on the basis of individual companies operations as reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

The Group, on the basis of products and production process, has identified the following business segments as reportable segments viz., (1) Automotive vehicles and parts, (2) Automotive components, (3) Financial services and (4) Others.

#### u) 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 Group. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of buildings for which the Group 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 payment 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 Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

## Notes to the Consolidated Financial Statements (Contd.)

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 Group, 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 respective Company:

- where possible, uses recent third-party financing received by the Company 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 Group if 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 and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The carrying amount of lease liability is reduced by net lease payments (i.e., lease payments net off finance cost).

Variable lease payments are recognised in profit and 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 Group 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 and 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.

### v) 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 financial institutions, 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 shown within borrowings in current liabilities in the balance sheet.

### w) 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.

### x) Contract liabilities

A contract liability is the obligation to transfer goods to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group 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 Group performs under the contract.

### y) Investments and Other financial assets

#### i) Classification

The Group classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value [either through Fair Value Through Other Comprehensive Income (FVTOCI), or Fair Value Through Profit and Loss (FVTPL)], and
- Those 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 flow.

## Notes to the Consolidated Financial Statements (Contd.)

### ii) Measurement

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

#### Debt Instruments:

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group 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 derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

#### • Fair value through other comprehensive income:

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 FVTOCI. 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 FVTOCI are measured at 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 or 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 Group subsequently measures all its investments in equity at fair value. Where the Group'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 profit and loss.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately.

Where the Group 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.

### iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been significant increase in credit risk. Note no. 34 and Note no. 35 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group 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.

For loans given by financial enterprise the impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 35 details how the Group determines whether there has been a significant increase in credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

### iv) Derecognition of financial assets

A financial asset is derecognised only when:

- the Group has transferred the rights to receive cash flows from the financial asset or
- the Group 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 Group evaluates whether it has transferred

## Notes to the Consolidated Financial Statements (Contd.)

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 Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### v) Income recognition

#### Interest Income:

Interest income from debt instruments is recognised 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 Group 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.

#### Dividends:

Dividends are recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of dividend can be reliably measured.

### z) Financial Liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included under 'Finance costs'.

The effective interest method is a method of calculating the amortised 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.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

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 and loss.

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

### aa) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

### ab) Current and Non-current classification

The Group 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

## Notes to the Consolidated Financial Statements (Contd.)

- 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 Group has identified twelve months as its operating cycle for all entities within the group other than real estate. The normal operating cycle in respect of operation relating to real estate project depends on signing of agreement, size of the project, phasing of the project, type of development, project complexities, approvals needed and realisation of project into cash and cash equivalents and range from 3 to 7 years. Accordingly, assets and liabilities have been classified into current and non-current based on operating cycle.

**ac) Earnings Per Share (EPS):**

Basic earnings per share is computed by dividing the profit after tax (attributable to the owners) by the weighted average number of equity shares outstanding during the year / period.

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.

**ad) 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

## Notes to the Consolidated Financial Statements (Contd.)

**2 Property, Plant & Equipment and Intangible Assets**

Rupees in crores

Description	Property, Plant & Equipment								Other Intangible			
	Land	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Right of Use	Total	Software	Design Development	Trade Mark	Total
	1	2	3	4	5	6	7	8	9	10	11	12
<b>Cost of assets</b>												
Gross carrying value as at 01-04-2023	511.73	1,158.94	5,410.93	170.71	99.15	311.42	1,026.23	8,689.11	217.56	681.14	497.24	1,395.94
Acquired in business combination	-	-	-	-	-	-	-	-	-	-	-	-
Additions	56.21	109.43	437.24	67.72	31.61	62.64	177.96	942.80	73.13	179.35	2.41	254.89
Foreign exchange translation reserve adjustments	(5.02)	(0.27)	(3.74)	0.71	0.54	0.02	-	(7.76)	0.50	(2.90)	12.63	10.23
<b>Sub-total</b>	<b>562.92</b>	<b>1,268.10</b>	<b>5,844.43</b>	<b>239.14</b>	<b>131.30</b>	<b>374.08</b>	<b>1,204.19</b>	<b>9,624.15</b>	<b>291.19</b>	<b>857.59</b>	<b>512.28</b>	<b>1,661.06</b>
Sales / deletion	-	3.90	161.79	0.97	10.60	14.97	40.12	232.36	-	26.79	-	26.79
<b>Total</b>	<b>562.92</b>	<b>1,264.20</b>	<b>5,682.63</b>	<b>238.17</b>	<b>120.69</b>	<b>359.11</b>	<b>1,164.07</b>	<b>9,391.79</b>	<b>291.19</b>	<b>830.80</b>	<b>512.28</b>	<b>1,634.27</b>
<b>Depreciation / Amortisation</b>												
Upto 31-03-2023	-	386.52	3,443.74	110.28	58.35	217.60	295.22	4,511.71	166.80	335.49	57.77	560.06
For the year	-	51.91	384.75	30.44	15.51	52.95	217.84	753.40	53.05	104.59	64.08	221.72
Foreign exchange translation reserve adjustments	-	(0.74)	(3.86)	0.35	0.14	(0.11)	(8.12)	(12.34)	(7.90)	(0.09)	(1.47)	(9.45)
<b>Sub-total</b>	<b>-</b>	<b>437.69</b>	<b>3,824.63</b>	<b>141.07</b>	<b>74.00</b>	<b>270.44</b>	<b>504.94</b>	<b>5,252.77</b>	<b>211.95</b>	<b>440.00</b>	<b>120.38</b>	<b>772.33</b>
Withdrawn on assets sold / deleted	-	2.93	108.02	1.09	5.62	14.92	22.52	155.10	0.01	-	-	0.01
<b>Total</b>	<b>-</b>	<b>434.76</b>	<b>3,716.61</b>	<b>139.98</b>	<b>68.38</b>	<b>255.52</b>	<b>482.42</b>	<b>5,097.67</b>	<b>211.94</b>	<b>440.00</b>	<b>120.38</b>	<b>772.32</b>
Carrying value												
As at 31-03-2024	562.92	829.44	1,966.02	98.19	52.31	103.59	681.65	4,294.12	79.25	390.80	391.90	861.95

- Cost of buildings includes ₹ 11.42 crores pertaining to buildings constructed on leasehold lands.
- Land includes lease hold land of ₹ 0.51 Crores, whose ownership is transferrable at the end of the lease term.
- Borrowing cost capitalised during the year - ₹1.78 crores.

**Capital work-in-progress (at cost) as at 31-03-2024**

Rupees in crores

(a) Building	60.45
(b) Plant & equipment	277.56
<b>Total</b>	<b>338.01</b>

**(i) Ageing of Capital work-in-progress as at 31-03-2024:**

Particulars	Amount in Capital work-in-progress for a period of				Total
	<1 Yr.	1-2 years	2-3 years	More than 3 years	
Projects in progress	220.96	34.22	61.97	20.86	338.01

**(ii) Ageing of Intangible assets under development as at 31-03-2024:**

Particulars	Amount in Intangible assets under development for a period of				Total
	<1 Yr.	1-2 years	2-3 years	More than 3 years	
Projects in progress	439.91	168.61	64.86	21.56	694.94

## Notes to the Consolidated Financial Statements (Contd.)

Rupees in crores

Description	Property, Plant & Equipment							Other Intangible				
	Land	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Right of Use	Total	Software	Design Development	Trade Mark	Total
	1	2	3	4	5	6	7	8	9	10	11	12
Cost of assets												
Gross carrying value as at 01-04-2022	358.12	1,356.43	5,541.84	151.34	85.18	284.15	698.60	8,475.66	211.83	583.61	490.38	1,285.82
Acquired in business combination	-	-	0.09	-	0.04	0.05	-	0.18	-	-	0.39	0.39
Additions	171.39	102.04	443.99	23.75	38.21	45.10	328.48	1,152.96	46.31	98.99	1.23	146.53
Foreign exchange translation reserve adjustments	4.46	2.87	4.94	0.50	0.41	(3.50)	-	9.68	-	-	5.24	5.24
Sub-total	533.97	1,461.34	5,990.86	175.59	123.84	325.80	1,027.08	9,638.48	258.14	682.60	497.24	1,437.98
Sales / deletion	22.24	302.40	579.93	4.88	24.69	14.38	0.85	949.37	40.58	1.46	-	42.04
<b>Total</b>	<b>511.73</b>	<b>1,158.94</b>	<b>5,410.93</b>	<b>170.71</b>	<b>99.15</b>	<b>311.42</b>	<b>1,026.23</b>	<b>8,689.11</b>	<b>217.56</b>	<b>681.14</b>	<b>497.24</b>	<b>1,395.94</b>
Depreciation / Amortisation												
Upto 31-03-2022	-	343.29	3,215.01	94.31	57.93	194.89	192.25	4,097.68	146.70	237.49	12.14	396.33
For the year	-	50.88	393.13	18.77	26.48	31.26	137.77	658.29	50.07	99.47	51.03	200.57
Foreign exchange translation reserve adjustments	-	1.54	3.19	(0.35)	0.36	(0.16)	(34.80)	(30.22)	(5.87)	(0.01)	(5.40)	(11.28)
<b>Sub-total</b>	<b>-</b>	<b>395.71</b>	<b>3,611.33</b>	<b>112.73</b>	<b>84.77</b>	<b>225.99</b>	<b>295.22</b>	<b>4,725.75</b>	<b>190.90</b>	<b>336.95</b>	<b>57.77</b>	<b>585.62</b>
Withdrawn on assets sold / deleted	-	9.19	167.59	2.45	26.42	8.39	-	214.04	24.10	1.46	-	25.56
<b>Total</b>	<b>-</b>	<b>386.52</b>	<b>3,443.74</b>	<b>110.28</b>	<b>58.35</b>	<b>217.60</b>	<b>295.22</b>	<b>4,511.71</b>	<b>166.80</b>	<b>335.49</b>	<b>57.77</b>	<b>560.06</b>
Carrying value												
As at 31-03-2023	511.73	772.42	1,967.19	60.43	40.80	93.82	731.01	4,177.40	50.76	345.65	439.47	835.88

- a) Cost of buildings includes ₹ 35.11 crores pertaining to buildings constructed on leasehold lands.  
 b) Land includes lease hold land of ₹ 0.51 Crores, whose ownership is transferrable at the end of the lease term.  
 c) Borrowing cost capitalised during the year - Nil.

### Capital work-in-progress (at cost) as at 31-03-2023

Rupees in crores

(a) Building	63.42
(b) Plant & equipment	223.32
(c) Pre-operative expenses	29.07
<b>Total</b>	<b>315.81</b>

### (i) Ageing of Capital work-in-progress as at 31-03-2023:

Particulars	Amount in Capital work-in-progress for a period of				Total
	<1 Year	1-2 years	2-3 years	More than 3 years	
Projects in progress	189.05	83.82	20.58	22.36	315.81

### (ii) Ageing of Intangible assets under development as at 31-03-2023:

Particulars	Amount in Intangible assets under development for a period of				Total
	<1 Year	1-2 years	2-3 years	More than 3 years	
Projects in progress	290.71	109.39	22.93	4.61	427.64

## Notes to the Consolidated Financial Statements (Contd.)

### 3 Investment Properties

Rupees in crores

Particulars	As at 31-03-2024	As at 31-03-2023
Gross carrying amount	137.70	137.70
Additions	-	-
Deletions	-	-
<b>Closing gross carrying amount (A)</b>	<b>137.70</b>	<b>137.70</b>
Opening accumulated depreciation	-	-
Additions	-	-
Deletions	-	-
<b>Closing accumulated depreciation (B)</b>	<b>-</b>	<b>-</b>
<b>Total investment properties (A)-(B)</b>	<b>137.70</b>	<b>137.70</b>

### 4 Investments

#### A. Non Current Investments

Sl. No.	Particulars	No. of shares / units		Face Value	Currency	Rupees in crores	
		As at 31-03-2024	As at 31-03-2023			As at 31-03-2024	As at 31-03-2023
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>(a) Investment in Equity Instruments:</b>							
<b>Fair valued through OCI:</b>							
<b>Quoted:</b>							
(i)	Ucal Fuel Systems Limited, Chennai	91,760	91,760	10.00	INR	1.33	1.00
<b>Unquoted:</b>							
(ii)	Green Infra BTV Limited, New Delhi	32,50,000	32,50,000	10.00	INR	1.89	1.75
(iii)	TVS Lanka (Private) Limited, Colombo	50,00,000	50,00,000	10.00	LKR	4.48	4.38
(iv)	Green Infra Wind Power Projects Limited, New Delhi	1,11,600	1,11,600	10.00	INR	0.08	0.08
(v)	Green Infra Wind Energy Theni Limited, New Delhi	34,34,477	34,34,477	10.00	INR	2.14	1.86
(vi)	Green Infra Wind Power Generation Limited, New Delhi	2,16,000	2,16,000	10.00	INR	0.18	0.17
(vii)	Condivision Solutions Pvt. Limited, Bengaluru	6,760	6,760	10.00	INR	-	-
(viii)	Mulanur Renewable Energy Pvt. Limited, Chennai	15,000	15,000	10.00	INR	0.02	0.02
(ix)	PHI Research Pvt. Limited, Chennai	3,50,000	3,50,000	10.00	INR	3.36	3.36
(x)	Atria Wind Power Bijapur 1 Limited, Bengaluru	85,788	85,788	10.00	INR	2.00	2.00
(xi)	Atria wind power (Chitradurga) P Ltd., Bengaluru	80,948	80,948	100.00	INR	0.51	0.47
(xii)	Altizon Systems Private Limited, Pune	10	10	10.00	INR	0.01	0.01
(xiii)	Roppen Transportation Services Private Limited, Hyderabad	10	10	1.00	INR	0.05	0.05
(xiv)	Roppen Transportation Services Private Limited, Hyderabad	23,985	23,985	10.00	INR	119.73	113.93
(xv)	Green Infra Wind Energy Generation Limited, Gurugram	28,45,000	23,45,000	10.00	INR	2.85	2.35
(xvi)	Eight Innovate Fund	40,000	-	1,000.00	INR	4.00	-
(xvii)	ARC Ride Limited. UK	575	575	0.01	GBP	8.46	8.47
(xviii)	ION Mobility Pte Limited, Singapore	-	31,44,198	-	USD	-	76.58
<b>Total value of Equity Instruments (a)</b>						<b>151.09</b>	<b>216.48</b>

## Notes to the Consolidated Financial Statements (Contd.)

Sl. No.	Particulars	No. of shares / units		Face Value	Currency	Rupees in crores	
		As at 31-03-2024	As at 31-03-2023			As at 31-03-2024	As at 31-03-2023
<b>(b)</b>	<b>Investments in Preference Shares:</b>						
	<b>Unquoted:</b>						
	<b>Fair valued through OCI:</b>						
(i)	Mottu Holdings Ltd., USA	2,19,514	70,344	0.001	USD	73.63	16.33
(ii)	Quadrant Esports Ltd.	12,547	-	0.001	Euro	1.04	-
(iii)	Pinnacle Engines Inc., USA (face value 0.01 cent)	24,09,638	24,09,638	0.0001	USD	-	-
(iv)	Axiom Research Labs Private Limited, Delhi	82	82	10.00	INR	-	-
	<b>Total value of Preference shares (b)</b>					<b>74.67</b>	<b>16.33</b>
<b>(c)</b>	<b>Investment in Debt Instruments (unquoted):</b>						
	<b>Valued at Amortised Cost:</b>						
(i)	Fabric IOT Private Limited, Bengaluru				INR	17.79	16.28
	<b>Pension Funds / Government Securities:</b>						
(ii)	ICICI Prudential Life Insurance Group Superannuation Fund, Mumbai				INR	6.63	6.39
(iii)	Life Insurance Corporation Pension Policy, Mumbai				INR	20.82	19.43
(iv)	Investment in Government Securities				INR	93.46	-
(v)	Hyper Grocers Private Limited	25	-	1,00,000.00	INR	0.25	-
(vi)	TVS CO. PHILIPPINE				USD	0.07	-
	<b>Fair valued through Profit and Loss:</b>						
(viii)	Fabric IOT Private Limited, Bengaluru				INR	45.00	45.00
(ix)	Investment in 6% Non Cumulative Redeemable Preference shares				INR	-	-
(x)	DAT Bike, Singapore				USD	4.16	4.12
(xi)	Zapata Group B.V, Singapore				USD	36.02	-
	<b>Total value of Debt instruments (c)</b>					<b>224.20</b>	<b>91.22</b>
<b>(d)</b>	<b>Other non-current Investments (Unquoted):</b>						
	<b>Fair valued through OCI:</b>						
(i)	Autotech Fund I L.P., USA				USD	32.79	40.07
	<b>Total value of other non-current investments (d)</b>					<b>32.79</b>	<b>40.07</b>
	<b>Total (a) + (b) + (c) + (d)</b>					<b>482.75</b>	<b>364.10</b>
	Aggregate amount of quoted investments and market value thereof					1.33	1.00
	Aggregate amount of unquoted investments					481.42	363.10
	<b>Total</b>					<b>482.75</b>	<b>364.10</b>

All Investments are fully paid up.

\$ Preference shares in the nature of equity instruments

## Notes to the Consolidated Financial Statements (Contd.)

### 4B Current Investments

Sl. No.	Particulars	No. of shares / units		Face Value	Currency	Rupees in crores	
		As at 31-03-2024	As at 31-03-2023			As at 31-03-2024	As at 31-03-2023
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>(a)</b>	<b>Investment in Equity Instruments Fair valued through Profit or Loss:</b>						
	<b>Quoted:</b>						
(i)	TVS Supply Chain Solutions Limited, Chennai	1,05,62,200	1,06,62,200	1.00	INR	163.19	191.92
	<b>Total</b>					<b>163.19</b>	<b>191.92</b>
	Aggregate amount of quoted investments					163.19	191.92
	<b>Total</b>					<b>163.19</b>	<b>191.92</b>

All investments are fully paid up.

### 5 Loans (Receivable from Financing Activity)

Particulars	Rupees in Crores			
	As at 31-03-2024		As at 31-03-2023	
	Current	Non-current	Current	Non-current
<b>Secured:</b>				
Automobile financing				
Considered good	10,438.49	9,801.72	7,034.93	8,398.18
Considered doubtful	423.30	233.50	290.57	170.75
Less: Loss allowance	-	-	-	-
Provision for expected credit loss (Refer Note 35)	(331.45)	(347.99)	(255.21)	(225.68)
<b>Unsecured:</b>				
Financing (Others)				
Considered good	2,757.32	2,447.16	2,955.17	2,024.62
Considered doubtful	59.54	21.71	57.67	40.57
Less: Loss allowance	-	-	-	-
Provision for expected credit loss (Refer Note 35)	(147.43)	(103.12)	(124.70)	(88.52)
<b>Unsecured</b>				
Trade advance and term loan				
Considered good	218.81	1.57	268.54	1.50
Considered doubtful	4.75	-	14.15	-
Provision for expected credit loss (Refer Note 35)	(6.07)	-	(15.96)	-
	<b>13,417.26</b>	<b>12,054.55</b>	<b>10,225.16</b>	<b>10,321.42</b>

### 6 Non-Current Assets - Other Financial Assets

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Deposits	68.89	62.47
Loans given to employees	4.46	3.09
Claim receivable	31.50	37.13
Share application money pending allotment	-	1.34
Hedge asset	90.67	88.90
	<b>195.52</b>	<b>192.93</b>

## Notes to the Consolidated Financial Statements (Contd.)

## 7 Investments Accounted Using Equity Method

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Emerald Haven Realty Limited, Chennai [Nil (last year - 11,12,19,512) Equity shares]	-	89.63
Ultraviolette Automotive Private Limited, Bengaluru [14,850 (last year - 14,850) Equity shares]	7.29	7.29
Ultraviolette Automotive Private Limited, Bengaluru [12,316 (last year - 12,316) Preference shares]	91.65	110.00
Predictronics Corp, USA [24,827 (last year - 24,827) Equity shares]	17.85	18.89
Tagbox Solutions Private Limited, Bengaluru [Nil (last year - 45,710) Equity shares]	-	0.42
Tagbox Solutions Private Limited, Bengaluru [Nil (last year - 3,83,983) Preference shares]	-	9.99
Tagbox Pte Limited, Singapore 2,43,243 (last year - 2,43,243 ) Preference shares]	0.98	14.22
Scienaptic Systems Inc., USA [28,05,357 (last year - 28,05,357) Equity shares]	54.07	53.83
Altizon Inc., USA [8,06,429 (last year - 8,06,429) Equity shares]	23.27	23.35
DriveX Mobility Private Limited, Coimbatore [9,766 (last year - Nil) Equity shares]	68.65	83.61
ION Mobility Pte Ltd, Singapore [49,64,524 (last year - Nil) Preference shares]	121.81	-
Killwatt GmbH, Germany [24,500 (last year - Nil) Equity shares]	66.68	-
Indian Foundation for Quality Management, Bengaluru [2,50,00,000 (last year - Nil) Equity shares]	25.00	-
	<b>477.25</b>	<b>411.23</b>

## 8 Deferred Tax Assets

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
The balance comprises temporary differences attributable to:		
Deferred tax asset consists of:		
- Depreciation	4.88	4.84
- tax on employee benefit expenses	20.96	16.71
- tax on expected credit losses provision	228.12	180.02
- tax on investment property	14.72	14.72
- tax on carried forward loss	42.28	75.35
- tax on others	99.35	32.45
<b>Total deferred tax assets (A)</b>	<b>410.31</b>	<b>324.09</b>
<b>Deferred tax liability on other item (B)</b>	<b>16.03</b>	<b>18.36</b>
<b>Net deferred tax asset (A)-(B)</b>	<b>394.28</b>	<b>305.73</b>

## Notes to the Consolidated Financial Statements (Contd.)

## Movement in deferred tax:

Particulars	Rupees in Crores		
	Depreciation	Others	Total
<b>As at 31-03-2022</b>			217.88
<b>Charged/(credited):</b>			
- to profit or loss	0.40	85.15	85.55
- on sale of subsidiary		(0.98)	(0.98)
- to foreign currency translation		5.73	5.73
- to other comprehensive income	-	(2.45)	(2.45)
<b>As at 31-03-2023</b>			305.73
<b>Charged/(credited):</b>			
- to profit or loss	(0.04)	83.13	83.09
- to foreign currency translation	-	1.52	1.52
- to other comprehensive income	-	(3.94)	3.94
<b>As at 31-03-2024</b>			<b>394.28</b>

## 9 Other Non-Current Assets

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Capital advances	126.39	71.56
Advances other than capital advances:		
Prepaid expenses	4.05	3.70
Deposits made	18.34	17.29
Employee benefit assets (Refer Note 38)	-	1.59
	<b>148.78</b>	<b>94.14</b>

## 10 Inventories

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Raw materials and components	990.02	925.40
Goods-in-transit - Raw materials and components	48.16	107.85
Work-in-progress	64.23	62.48
Finished goods	532.60	295.35
Stock-in-trade	555.72	470.37
Stores and spares	57.67	60.06
	<b>2,248.40</b>	<b>1,921.51</b>

## 11 Trade Receivables

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Secured, considered good	14.13	11.53
Unsecured, considered good *	1,825.29	1,244.89
Receivables which have significant increase in credit risk	48.34	49.49
	<b>1,887.76</b>	<b>1,305.91</b>
Less: Loss allowance	48.34	49.49
	<b>1,839.42</b>	<b>1,256.42</b>

\* Include balance with related parties [Refer Note 39(c)(i)].

## Notes to the Consolidated Financial Statements (Contd.)

### (i) Ageing for trade receivable as on 31.03.2024

Rupees in Crores

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	160.57	1,045.97	548.07	65.16	4.24	12.16	1,836.17
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	3.25	-	-	-	-	3.25
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	20.00	1.17	1.39	25.78	48.34
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>160.57</b>	<b>1,049.22</b>	<b>568.07</b>	<b>66.33</b>	<b>5.63</b>	<b>37.94</b>	<b>1,887.76</b>

### (ii) Ageing for trade receivable as on 31.03.2023

Rupees in Crores

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	160.57	1,045.97	548.07	65.16	4.24	12.16	1,836.17
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	3.25	-	-	-	-	3.25
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	20.00	1.17	1.39	25.78	48.34
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>160.57</b>	<b>1,049.22</b>	<b>568.07</b>	<b>66.33</b>	<b>5.63</b>	<b>37.94</b>	<b>1,887.76</b>

## 12 Cash and Cash Equivalents

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Balances with banks	2,099.94	1,846.52
Cash on hand	5.86	4.67
Cash equivalents	-	-
Deposits with maturity of less than three month from the date of deposit.	250.00	-
	<b>2,355.80</b>	<b>1,851.19</b>
<b>Cash and cash equivalents for the purpose of cash flow statement</b>	<b>2,355.80</b>	<b>1,851.19</b>

## 13 Bank Balances Other than Cash and Cash Equivalents

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Earmarked balances with banks (for unpaid dividend)	45.02	7.51
Fixed deposits (maturing between 3 to 12 months)	24.91	20.41
	<b>69.93</b>	<b>27.92</b>

## Notes to the Consolidated Financial Statements (Contd.)

### 14 Other Financial Assets - (Current)

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Unsecured, considered good:		
- Employee advances	18.65	15.50
- Bank deposit	2.09	0.14
- Security deposits	39.47	28.10
- Claims receivable	34.42	27.65
- Loans and advances - Non Related Parties	41.60	16.44
- Interest accrued on Fixed deposit	-	-
- Receivable towards sale of fixed assets	66.43	65.55
- Hedge asset	-	87.88
	<b>202.66</b>	<b>241.26</b>

### 15 Other Current Assets

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Balances with tax authorities	523.46	504.61
Prepaid expense	138.20	104.05
Vendor advance*	298.67	190.35
Trade deposits	70.71	22.86
Incentive receivable from Government^	182.63	472.11
Employee benefit assets (Refer Note 38)	4.77	8.24
Others	3.96	4.95
	<b>1,222.40</b>	<b>1,307.17</b>
<b>Less: loss allowance</b>	<b>22.94</b>	<b>2.83</b>
	<b>1,199.46</b>	<b>1,304.34</b>

\* Balances include balance with related parties [Refer Note 39(c)(i)].

^ Includes EV subsidy receivable of ₹148.62 crores (Previous Year ₹ 448.40 crores)

## 16 Equity Share Capital

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

Particulars	As at 31-03-2024		As at 31-03-2023	
	Number	Rupees in crores	Number	Rupees in crores
<b>Authorised:</b>				
Equity shares of ₹ 1/- each	50,00,00,000	50.00	50,00,00,000	50.00
<b>Issued, subscribed and fully paid up:</b>				
Equity shares of ₹ 1/- each	47,50,87,114	47.51	47,50,87,114	47.51
	<b>47,50,87,114</b>	<b>47.51</b>	<b>47,50,87,114</b>	<b>47.51</b>

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

Particulars	As at 31-03-2024		As at 31-03-2023	
	Number	Rupees in crores	Number	Rupees in crores
Shares outstanding at the beginning of the year	47,50,87,114	47.51	47,50,87,114	47.51
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	47,50,87,114	47.51	47,50,87,114	47.51

## Notes to the Consolidated Financial Statements (Contd.)

(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 31-03-2024		As at 31-03-2023	
		No. of shares held	% of holding	No. of shares held	% of holding
TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited) (Holding Company)	Equity	23,87,82,786	50.26	23,87,82,786	50.26

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

Name of shareholder	Class of share	As at 31-03-2024		As at 31-03-2023	
		No. of shares held	% of holding	No. of shares held	% of holding
ICICI Prudential Mutual Fund	Equity	3,75,37,940	7.90	4,67,41,798	9.35

(f) Shares held by Promoters at the end of the year 31.03.2024

Promoter name	Class of share	As at 31-03-2024		As at 31-03-2023		
		No. of shares held	% of holding	No. of shares held	% of holding	% change during the year
TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited) (Holding Company)	Equity	23,87,82,786	50.26	23,87,82,786	50.26	-

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	% change during the year
Sundaram-Clayton Limited	Equity	23,87,82,786	50.26	23,87,82,786	50.26	-

## 17 Other Equity

Rupees in Crores

	As at 31-03-2024	As at 31-03-2023
General reserve	876.24	876.24
Capital reserve	6.51	6.51
Statutory reserve	183.59	183.59
Retained earnings	5,643.73	4,315.42
Other Reserves	25.93	75.73
	<b>6,736.00</b>	<b>5,457.49</b>

## Notes to the Consolidated Financial Statements (Contd.)

### 18. Non Current Liabilities - Financial Liabilities - Borrowings

Rupees in Crores

Nature	Lenders	As at 31-03-2024	As at 31-03-2023	Status as at 31-03-2024			
				Interest Rate	Frequency	No. of Instalments Due	Maturity
<b>Secured Borrowings:</b>							
ECB Loan 1	Bank	-	410.43	-	-	-	-
ECB Loan 2	Bank	-	385.94	-	-	-	-
ECB Loan 3	Bank	833.00	818.90	6.9%	Bullet	1	Dec-2024
Term Loan 1	Bank	-	4.58	-	-	-	-
Term Loan 2	Bank	-	1.25	-	-	-	-
Term Loan 3	Bank	-	9.38	-	-	-	-
Term Loan 4	Bank	47.56	41.92	8.5%	Quarterly	12	Nov-2027
Term Loan 5	Bank	249.44	197.20	SOFR + 2.60% p.a	Quarterly	8	Dec-2027
Term Loan 6	Bank	175.58	337.77	5.60%	Monthly	13	Apr-2025
Term Loan 7	Bank	62.49	187.47	6.30%	Quarterly	2	Sep-2024
Term Loan 8	Bank	125.00	250.00	6.30%	Quarterly	4	Feb-2025
Term Loan 9	Bank	324.30	567.53	6.35%	Monthly	16	Jul-2025
Term Loan 10	Bank	200.00	200.00	7.00%	Bullet	1	Oct-2024
Term Loan 11	Bank	299.95	499.92	7.00%	Quarterly	6	Jul-2025
Term Loan 12	Bank	-	180.00	-	-	-	-
Term Loan 13	Bank	291.18	457.58	7.25%	Quarterly	7	Feb-2026
Term Loan 14	Bank	249.45	374.18	7.25%	Quarterly	8	Apr-2026
Term Loan 15	Bank	-	24.99	-	-	-	-
Term Loan 16	Bank	-	300.00	-	-	-	-
Term Loan 17	Bank	83.34	250.00	7.50%	Monthly	6	Sep-2024
Term Loan 18	Bank	-	499.82	-	-	-	-
Term Loan 19	Bank	-	249.95	-	-	-	-
Term Loan 20	Bank	489.08	698.56	7.59%	Quarterly	7	Oct-2025
Term Loan 21	Bank	-	249.86	-	-	-	-
Term Loan 22	Bank	-	250.00	-	-	-	-
Term Loan 23	Bank	59.33	91.74	7.60%	Monthly	22	Jan-2026
Term Loan 24	Bank	-	499.91	-	-	-	-
Term Loan 25	Bank	-	416.63	-	-	-	-
Term Loan 26	Bank	41.67	208.31	7.75%	Monthly	15	Jun-2024
Term Loan 27	Bank	40.00	60.00	7.75%	Quarterly	12	Mar-2026
Term Loan 28	Bank	58.38	87.57	7.75%	Monthly	36	Mar-2026
Term Loan 29	Bank	-	100.00	-	-	-	-
Term Loan 30	Bank	-	399.91	-	-	-	-
Term Loan 31	Bank	-	249.84	-	-	-	-
Term Loan 32	Bank	-	149.98	-	-	-	-
Term Loan 33	Bank	-	149.91	-	-	-	-
Term Loan 34	Bank	-	166.53	-	-	-	-
Term Loan 35	Bank	-	199.97	-	-	-	-
Term Loan 36	Bank	-	199.91	-	-	-	-
Term Loan 37	Bank	329.95	300.00	8.03%	Quarterly	7	Oct-2025
Term Loan 38	Bank	-	499.90	-	-	-	-
Term Loan 39	Bank	62.53	145.80	8.37%	Monthly	9	Dec-2024
Term Loan 40	Bank	-	74.99	-	-	-	-
Term Loan 41	Bank	-	41.67	-	-	-	-
Term Loan 42	Bank	-	33.32	-	-	-	-

## Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

Nature	Lenders	As at 31-03-2024	As at 31-03-2023	Status as at 31-03-2024			
				Interest Rate	Frequency	No. of Instalments Due	Maturity
Term Loan 43	Bank	-	120.00	-	-	-	-
Term Loan 44	Bank	-	120.00	-	-	-	-
Term Loan 45	Bank	-	50.00	-	-	-	-
Term Loan 46	Bank	-	99.98	-	-	-	-
Term Loan 47	Bank	-	50.00	-	-	-	-
Term Loan 48	Bank	-	150.00	-	-	-	-
Term Loan 49	Bank	456.44	-	7.10%	Quarterly	13	Jun-2027
Term Loan 50	Bank	151.61	-	7.10%	Quarterly	13	Jun-2027
Term Loan 51	Bank	335.70	-	7.10%	Quarterly	14	Sep-2027
Term Loan 52	Bank	749.18	-	7.10%	Monthly	39	Jun-2027
Term Loan 53	Bank	100.00	-	7.10%	Quarterly	13	Jun-2027
Term Loan 54	Bank	374.60	-	7.15%	Quarterly	12	Feb-2027
Term Loan 55	Bank	93.65	-	7.15%	Quarterly	12	Mar-2027
Term Loan 56	Bank	100.00	-	7.28%	Quarterly	5	Apr-2025
Term Loan 57	Bank	100.63	-	7.54%	Quarterly	14	Sep-2027
Term Loan 58	Bank	99.22	-	7.70%	Monthly	39	Sep-2027
Term Loan 59	Bank	249.98	-	8.08%	Quarterly	10	Jul-2026
Term Loan 60	Bank	400.00	-	8.10%	Bullet	1	May-2026
Term Loan 61	Bank	300.00	-	8.10%	Quarterly	8	Dec-2026
Term Loan 62	Bank	249.98	-	8.20%	Quarterly	10	Oct-2026
Term Loan 63	Bank	499.95	-	8.25%	Quarterly	11	Apr-2027
Term Loan 64	Bank	249.97	-	8.25%	Bullet	1	Sep-2025
Term Loan 65	Bank	249.92	-	8.25%	Bullet	1	Jun-2026
Term Loan 66	Bank	999.73	-	8.25%	Quarterly	11	Feb-2027
Term Loan 67	Bank	299.73	-	8.25%	Bullet	1	Feb-2025
Term Loan 68	Bank	124.97	-	8.26%	Half Yearly	5	Aug-2025
Term Loan 69	Bank	281.22	-	8.30%	Quarterly	15	Dec-2027
Term Loan 70	Bank	124.99	-	8.30%	Quarterly	2	Aug-2024
Term Loan 71	Bank	49.96	-	8.30%	Quarterly	12	Mar-2027
Term Loan 72	Bank	746.10	-	8.34%	Quarterly	14	Sep-2027
Term Loan 73	Bank	299.90	-	8.35%	Quarterly	14	Nov-2027
Term Loan 74	Bank	919.84	-	8.35%	Quarterly	8	Jul-2026
Term Loan 75	Bank	458.23	-	8.35%	Quarterly	11	Nov-2026
Term Loan 76	Bank	124.93	-	8.40%	Quarterly	4	Mar-2025
Term Loan 77	Bank	156.25	-	8.40%	Quarterly	5	Apr-2025
Term Loan 78	Bank	333.20	-	8.40%	Quarterly	8	Feb-2026
Term Loan 79	Bank	299.95	-	8.50%	Quarterly	6	Sep-2025
Term Loan 80	Bank	299.95	-	8.50%	Quarterly	6	Oct-2025
Term Loan 81	Bank	349.94	-	8.65%	Quarterly	7	Dec-2025
Soft Loan	State owned corporation - I	3.33	3.08	0.1%	Bullet	1	Apr-2029
Soft Loan	State owned corporation -II	9.68	84.68	0.1%	Specific period	2	Apr-2030
Debentures	8.15% Secured Non Convertible Debenture	425.00	425.00	8.3%	Bullet	1	Oct-2024
Debentures	8.30% Secured Non Convertible Debenture	800.00	800.00	8.3%	Bullet	1	Sep-2025

## Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

Nature	Lenders	As at 31-03-2024	As at 31-03-2023	Status as at 31-03-2024			
				Interest Rate	Frequency	No. of Instalments Due	Maturity
Debentures	8.40% Secured Non Convertible Debenture	225.00	-	8.4%	Bullet	1	Jun-2026
Unsecured Borrowings:							
Debentures	Non Convertible Debenture - I	-	499.93	-	-	-	-
Debentures	Non Convertible Debentures - II	124.87	124.81	Repo Rate plus Margin	End of Tenure	1	Mar-2026
ECB Loan	Bank	-	27.39	-	-	-	-
Term Loan	Bank	429.96	479.93	6.3%	Quarterly	12	Mar-2027
Term Loan	Bank	17.49	17.02	2.2%	Yearly	5	Dec-2029
Term Loan	Bank	20.35	3.13	SONIA + Margin	Bullet	1	Apr-2024
Term Loan	Others	14.73	16.12	0.8%	Annual	8	Nov-2031
Term Loan	Others	299.94	-	8.0%	Monthly	43	Dec-2027
Term Loan	Others	499.84	-	8.25%	Quarterly	12	Mar-2027
Term Loan	Others	40.00	200.00	7.6%	Quarterly	1	Jun-2024
Sub Debt	Bank	-	50.00	-	-	-	-
Sub Debt	Bank	-	50.00	-	-	-	-
Sub Debt	Others	99.90	99.60	10.9%	Bullet	1	Aug-2024
Sub Debt	Others	64.38	64.20	9.4%	Bullet	1	Jun-2026
Sub Debt	Others	34.67	34.60	9.4%	Bullet	1	Jun-2026
Sub Debt	Others	19.85	19.76	9.4%	Bullet	1	Jun-2026
Sub Debt	Others	49.52	49.39	9.4%	Bullet	1	Jun-2026
Sub Debt	Others	129.02	128.40	9.4%	Bullet	1	Aug-2026
Sub Debt	Others	99.00	99.00	8.9%	Bullet	1	Jun-2027
Sub Debt	Others	35.00	35.00	8.9%	Bullet	1	Jun-2027
Sub Debt	Others	35.00	35.00	8.9%	Bullet	1	Jun-2027
Sub Debt	Others	30.00	30.00	8.9%	Bullet	1	Jun-2027
Sub Debt	Others	200.00	200.00	8.9%	Bullet	1	Jun-2027
Sub Debt	Others	50.00	50.00	8.9%	Bullet	1	Jun-2027
Sub Debt	Others	100.00	100.00	10.0%	Bullet	1	Jul-2026
Sub Debt	Others	95.00	95.00	9.5%	Bullet	1	Jan-2028
Sub Debt	Others	80.00	80.00	9.5%	Bullet	1	Jan-2028
Sub Debt	Others	115.00	115.00	9.5%	Bullet	1	Jan-2028
Sub Debt	Others	110.00	110.00	9.5%	Bullet	1	Jan-2028
Sub Debt	Others	50.00	50.00	9.4%	Bullet	1	Aug-2028
Sub Debt	Others	50.00	50.00	9.4%	Bullet	1	Aug-2028
Sub Debt	Others	50.00	50.00	9.4%	Bullet	1	Aug-2028
Sub Debt	Others	50.00	50.00	9.4%	Bullet	1	Aug-2028
Sub Debt	Others	25.02	-	9.3%	Bullet	1	Jun-2029
Sub Debt	Others	100.08	-	9.3%	Bullet	1	Jun-2029
Sub Debt	Others	175.13	-	9.3%	Bullet	1	Jun-2029
Sub Debt	Others	200.15	-	9.3%	Bullet	1	Jun-2029
Perpetual Debt	Others	99.91	99.88	11.5%	Bullet	1	Nov-2027
Term loan	Bank	199.56	199.20	8.3%	Quarterly	8	Mar-2026
Term loan	Bank	187.38	-	Repo Rate plus Margin	Quarterly	10	Jul-2026
Term loan	Bank	499.08	-	Repo Rate plus Margin	Quarterly	8	May-2026

## Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

Nature	Lenders	As at 31-03-2024	As at 31-03-2023	Status as at 31-03-2024			
				Interest Rate	Frequency	No. of Instalments Due	Maturity
Sales Tax Deferral	Others	62.91	78.64	Nil	Yearly	4	Jun-2027
Total non current borrowings		20,657.68	16,816.86				
Less: Current Maturities of non current borrowings		8,028.36	7,752.78				
<b>Total non current financial liabilities (borrowings)</b>		<b>12,629.32</b>	<b>9,064.08</b>				

Details of securities created:

- ECB Loan 1-3 hypothecation of receivables under the financing activity of the company.
- Term loan 1-4 received from bank of ₹ 47.56 crores ( Previous year ₹ 57.13 crores) - charge created on land and building and paripasu charge on plant and machinery.
- Term Loan 5 received from bank of ₹ 249.44 Crores is to be secured by a charge over the subsidiary's plant and machinery. At 31<sup>st</sup> March 2024, the subsidiary is in the process of creating this charge against the security
- Term Loans received from Banks of ₹ 13,521.95 crores (Previous Year: ₹10,243.50 Crores) is secured against hypothecation of receivables under the financing activity of the Group.
- Loan from State owned corporation - I viz., SIPCOT - First charge on the specific plant and equipment.
- Loan from State owned corporation - II viz., SIPCOT - First charge on the specific plant and equipment and also secured by equitable mortgage created by way of deposit of title deeds of land.
- Debentures of ₹1,450.00 crores (Previous Year: ₹1,225 crores) secured against hypothecation of receivables under the financing activity of the group.

## 19 Provisions

Rupees in Crores

Particulars	As at 31-03-2024		As at 31-03-2023	
	Current	Non-current	Current	Non-current
Provision for employee benefits:				
(a) Pension	67.05	126.60	49.47	118.52
(b) Leave salary	32.37	120.64	24.94	96.30
(c) Gratuity	0.17	0.86	-	2.66
Others:				
(a) Warranty	67.05	22.08	41.33	13.78
	<b>166.64</b>	<b>270.18</b>	<b>115.74</b>	<b>231.26</b>

## 20 Deferred Tax Liabilities (Net)

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
	The balance comprises temporary differences attributable to:	
- Depreciation	351.61	316.51
- others	19.49	33.81
<b>Total deferred tax liability (A)</b>	<b>371.10</b>	<b>350.32</b>
Deferred tax asset consists of:		
- tax on employee benefits expense	54.46	48.35
- tax on warranty provision	23.95	15.59
- tax on others	96.23	78.01
<b>Total deferred tax assets (B)</b>	<b>174.64</b>	<b>141.95</b>
<b>Net deferred tax liability (B)-(A)</b>	<b>196.46</b>	<b>208.37</b>

## Notes to the Consolidated Financial Statements (Contd.)

## Movement in deferred tax:

Particulars	Depreciation	Others	Total
<b>As at 31-03-2022</b>			207.56
<b>Charged/(credited):</b>			
- to profit or loss	(3.08)	11.74	8.66
- to other comprehensive income	-	(7.85)	(7.85)
<b>As at 31-03-2023</b>			<b>208.37</b>
<b>Charged/(credited):</b>			
- to profit or loss	35.10	(40.80)	(5.70)
- to other comprehensive income	-	(6.21)	(6.21)
<b>As at 31-03-2024</b>			<b>196.46</b>

## 21 Financial Liabilities - Borrowings (Current)

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Borrowings repayable on demand from banks		
Secured	3,618.07	2,450.43
Unsecured	486.18	738.60
Short term loans:		
From banks:		
Secured	524.69	238.30
Unsecured	-	1,382.04
From others (unsecured)		
Current Maturities of long term borrowings	8,028.36	7,752.78
	<b>12,657.30</b>	<b>12,562.15</b>

Secured short term borrowings from banks are related to subsidiaries and details of securities created are as follows:

- A loan of ₹31.78 crores in USD obtained from a bank, secured by a letter of credit issued by a bank in India.
- A loan of ₹8.25 crores in USD and ₹8.21 crores in IDR obtained from a bank, partly secured (80%) by a credit guarantee issued by the EXIM bank of Indonesia
- Working capital loan and cash credit of ₹3,372.08 crores obtained are secured by hypothecation of receivables under the financing activity of the Subsidiary.
- Cash credit and working capital loan of ₹197.75 crores obtained are secured by hypothecation of receivables and inventories of the Subsidiary, both present and future

## 22 Trade Payables

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Dues to Micro and Small Enterprises **	62.38	75.83
Dues to enterprises other than Micro and Small Enterprises #	6,575.84	5,020.84
	<b>6,638.22</b>	<b>5,096.67</b>

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 and there is no principal and interest, due thereon and remaining unpaid as at end of the year"

# Balances include balances due to related parties [Refer Note 40(c)(iii)].

## Notes to the Consolidated Financial Statements (Contd.)

## (i) Ageing for trade payable as on 31.03.2024

Rupees in Crores

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	<1 Yr.	1-2 years	2-3 years	More than 3 years	
(i) Micro and Small Enterprises (MSME)	62.38	-	-	-	-	62.38
(ii) Others	3,258.68	1,703.42	29.87	19.53	22.31	5,033.82
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
<b>Total (i) to (iv)</b>	<b>3,321.06</b>	<b>1,703.42</b>	<b>29.87</b>	<b>19.53</b>	<b>22.31</b>	<b>5,096.20</b>
Accrued expenses						1,542.02
<b>Total</b>						<b>6,638.22</b>

## (ii) Ageing for trade payable as on 31.03.2023

Rupees in Crores

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	<1 Yr.	1-2 years	2-3 years	More than 3 years	
(i) Micro and Small Enterprises (MSME)	75.83	-	-	-	-	75.83
(ii) Others	2,772.32	1,348.33	19.67	9.96	24.37	4,174.65
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
<b>Total (i) to (iv)</b>	<b>2,848.15</b>	<b>1,348.33</b>	<b>19.67</b>	<b>9.96</b>	<b>24.37</b>	<b>4,250.49</b>
Accrued expenses						846.18
<b>Total</b>						<b>5,096.67</b>

## 23 Other Financial Liabilities

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Interest accrued but not due on loans	186.76	196.07
Interest accrued and due on loans *	0.44	0.72
Trade deposits received	170.71	98.57
Unclaimed dividends	4.07	3.88
(Not due for transfer to Investor Education and Protection Fund)		
Payables against capital goods	80.91	47.06
Hedge liability	15.29	5.94
Others	1.40	3.36
	<b>459.58</b>	<b>355.60</b>

\* Subsidiary has made funds available with the banks and the same has been appropriated subsequently

## 24 Other Current Liabilities

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Statutory dues	275.01	191.01
Employee related	343.31	310.71
Advance received from customers	258.28	338.00
Deferred income	29.89	46.93
	<b>906.49</b>	<b>886.65</b>

## Notes to the Consolidated Financial Statements (Contd.)

## 25 Revenue from Operations

Rupees in Crores

Particulars	Year Ended 31-03-2024	Year Ended 31-03-2023
Sale of products	32,956.91	27,354.05
Sale of services	77.47	79.63
Interest income of financial enterprise	5,111.07	3,755.51
Other operating revenue <sup>#</sup>	999.29	784.80
	<b>39,144.74</b>	<b>31,973.99</b>

<sup>#</sup> Includes Government Grants of ₹237.77 crores (Last year ₹ 280.87 crores)

## 26 Other Income

Rupees in Crores

Particulars	Year Ended 31-03-2024	Year Ended 31-03-2023
Dividend income - from other investments designated as Fair Valued through OCI	0.65	0.02
Interest income	22.10	10.99
(Loss)/Gain on valuation of investments Fair Valued through profit and loss (Net)	(26.93)	61.84
Profit on sale of fixed assets (Net)	3.38	2.65
Profit on sale of investment (Net)	89.47	45.56
Other non-operating income	17.15	16.94
	<b>105.82</b>	<b>138.00</b>

## 27 Material Cost:

Rupees in Crores

Particulars	Year Ended 31-03-2024	Year Ended 31-03-2023
Cost of materials consumed		
Opening stock of raw materials and components	925.40	874.87
Add: Purchases	23,759.70	20,146.77
	<b>24,685.10</b>	<b>21,018.66</b>
Less: Closing stock of raw materials and components	967.19	925.40
	<b>23,717.91</b>	<b>20,096.24</b>
Purchases of stock-in-trade	<b>1,011.69</b>	<b>890.95</b>
Changes in inventories of finished goods, work-in-progress and stock-in-trade:		
Opening stock:		
Work-in-progress	62.48	65.17
Stock-in-trade	295.35	345.32
Finished goods	470.37	276.78
	<b>(A) 828.20</b>	<b>687.27</b>
Closing stock:		
Work-in-progress	64.23	62.48
Stock-in-trade	555.72	295.35
Finished goods	532.60	470.37
	<b>(B) 1,152.55</b>	<b>828.20</b>
	<b>(A)-(B) (324.35)</b>	<b>(140.93)</b>

## Notes to the Consolidated Financial Statements (Contd.)

### 28 Employee Benefits Expense

Particulars	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Salaries, wages and bonus	2,904.67	2,516.73
Contribution to provident and other funds	219.37	177.53
Staff welfare expenses	261.15	195.99
	<b>3,385.19</b>	<b>2,890.25</b>

### 29 Finance Costs

Particulars	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Interest	1,855.88	1,311.74
Other borrowing cost	11.60	11.80
Interest on lease liabilities	60.75	44.11
Exchange differences	(0.51)	0.24
	<b>1,927.72</b>	<b>1,367.89</b>

### 30 Depreciation and Amortisation Expense

Particulars	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Depreciation on property plant and equipment	535.56	523.37
Amortisation on right of use asset	217.84	137.77
Amortisation on intangible assets	221.72	197.72
	<b>975.12</b>	<b>858.86</b>

### 31 OTHER EXPENSES

Particulars	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
(a) Consumption of stores, spares and tools	59.35	59.40
(b) Power and fuel	129.98	133.47
(c) Repairs - buildings	39.52	26.66
(d) Repairs - plant and equipment	160.31	123.44
(e) Insurance	49.20	39.58
(f) Rates and taxes (excluding taxes on income)	17.17	17.68
(g) Audit fees	3.31	2.71
(h) Cost audit fees	0.08	0.08
(i) Packing and freight charges	571.20	550.20
(j) Advertisement and publicity	596.37	384.75
(k) Other marketing expenses	590.95	358.75
(m) Foreign exchange loss (Net)	8.06	-
(n) Loss allowance for expected credit losses relating to loans	1127.04	629.14
(o) Corporate social responsibility expenditure	40.15	19.00
(p) Contributions to electoral trust	40.00	5.00
(q) Miscellaneous expenses (under this head there is no expenditure which is in excess of 1% of revenue from operations or ₹10 lakh, whichever is higher)	2378.20	1820.24
	<b>5,810.89</b>	<b>4170.10</b>

## Notes to the Consolidated Financial Statements (Contd.)

### 32 Tax Expense and Reconciliation

#### (a) Tax expense

Particulars	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Current tax:		
Current tax on profits for the year	1,012.63	704.65
Adjustments for current tax of prior periods	-	(1.19)
<b>(A)</b>	<b>1,012.63</b>	<b>703.46</b>
Deferred tax:		
Decrease / (increase) in deferred tax assets	(107.50)	(79.45)
(Decrease) / increase in deferred tax liabilities	19.25	2.56
<b>(B)</b>	<b>(88.25)</b>	<b>(76.89)</b>
<b>(A + B)</b>	<b>924.38</b>	<b>626.57</b>

#### (b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
<b>Profit before income tax expense</b>	<b>2702.92</b>	<b>1,936.03</b>
Tax expense at 25.168% (Previous year 25.168%)	680.27	487.26
Add/(Less): Taxes impact on		
Capital receipts	-	(1.63)
Tax on income chargeable at lower rates	(39.40)	-
Expenses not admissible for deduction	34.64	4.85
Timing and Tax rate difference on subsidiaries losses	234.49	125.34
Tax relating to earlier years	-	(1.19)
Others	14.39	11.94
	<b>924.38</b>	<b>626.57</b>

### 33 Fair Value Measurements

Particulars	As at 31-03-2024			As at 31-03-2023		
	FVTPL*	FVOCI*	Amortised cost	FVTPL*	FVOCI*	Amortised cost
Financial assets						
Investments						
- Equity instruments	163.19	151.09	-	191.92	216.48	-
- Preference shares	-	74.67	-	-	16.33	-
- Other non current investments	-	32.79	-	-	40.07	-
- Debt Instruments	85.18	-	139.02	49.12	-	42.10
Trade receivables	-	-	1,839.42	-	-	1,256.42
Loans (receivable from financing activity)	-	-	25,471.81	-	-	20,546.58
Fixed deposit with banks	-	-	27.00	-	-	20.55
Cash and cash equivalents	-	-	2,355.80	-	-	1,851.19
Earmarked balances with banks	-	-	45.02	-	-	7.51
Derivative financial asset	-	90.67	-	-	176.78	-
Other financial assets	-	-	305.42	-	-	238.88
<b>Total financial assets</b>	<b>248.37</b>	<b>349.22</b>	<b>30,183.49</b>	<b>241.04</b>	<b>449.66</b>	<b>23,963.23</b>

## Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

Particulars	As at 31-03-2024			As at 31-03-2023		
	FVTPL*	FVOCI*	Amortised cost	FVTPL*	FVOCI*	Amortised cost
Financial liabilities						
Borrowings	-	-	25,286.62	-	-	21,626.23
Trade payables	-	-	6,638.22	-	-	5,096.67
Derivative financial liability	-	15.29	-	-	5.94	-
Lease liability	-	-	719.08	-	-	749.35
Other financial liability	-	-	444.29	-	-	349.66
<b>Total financial liabilities</b>	<b>-</b>	<b>15.29</b>	<b>33,088.21</b>	<b>-</b>	<b>5.94</b>	<b>27,821.91</b>

\* FVTPL - Fair Valued Through Profit and Loss FVOCI - Fair Valued 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 recognised and measured at fair value and that are measured at amortised cost, 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 Company 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

Rupees in Crores

As at 31-03-2024	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL	5	163.19	-	85.18	248.37
Financial Investments at FVOCI	5	1.33	32.79	224.43	258.55
Derivatives	16	-	90.67	-	90.67
		<b>164.52</b>	<b>123.46</b>	<b>309.61</b>	<b>597.59</b>
Financial liabilities					
Derivatives	23	-	15.29	-	15.29
		-	<b>15.29</b>	-	<b>15.29</b>

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

Rupees in Crores

As at 31-03-2024	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Investments					
Debt instruments	5	-	-	139.02	139.02
		-	-	<b>139.02</b>	<b>139.02</b>
Borrowings	18,21			25,286.62	25,286.62
		-	-	<b>25,286.62</b>	<b>25,286.62</b>

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

Rupees in Crores

As at 31-03-2023	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Financial Investments at FVTPL	4	-	-	241.04	241.04
Financial Investments at FVOCI	4	1.00	40.07	231.81	272.88
Derivatives	6,14	-	176.78	-	176.78
		<b>1.00</b>	<b>216.85</b>	<b>472.85</b>	<b>690.70</b>
Financial liabilities					
Derivatives	23	-	5.94	-	5.94
		-	<b>5.94</b>	-	<b>5.94</b>

## Notes to the Consolidated Financial Statements (Contd.)

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

Rupees in Crores

As at 31-03-2023	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments					
Debt instruments	4	-	-	42.10	42.10
		-	-	<b>42.10</b>	<b>42.10</b>
Financial liabilities					
Borrowings	18,21	-	-	21,626.23	21,626.23
				<b>21,626.23</b>	<b>21,626.23</b>

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments 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 end of 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 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 are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, preference shares and other non current investments included in level 3.

There are no transfers among three levels.

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

(ii) Valuation technique used to determine fair value (Level 2)

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 interest rate swaps is calculated as the present value of estimated cash flows based on observable yield curves.
- the fair value of forward exchange contract and principal only swap is determined using forward exchange rate at the balance sheet date.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(iii) Fair value measurements using significant unobservable inputs (level 3)

Rupees in Crores

Particulars	Unlisted Equity Shares	Preference shares	Debt instruments	Total
As at 31-03-2022	145.39	14.79	-	160.18
Additions / (deletions)	201.46	-	49.12	250.58
Gains/(losses) recognised in profit or loss	61.69	-	-	61.69
Gains/(losses) recognised in other comprehensive income	(1.14)	1.54	-	0.40
<b>As at 31-03-2023</b>	<b>407.40</b>	<b>16.33</b>	<b>49.12</b>	<b>472.85</b>
Additions / (deletions)	4.50	94.36	-	98.86
Investment in associate - accounted using equity method	(76.58)	-	-	(76.58)
Reclassified from level 3 to Level 1	(191.92)	-	-	(191.92)
Gains/(losses) recognised in other comprehensive income	6.40	-	-	6.40
<b>As at 31-03-2024</b>	<b>149.80</b>	<b>110.69</b>	<b>49.12</b>	<b>309.61</b>

## Notes to the Consolidated Financial Statements (Contd.)

## (iv) Valuation inputs and relationships to fair value

Rupees in Crores

Particulars	Fair value as at		Significant unobservable input	Probability weighted range for the year ended	
	31-03-2024	31-03-2023		31-03-2024	31-03-2023
	Preference Shares	74.67		16.33	a) Earnings growth rate b) Risk adjusted discount rate
Debt Instruments	85.18	49.12	a) Earnings growth rate b) Risk adjusted discount rate	1-3% 8%	1-3% 8%
Unquoted Equity shares*	312.95	407.40	a) Earnings growth rate b) Risk adjusted discount rate	1-3% 8%	1-3% 8%

\* Sensitivity is not significant.

## (v) Valuation processes

Discount rates are determined using a capital asset pricing model to calculate a pretax rate that reflects current market assessments of the time value of money and the risk specific to the asset. Earnings growth factor of preference shares are based on cash flow projections of future earnings of the Company and unlisted equity securities are estimated based on market information for similar types of companies. Risk adjustments have been derived based on the market risk premium adjusted for companies relevant financial data.

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

Rupees in Crores

Particulars	As at 31-03-2024		As at 31-03-2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investments				
Preference shares	-	-	-	-
Debt instruments	139.02	139.02	42.10	42.10
	<b>139.02</b>	<b>139.02</b>	<b>42.10</b>	<b>42.10</b>
Financial liabilities				
Borrowings	25,286.62	25,286.62	21,626.23	21,626.23
	<b>25,286.62</b>	<b>25,286.62</b>	<b>21,626.23</b>	<b>21,626.23</b>

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for preference shares and other debt instruments were calculated based on cash flows discounted using a current lending rate, which approximates the carrying value. 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 values of non-current borrowings are based on discounted cash flows using a current borrowing rate, which approximates the carrying value. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

## Notes to the Consolidated Financial Statements (Contd.)

## 34 Financial Risk Management

The Group'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 manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Risk Parameters and Mitigation
Credit risk	Cash, Cash equivalents and Trade receivables	Credit risk primarily arises from cash and cash equivalents, trade receivables and investments carried at amortised cost. 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 forward-looking information (more specifically described below). 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, when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.
	a. Cash and Cash Equivalents	Surplus cash is deposited only with banks / financial institutions with a high external credit rating.
	b. Domestic Trade Receivables	Domestic sales to the Dealers are based on advance payments received through banking channels or through inventory funding facilities availed by them from the banks. The Company extends limited credit to the dealers and such extension of credit is based on dealers' credit worthiness, ability to repay and past track record. The Company has extensive reporting and review system to constantly monitor the outstandings.
Liquidity risk	c. Export Trade Receivables	The Company's export business is mostly based on Letters of credit. Export receivables are also covered through Insurance with ECGC Limited.
	INR denominated borrowings [other than soft loans given by Govt. Authorities]	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. The Company works out a detailed annual operating plans to assess the fund requirements - both short term and long term. Detailed month wise cash flow forecast is also carried out along with required sensitivities. Based on these factors adequate working capital credit limits are organised in advance. Company has pre-approved credit lines with various banks and these are constantly reviewed and approved by the Board. For long term fund requirements, Company targets various options such as rupee term loan, external commercial borrowing, debentures etc. The Company obtains a credit rating for the various borrowing facilities on annual basis. Company constantly monitors the free cash flow from operations to ensure that the borrowing is minimized.
Market risk	(i) Foreign exchange	The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions. 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 Company has a forex management policy which is duly approved by the Board. The objective of the hedges when taken is to minimise the volatility of the INR cash flows of highly probable forecast transactions.
	a. Export trade receivables and Import Payables	The company has a forex management policy duly approved by the Board. The Company's policy is to hedge most of its net currency exposure. Company reviews the forex exposure on a regular basis and also reports its adherence to the Board on a quarterly basis. The recording and reporting requirements are strictly adhered.
	b. Foreign currency denominated borrowings	The Company has hedged its borrowings by covering the principal repayments.
	(ii) Interest rate Foreign currency denominated borrowings	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. Company's policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

## Notes to the Consolidated Financial Statements (Contd.)

### (A) Credit risk (except Loans from financing activity covered under Note: 35)

Basis of recognition of expected credit loss provision

Rating	Category	Description of category	Investments	Loans and deposits	Trade receivables
1	High Quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.			
2	Quality assets, low credit risk	Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past	12 month expected credit losses	12 month expected credit losses	
3	Standard Assets, moderate credit risk	Assets where the probability of default is considered moderate and where the counter-party's capacity to meet the obligations is not strong.			Life time expected credit losses (simplified approach)
4	Substandard Assets, relatively high credit risk	Assets where there has been a significant increase in credit risk since initial recognition.			
5	Low quality assets, very high credit risk	Assets where there is a high probability of default. Also includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 180 days past due.		Life time expected credit losses	
6	Doubtful assets, credit impaired	Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.		Asset is written off	

#### As at 31-03-2024

##### a) Expected credit loss for investments, loans and other financial assets

Particulars	Internal rating	Assets/Asset group	Gross carrying amount	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
						Rupees in Crores
Loss allowance measured at 12 month expected credit loss	2	Investments at amortised cost	139.02	0%	-	139.02
	1	Other financial assets	305.42	0%	-	305.42

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

Particulars	Rupees in Crores		
	0 to 180 days past due	More than 180 days past due	Total
Gross carrying amount	1,243.54	644.22	1,887.76
Expected loss rate	-	8%	
Expected credit losses	-	48.34	48.34
Carrying amount of trade receivables	1,243.54	595.88	1,839.42

## Notes to the Consolidated Financial Statements (Contd.)

### As at 31-03-2023

##### a) Expected credit loss for investments, loans and other financial assets

Particulars	Internal rating	Assets/Asset group	Gross carrying amount	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
						Rupees in Crores
Loss allowance measured at 12 month expected credit loss	2	Investments at amortised cost	42.10	0%	-	42.10
	1	Other financial assets	238.88	0%	-	238.88

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

Particulars	Rupees in Crores		
	0 to 180 days past due	More than 180 days past due	Total
Gross carrying amount	781.93	523.98	1,305.91
Expected loss rate	-	9%	
Expected credit losses	-	49.49	49.49
Carrying amount of trade receivables	781.93	474.49	1,256.42

##### Reconciliation of loss allowance provision - Trade receivables

Loss allowance 01-04-2022	52.63
Changes in loss allowance	(3.14)
Loss allowance 31-03-2023	49.49
Changes in loss allowance	(1.15)
Loss allowance 31-03-2024	48.34

### (B) Liquidity risk

#### (i) Financing arrangements

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

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	6016.41	4,370.28
- Expiring beyond one year (bank loans)	43.63	-

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 except for one subsidiary in USD and have an average maturity ranging from 30 to 180 days.

## Notes to the Consolidated Financial Statements (Contd.)

### (ii) Maturities of financial liabilities

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

- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

#### As at 31-03-2024

Rupees in Crores

Contractual Maturities of Financial Liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	2563.72	2,402.25	7,691.37	1,2094.42	536.61	25,288.31
Lease Liabilities	54.93	54.25	106.22	545.25	85.33	845.97
Trade payables	6,198.42	252.94	185.68	1.18	-	6,638.22
Other financial liabilities	444.29	-	-	-	-	444.29
Derivatives	15.29	-	-	-	-	15.29

#### As at 31-03-2023

Rupees in Crores

Contractual Maturities of Financial Liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	3,709.49	1,732.78	7,119.88	8,861.09	208.45	21,631.69
Lease Liabilities	48.80	46.42	90.62	596.77	75.28	857.89
Trade payables	4,514.69	290.86	291.12	-	-	5,096.67
Other financial liabilities	349.66	-	-	-	-	349.66
Derivatives	5.94	-	-	-	-	5.94

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.

### (C) Market risk

#### i) Foreign exchange risk

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Rupees in Crores

Exposure in foreign currency	31-03-2024		31-03-2023	
	USD	EUR	USD	EUR
<b>Financial assets</b>				
Trade receivables	1,544.44	87.45	1,275.23	66.88
Investments	146.67	8.46	137.10	8.47
Derivative assets				
Foreign exchange forward contracts				
Sell foreign currency	(888.20)	(87.45)	(847.89)	(62.75)
<b>Financial liabilities</b>				
Foreign currency loan	1123.61	-	2931.78	-
Trade payables	131.25	15.24	560.91	7.54
Derivative liabilities				
Foreign exchange forward contracts				
Buy foreign currency	8.46	-	4.14	-
Principal swap				
Buy foreign currency	(833)	-	(2669.98)	-

## Notes to the Consolidated Financial Statements (Contd.)

### Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

Rupees in Crores

	Impact on profit after tax*		Impact on other components of equity*	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
<b>USD sensitivity</b>				
INR/USD increases by 10%	60.04	37.87	(56.84)	(54.92)
INR/USD decreases by 10%	(60.04)	(37.87)	56.84	54.92
SGD/USD increases by 10%	11.72	3.40	4.85	6.28
SGD/USD decreases by 10%	(11.72)	(3.40)	(4.85)	(6.28)
IDR/USD increases by 10%	13.54	(10.38)	-	-
IDR/USD decreases by 10%	(13.54)	10.38	-	-
<b>EURO sensitivity</b>				
INR/EURO increases by 10%	4.95	4.01	(5.76)	(4.25)
INR/EURO decreases by 10%	(4.95)	(4.01)	5.76	4.25
SGD/EURO increases by 10%	-	-	0.56	0.57
SGD/EURO decreases by 10%	-	-	(0.56)	(0.57)

\*Holding all other variables constant

#### ii) Interest Rate risk

Domestic INR borrowings are based on fixed rate of interest. Normally for short term borrowings the marginal cost of lending rate of the bank is followed. Whenever, Company resorts to short term borrowing through Commercial Paper the rate of interest is fixed in advance. In respect of foreign currency borrowings for longer period the interest rates are covered through interest rate swaps (IRS).

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Variable rate borrowings	15,522.78	9,772.10
Fixed rate borrowings	9,765.53	11,859.68

Rupees in Crores

Sensitivity	Impact on profit after tax	
	As at 31-03-2024	As at 31-03-2023
Increase in interest rates by 100 bps	(102.14)	(66.10)
Decrease in interest rates by 100 bps	102.14	66.10

#### iii) Price risk

The company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. To manage its price risk from investments in equity securities, the Company diversifies its portfolio. The impact of the changes in price risk is not material.

## Notes to the Consolidated Financial Statements (Contd.)

### (D) Impact of hedging activities

#### i) Disclosure of effects of hedge accounting on financial position

##### a) Disclosure of effects of hedge accounting on financial position as at 31-03-2024

Rupees in Crores

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Changes in fair value of hedging instrument	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities			
Cash flow hedge							
Foreign exchange forward contracts, PCFC	975.65	0.95	-	15.29	Apr'24 to Dec'24	(15.29)	15.29
Foreign currency loan							-
Principal swap	-	833.00	90.67	-	Jun'24 to Dec'24	90.67	(90.67)
Interest rate swap	-	833.00	-	-		-	-

##### b) Disclosure of effects of hedge accounting on financial position as at 31-03-2023

Rupees in Crores

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Changes in fair value of hedging instrument	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities			
Cash flow hedge:							
Foreign exchange forward contracts, PCFC	910.64	(4.14)	4.45	-	Apr'23 to June'23	4.45	(4.45)
Foreign currency loan							-
Principal swap	-	2669.98	167.84	-	Jun'23 to Dec'27	167.84	(167.84)
Interest rate swap	-	2669.98	0.26	-		0.26	(0.26)

#### ii) Disclosure of effects of hedge accounting on financial performance:

##### a) for the year ended 31-03-2024

Rupees in Crores

Type of hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit and loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge:				Revenue and Borrowing cost
Foreign exchange risk/ POS/ IRS	(17.32)	-	(1.35)	

## Notes to the Consolidated Financial Statements (Contd.)

#### b) for the year ended 31-03-2023

Rupees in Crores

Type of hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit and loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge:				Revenue and Borrowing cost
Foreign exchange risk/ POS/ IRS	(6.02)	-	(16.98)	

### 35 Financial Risk Management Relating to Loan Receivable from Financing Activity

#### (A) Credit Risk

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group 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 Group monitors the credit assessment on a portfolio basis, assesses all credit exposures in excess of designated limits. The Group does a risk grading based upon the credit worthiness of the borrowers. All these factors are taken into consideration for computation of Expected Credit Loss (ECL).

#### Loans

The following table sets out information about credit quality of retail loan assets measured at amortised cost based on Number of Days past due information. The amount represents gross carrying amount.

Rupees in Crores

Particulars	March 31, 2024	March 31, 2023
Gross Carrying value of Loans		
Stage-1 (Less than 30 Days)	24,359.13	19,694.90
Stage-2 (30-90 Days)#	1305.94	989.54
Stage-3 (More than 90 Days)*	742.80	573.71
<b>Total Gross Carrying value on Reporting Date</b>	<b>26,407.87</b>	<b>21,258.15</b>

#Includes restructured contracts under one time resolution framework vide RBI circular dated August 6, 2020 and RBI/2 021- 22/31/DOR. STR.REC.11 /21.04.048/2021-22 dated 5<sup>th</sup> 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 7<sup>th</sup> June 2019 irrespective of days past due on the reporting date.

#### Other financial assets

Credit risk with respect to other financial assets are extremely low except 'Other Financial Assets - Non Related Parties'. Based on the credit assessment, the historical trend of low default is expected to continue. No provision for ECL has been created for Other financial Assets except full provision on "Other Financial Assets - Non Related Parties".

#### Credit Quality

The Company has a comprehensive framework for monitoring credit quality of its retail and other loans based on days past due monitoring. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery is taken through follow ups and legal recourse.

#### Inputs considered in the ECL model

In assessing the impairment of loans assets under ECL model, the loan assets have been segmented into three stages.

The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages relate to the recognition of expected credit losses and the calculation and presentation of interest revenue.

## Notes to the Consolidated Financial Statements (Contd.)

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

- Stage 1: 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 financial services business has made the following assumptions in the ECL Model:

- "Loss given default" (LGD) is common for all three stages and is based on loss in past portfolio. Actual cash flows are discounted with average rate for arriving loss rate. EIR has been taken as discount rate for all loans

### Estimation Technique

The financial services business has applied the following estimation technique in its ECL model:

- "Probability of default" (PD) is applied on Stage 1 and Stage 2 on portfolio basis and for Stage 3 PD is 100%.
- Probability of default for Stage 1 loan assets is calculated as average of historical trend from Stage 1 to Stage 3 in next 12 months.
- Probability of default for Stage 2 loan assets is calculated based on the lifetime PD as average of historical trend from Stage 2 to Stage 3 for the remaining tenor.
- Loss given default is calculated based on discounted actual cash flow on past portfolio in default along with reversals. There is no change in estimation techniques or significant assumptions during the reporting period.

The Group 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 financial services business considers both quantitative and qualitative information and analysis based on the business historical experience, including forward-looking information. The financial services business 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 March 27, 2020 and April 17, 2020 relating to 'COVID-19 – Regulatory Package', the Group has offered moratorium upto six months on the payment of installments falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers. The Group 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 Group 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 7<sup>th</sup> June 2019 in Stage 3 and with regard to restructured contracts done under one time resolution framework vide RBI circular dated August 6, 2020 and RBI/2 021- 22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated 5 May 2021 in Stage 2 irrespective of days past due status on the reporting date.

Group's assessments of impairment loss allowance on its loans are subject to a number of management judgements and estimates. Since the Group's impairment loss allowance estimates are inherently uncertain, actual results may differ from these estimates.

### Definition of default

The Company considers a financial instrument is in defaulted when the borrower becomes 90 days past due on its contractual payments. The financial services business considers Loans under default as 'credit impaired' and classified as Stage-3 except for restructured contracts as disclosed above.

## Notes to the Consolidated Financial Statements (Contd.)

### Impairment loss

The expected credit loss allowance provision is determined as follows:

Rupees in Crores				
Particulars	Stage 1	Stage 2	Stage 3	Grand Total
Gross Balance as at March 31, 2024	24,359.13	1,305.94	742.80	26,407.87
Expected Credit Loss	289.49	253.53	393.04	936.06
Expected Credit Loss Rate	1.19%	19.41%	52.91%	3.54%
Net of Impairment Provision	24,069.64	1,052.41	349.76	25,471.81

Rupees in Crores				
Particulars	Stage 1	Stage 2	Stage 3	Grand Total
Gross Balance as at March 31, 2023	19,693.40	989.54	573.71	21,256.65
Expected Credit Loss	264.75	138.78	306.54	710.07
Expected Credit Loss Rate	1.34%	14.02%	53.43%	3.34%
Net of Impairment Provision	19,428.65	850.76	267.17	20,546.58

### Reconciliation of Expected Credit Loss

Rupees in Crores				
Particulars	Stage 1	Stage 2	Stage 3	Grand Total
<b>Balance as at April 01, 2022</b>	<b>87.82</b>	<b>33.25</b>	<b>267.61</b>	<b>388.68</b>
Transfer from Stage 1	(6.38)	3.96	2.42	-
Transfer from Stage 2	2.16	(8.41)	6.25	-
Transfer from Stage 3	11.64	2.96	(14.60)	-
Loans that have derecognised during the period	(22.10)	(9.86)	(141.35)	(173.31)
New Loans originated during the year	118.95	46.44	48.07	213.46
Net Remeasurement of Loss Allowance	72.66	70.44	138.14	281.24
<b>Balance as at March 31, 2023</b>	<b>264.75</b>	<b>138.78</b>	<b>306.54</b>	<b>710.07</b>
Transfer from Stage 1	(15.17)	8.74	18.25	11.82
Transfer from Stage 2	13.19	(55.32)	41.91	(0.22)
Transfer from Stage 3	8.78	4.45	(13.17)	0.06
Loan that have derecognised during the period	(39.36)	(48.01)	(113.34)	(200.71)
New Loans originated during the year	114.54	59.15	49.21	222.90
Net Remeasurement of Loss Allowance	(57.24)	145.74	103.64	192.14
<b>Balance as at March 31, 2024</b>	<b>289.49</b>	<b>253.53</b>	<b>393.04</b>	<b>936.06</b>

### 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:

Rupees in Crores		
Particulars	Year Ended 31-03-2024	Year Ended 31-03-2023
Carrying value		
Concentration by geographical region in India		
South	10,637.99	8,472.49
West	7,256.11	5,917.79
East	4,252.84	3,307.58
North	4,260.93	3,558.79
<b>Total Loans as at reporting period</b>	<b>26,407.87</b>	<b>21,256.65</b>

## Notes to the Consolidated Financial Statements (Contd.)

### 36 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 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 group's strategy is to maintain an optimum gearing ratio. The gearing ratios were as follows:

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Net debt	22,930.82	19,775.04
Total equity	6,783.51	5,505.00
<b>Net debt to equity ratio</b>	<b>3.4</b>	<b>3.6</b>

The company also monitors Interest coverage ratio:

Company's earnings before interest and taxes (EBIT) divided by Interest

The Company's strategy is to maintain an optimum interest coverage ratio. The Interest coverage ratio are as follows:

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
EBIT (before exceptional item)	2,211.35	1,628.52
Interest	210.00	155.50
<b>Interest coverage ratio (times)</b>	<b>10.5</b>	<b>10.5</b>

#### (b) Dividends

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
(i) Equity shares		
Interim dividends for the year ended 31-03-2024 of ₹8.00 (31-03-2023 of ₹5.00) per fully paid share	380.07	237.54
(iii) Dividends not recognised at the end of the reporting period	-	-

### 37 Business Combination

On 1<sup>st</sup> October 2015, our Subsidiary Sundaram Auto Components Limited (SACL) acquired an automobile seat manufacturing business at Nalagarh, Himachal Pradesh to expand its business"

On 7<sup>th</sup> September 2017, the Company acquired 16,20,000 (81%) equity shares of M/s. TVS Motor Services Limited, Chennai. This would further strengthen the retail financing for the customers of the Company through its subsidiaries.

During the year ended March 31, 2022, our subsidiary TVS Motor (Singapore) Pte. Ltd. acquired majority stake in two E-Mobility companies in Europe to establish its presence in e-personal mobility space.

On 16<sup>th</sup> September 2021, 91,20,858 (80%) equity shares of The GO Corporation (The GO AG) and on 27<sup>th</sup> January 2022, 1,14,658 (75%) equity shares of Swiss E-Mobility Group (Holding) AG (SEMG) were acquired.

During the year ended March 31, 2023, our subsidiary TVS Motor (Singapore) Pte. Ltd. acquired majority stake in two E-Mobility companies in Europe to further strengthen its presence in e-personal mobility space.

## Notes to the Consolidated Financial Statements (Contd.)

On 1<sup>st</sup> April 2022, 70 (70%) equity shares of EBCO Limited, UK were acquired. Further on 12<sup>th</sup> April 2022, (100%) equity shares of Alexand'Ro Edouard'O Passion Vélo Sàrl ("Passion Vélo"), Germany were acquired through its subsidiary Swiss E-Mobility Group (Holding) AG (SEMG).

Details of the purchase consideration and goodwill are follows:

Particulars	Business acquired by SACL	TVS Motor Services	GO AG	SEMG	Rupees in Crores	
					EBCO	Passion Velo
Consideration transferred	9.00	1.62	131.46	488.60	11.64	23.96
Non-controlling interest in the acquired entity	-	136.05	(1.12)	55.52	(1.32)	-
Acquisition date fair value of previously held equity interest	-	0.38	-	-	-	-
Less: Net identifiable assets acquired	6.80	(48.06)	71.23	222.07	(4.40)	11.10
<b>Goodwill on consolidation</b>	<b>2.20</b>	<b>186.11</b>	<b>59.11</b>	<b>322.05</b>	<b>14.72</b>	<b>12.86</b>
<b>Total goodwill recognised in books</b>						<b>597.05</b>

The goodwill is attributable to the expected synergies on acquisition of the financial services business and e-personal mobility business.

"Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business is allocated to the Group's cash generating units (CGU) or groups of CGUs expected to benefit from the synergies arising from the business combination.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rate on the basis of carrying amount of each asset in CGU. An impairment loss on goodwill is recognized in net profit in the Consolidated Statement of Profit and Loss and is not reversed in the subsequent period."

Company assessed impairment of goodwill based on the expected earnings growth of the acquired business.

### 38 Employee Benefit Obligations

Defined benefit plans as per actuarial valuation

Particulars	Funded Plan			Unfunded Plans
	Gratuity			Pension
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation
<b>As at 01-04-2022</b>	<b>194.92</b>	<b>(191.47)</b>	<b>3.45</b>	<b>158.49</b>
Balance from Incumbent subsidiary:	-	-	-	-
Current service cost	34.70	-	34.70	-
Interest expense/(income)	14.88	(14.10)	0.74	10.01
<b>Total amount recognised in profit or loss</b>	<b>49.58</b>	<b>(14.10)</b>	<b>35.48</b>	<b>10.01</b>
<b>Remeasurements</b>				
Return on plan assets, excluding amounts included in interest expense/(income)	-	3.17	3.17	-
(Gain)/loss from change in financial assumptions	3.66	-	3.66	(20.49)
Sale of subsidiary	(0.62)	-	(0.62)	-
Experience (gains)/losses	3.42	-	3.42	12.32
<b>Total amount recognised in other comprehensive income</b>	<b>6.46</b>	<b>3.17</b>	<b>9.63</b>	<b>(8.17)</b>

## Notes to the Consolidated Financial Statements (Contd.)

Particulars	Funded Plan			Unfunded Plans
	Gratuity			Pension
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation
Employer contributions	-	(53.15)	(53.15)	-
Benefit payments	(23.48)	21.04	(2.44)	(4.01)
<b>As at 31-03-2023</b>	<b>227.44</b>	<b>(234.51)</b>	<b>(7.07)</b>	<b>156.32</b>
Current service cost	42.30	-	42.30	-
Interest expense/(income)	17.53	(17.04)	0.49	11.87
<b>Total amount recognised in profit or loss</b>	<b>59.82</b>	<b>(17.04)</b>	<b>42.79</b>	<b>11.87</b>
<b>Remeasurements</b>				
Return on plan assets, excluding amounts included in interest expense/(income)	-	6.84	6.84	-
(Gain)/loss from change in financial/ demographic assumptions	4.61	-	4.61	1.34
Experience (gains)/losses	(0.41)	-	(0.41)	16.63
<b>Total amount recognised in other comprehensive income</b>	<b>4.20</b>	<b>6.84</b>	<b>11.04</b>	<b>17.97</b>
Employer contributions	-	(50.48)	(50.48)	-
Benefit payments	(18.62)	18.62	-	(4.72)
<b>As at 31-03-2024</b>	<b>272.84</b>	<b>(276.57)</b>	<b>(3.73)</b>	<b>181.44</b>

Certain Companies in the group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees and have created an Employees' Group Gratuity Fund which has taken a Group Gratuity Assurance Scheme with the Life Insurance Corporation of India. Company's contributions are based on actuarial valuation arrived at the end of each year and charged to Statement of Profit and Loss.

The significant actuarial assumptions were as follows:

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Discount rate (Gratuity)	6.95% to 7.0%	5.3% to 7.3%
Discount rate (Pension)	6.95% to 7.0%	5.7% to 6.1%
Salary growth rate	5.5% to 6%	5.5% to 10%
Pre-retirement Mortality rate	IALM (2006-08) Ultimate	
Post-retirement Mortality rate	LIC Ann (1996-98)	

Assumptions regarding future mortality for pension 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 age 58.

### (i) Sensitivity analysis

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

Particulars	Impact on defined benefit obligation - Gratuity					
	Change in assumption		Increase in assumption		Decrease in assumption	
	Year ended					
	31-03-2024	31-03-2023	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Discount rate	0.50%	0.50%	262.44	218.66	283.24	236.10
Salary growth rate	0.50%	0.50%	283.33	236.19	262.27	218.50
Mortality	5.00%	5.00%	272.51	227.11	272.42	227.03

## Notes to the Consolidated Financial Statements (Contd.)

Particulars	Impact on defined benefit obligation - Pension					
	Change in assumption		Increase in assumption		Decrease in assumption	
	Year ended					
	31-03-2024	31-03-2023	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Discount rate	1.00%	1.00%	164.38	141.38	201.63	174.82
Salary growth rate	1.00%	1.00%	202.73	175.80	163.27	140.40
Mortality	5.00%	5.00%	179.95	155.42	183.02	157.98

The above sensitivity analysis is 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.

### (ii) 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 underperform this yield, this will create a deficit.

**Changes in bond:** A decrease in bond yields will increase plan liabilities, although this will be partially offset by an yield 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 obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

### (iii) Defined contribution plans:

The Company's contribution to defined contribution plan i.e., provident fund of ₹ 86.15 crores (previous year ₹68.79 crores) has been recognised in the Statement of Profit and Loss.

## 39 Related Party Disclosure

### (a) (i) Related parties and their relationship where control exists

#### Holding company:

TVS Holdings Limited, Chennai ( Formerly known as Sundaram-Clayton Limited, Chennai)

#### Subsidiaries:

Sundaram Auto Components Limited, Chennai

TVS Digital Limited, Chennai (Formerly known as 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)

PT TVS Motor Company Indonesia, Jakarta

Harita ARC Services Private Limited, Chennai

## Notes to the Consolidated Financial Statements (Contd.)

Harita Two Wheeler Mall Private Limited, Chennai (Formerly known as 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

EGO Movement Stuttgart, GmbH, Germany (Subsidiary of GO AG)

Swiss E-Mobility Group (Schweiz) AG, Switzerland

Colag E-Mobility GmbH, Germany

Alexand'Ro Edouard'O Passion Vélo Sàrl, Switzerland

### Associate company:

Ultraviolette Automotive Private Limited, Bengaluru

Tagbox Solutions Private Limited, Bengaluru [upto 30<sup>th</sup> March 2024]

DriveX Mobility Private Limited, Coimbatore

Indian Foundation for Quality Management, Bengaluru [From 15<sup>th</sup> Feb 2024]

Emerald Haven Realty Ltd., Chennai (Upto 14<sup>th</sup> June 2023)

### (ii) Other related parties and their relationship where transaction exists

#### Associate / Joint venture of holding / subsidiary / fellow subsidiary company:

Predictronics Corp, USA

Emerald Haven Realty Ltd., Chennai (from 16<sup>th</sup> June 2023)

Emerald Haven Development Limited, Chennai

ION Mobility Pte. Ltd., Singapore [From 14.03.2024]

### (iii) Enterprises under Common control

Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)

#### Enterprises in which directors are interested:

Dua Associates, Delhi

Dua Consulting Private Limited, Delhi

McCann-Erickson (India) Private Limited, Delhi

Trichur Sundaram Santhanam & Family Private Limited, Chennai

T.V Sundram Iyengar & Sons Private Limited, Madurai

Lakshmi Energy and Environment Design Private Limited, Coimbatore

TVS Organics Private Limited, Chennai

Adwaith Lakshmi Industries Private Limited, Coimbatore (From 01<sup>st</sup> April 2023)

## Notes to the Consolidated Financial Statements (Contd.)

### Key Management personnel

#### Executive Directors:

Mr. Venu Srinivasan, Chairman Emeritus & Managing Director

Mr Sudarshan Venu, Managing Director

Mr K N Radhakrishnan, Director & Chief Executive Officer

#### Non-Executive Directors:-

##### Independent Directors:

Mr. C R Dua

Mr. R Gopalan (upto 2<sup>nd</sup> Mar 2024)

Dr. Deepali Pant Joshi (from 11<sup>th</sup> September 2023)

Mrs. Lalita D Gupte (upto 22<sup>nd</sup> October 2023)

Mr. T Kannan (upto 23<sup>rd</sup> May 2023)

Mr. Kuok Meng Xiong

Mr. Vijay Sankar (from 20<sup>th</sup> March 2024)

Mr. Hemant Krishan Singh

Mr. B Sriram

##### Non-Independent Directors:

Sir Ralf Dieter Speth

Dr. Lakshmi Venu

##### Chief Financial Officer

K. Gopala Desikan

##### Company Secretary

K.S. Srinivasan

##### Post Employment benefit plans:

TVS Motor Company Employees' Gratuity Fund

TVS Motor Company Employees' Provident Fund

## Notes to the Consolidated Financial Statements (Contd.)

## (b) Transactions with related parties: (Transactions from the date of becoming/ upto the date of ceasing to be related party)

Particulars	Rupees in Crores	
	As at / Year ended 31-03-2024	As at / Year Ended 31-03-2023
<b>(i) Purchase of goods (Including sales reversal)</b>		
<b>Holding company</b>		
TVS Holdings Limited, Chennai - (Formerly known as Sundaram-Clayton Limited, Chennai)	126.75	412.62
<b>- Associate / joint venture</b>		
Tagbox Solutions Private Limited, Bengaluru	0.73	1.43
Ultraviolette Automotive Private Limited, Bengaluru	0.67	-
<b>- Enterprises under Common control</b>		
Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	255.24	-
<b>- Enterprises in which directors are interested</b>		
T.V Sundram Iyengar & Sons Private Limited, Madurai	-	0.23
TVS Organics Private Limited, Chennai	0.69	0.19
Adwaith Lakshmi Industries Private Limited, Coimbatore	0.01	-
<b>(ii) Sale of goods</b>		
<b>Holding company</b>		
TVS Holdings Limited, Chennai - (Formerly known as Sundaram-Clayton Limited, Chennai)	471.96	439.61
<b>Associate company</b>		
DriveX Mobility Private Limited, Coimbatore	0.06	-
<b>- Enterprises under Common control</b>		
Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	9.60	-
<b>(iii) Purchase of assets</b>		
<b>Holding company</b>		
TVS Holdings Limited, Chennai - (Formerly known as Sundaram-Clayton Limited, Chennai)	39.00	-
<b>- Associate / joint venture</b>		
Ultraviolette Automotive Private Limited, Bengaluru	-	3.00
Tagbox Solutions Private Limited, Bengaluru	0.61	-
<b>- Associate / joint venture of holding / subsidiary / fellow subsidiary company</b>		
Predictronics Corporation, USA	-	0.07
<b>(iv) Sale of assets</b>		
<b>- Associate / Joint venture of holding / subsidiary / fellow subsidiary company</b>		
Emerald Haven Realty Limited, Chennai	2.58	-
<b>- Enterprises under Common control</b>		
Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	0.29	-
<b>- Key Management personnel</b>		
	-	0.12
<b>(v) Rendering of services</b>		
<b>Holding company</b>		
TVS Holdings Limited, Chennai - (Formerly known as Sundaram-Clayton Limited, Chennai)	2.72	8.58
<b>- Associate / joint venture</b>		
DriveX Mobility Private Limited, Coimbatore	-	0.66
<b>- Associate / joint venture of holding / subsidiary / fellow subsidiary company</b>		
Emerald Haven Realty Limited, Chennai	1.34	0.07
<b>- Enterprises under Common control</b>		
Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	6.74	-

## Notes to the Consolidated Financial Statements (Contd.)

Particulars	Rupees in Crores	
	As at / Year ended 31-03-2024	As at / Year Ended 31-03-2023
<b>(vi) Availing of services (includes sub-contract charges paid)</b>		
<b>Holding company</b>		
TVS Holdings Limited, Chennai - (Formerly known as Sundaram-Clayton Limited, Chennai)	139.93	68.94
<b>- Associate / joint venture</b>		
Tagbox Solutions Private Limited, Bengaluru	-	0.16
<b>- Associate / joint venture of holding / subsidiary / fellow subsidiary company</b>		
Scienaptic Systems Inc., USA	-	3.03
Emerald Haven Realty Limited, Chennai	-	0.01
<b>- Enterprises under Common control</b>		
Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	4.81	-
<b>- Enterprises in which directors are interested</b>		
Dua Associates, Delhi	0.35	0.70
Dua Consulting Private Limited, Delhi	4.57	4.33
McCann-Erickson (India) Private Limited, Delhi	3.59	3.47
Lakshmi Energy and Environment Design Private Limited, Coimbatore	0.20	0.20
T.V Sundram Iyengar & Sons Private Limited, Madurai	-	0.83
Trichur Sundaram Santhanam & Family Private Limited, Chennai	0.65	0.12
<b>(vii) Investments made during the year</b>		
<b>- Associate / joint venture</b>		
DriveX Mobility Private Limited, Coimbatore	-	87.17
<b>- Associate / joint venture of holding / subsidiary / fellow subsidiary company</b>		
Indian Foundation for Quality Management, Bengaluru [From 15.02.2024]	25.00	-
Killwatt GmbH, Germany [From 14.04.2023]	71.50	-
ION Mobility Ltd., Singapore [From 14.03.2024]	45.38	-
<b>(viii) Remuneration to key management personnel:</b>		
Short-term employee benefits	68.21	104.92
Post-employment benefits	0.65	1.08
<b>(ix) Contributions to post employment benefit plans:</b>		
TVS Motor Company Employees' Gratuity Fund	98.51	43.71
TVS Motor Company Employees' Provident Fund (Including Employee and Employer Contributions)	114.30	92.25
<b>(x) Loan and Advances given</b>		
<b>- Associate / joint venture of holding / subsidiary / fellow subsidiary company</b>		
Emerald Haven Realty Limited, Chennai	-	3.00
<b>(xi) Loan and Advances repaid (incl interest)</b>		
<b>- Associate / Joint venture of holding / subsidiary / fellow subsidiary company</b>		
Emerald Haven Realty Limited, Chennai	-	3.06

## Notes to the Consolidated Financial Statements (Contd.)

Particulars	Rupees in Crores	
	As at / Year ended 31-03-2024	As at / Year Ended 31-03-2023
<b>(c) Balances with related parties: (Balances of parties as at March 31<sup>st</sup> 2024, who are ceased to be related parties are not furnished)</b>		
<b>(i) Trade receivables / Other current assets</b>		
<b>Holding company</b>		
TVS Holdings Limited, Chennai - (Formerly known as Sundaram-Clayton Limited, Chennai)	74.23	17.36
<b>- Associate company</b>		
Tagbox Solutions Private Limited, Bengaluru	-	0.16
DriveX Mobility Private Limited, Coimbatore	-	0.44
Ultraviolette Automotive Private Limited, Bengaluru	0.18	
<b>- Associate / joint venture of holding / subsidiary / fellow subsidiary company</b>		
Emerald Haven Realty Limited, Chennai	11.91	4.31
<b>- Enterprises in which directors are interested</b>		
Trichur Sundaram Santhanam & Family Private Limited, Chennai	0.52	-
McCann-Erickson (India) Private Limited, Delhi	0.02	-
<b>- Enterprises under Common control</b>		
Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	1.25	-
<b>(ii) Trade payables</b>		
<b>Holding</b>		
TVS Holdings Limited, Chennai - (Formerly known as Sundaram-Clayton Limited, Chennai)	7.89	-
<b>- Associate / joint venture</b>		
Predictronics Corporation, USA	0.07	0.07
DriveX Mobility Private Limited, Coimbatore	0.04	-
<b>- Associate / joint venture of holding / subsidiary / fellow subsidiary company</b>		
Scienaptic Systems Inc., USA	-	0.45
<b>- Enterprises under Common control</b>		
Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	0.27	-
<b>- Enterprises in which directors are interested</b>		
Dua Consulting Private Limited, Delhi	0.32	0.32
McCann-Erickson (India) Private Limited, Delhi	-	0.32
T.V Sundram Iyengar & Sons Private Limited, Madurai	0.07	0.03
Lakshmi Energy and Environment Design Private Limited, Coimbatore	-	0.06
TVS Organics Private Limited, Chennai	0.03	-

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and settlement occurs in cash.

## Notes to the Consolidated Financial Statements (Contd.)

## 40 Revenue From Contract With Customers

## A 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 Group 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:

Particulars	Rupees in Crores	
	For the year ended 31-03-2024	For the year ended 31-03-2023
<b>A. Type of goods or service</b>		
1. Automobiles	29,493.96	24,232.76
2. Parts and accessories	3,170.53	2,705.13
3. Automotive components	333.89	439.45
4. Services - IT Services	24.98	50.55
5. Services - Royalty	13.27	8.01
6. Others	5,108.82	3,753.29
	<b>38,145.45</b>	<b>31,189.19</b>
<b>B. Geographical markets</b>		
1. Domestic	30,329.44	23,660.58
2. Exports	7,816.01	7,528.61
	<b>38,145.45</b>	<b>31,189.19</b>

B The Group operates in the segments of automotive vehicle and its parts, Automotive components and financial services. The information provided above is in line with the segmental information provided under Ind AS 108 in Note. 46

## C Reconciliation of contracts with customers

Movement of contract liabilities for the reporting period given below:

Particulars	Rupees in Crores	
	For the year ended 31-03-2024	For the year ended 31-03-2023
Contract Liabilities at the beginning of the period	338.00	277.57
Add / (Less):		
Consideration received during the year as advance	265.58	338.00
Revenue recognized from contract liability	(338.00)	(277.57)
Contract Liabilities at the end of the period	265.58	338.00

Payment is 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.

## D Transaction price allocated to the remaining performance obligations

The Group's contracts with customers are short term(i.e., the performance obligations are expected to be met within one year or less). Therefore, taking the practical expedient, the details on transaction price allocated to the remaining performance obligations are not disclosed.

## E Reconciliation of revenue with contract price

Sl. No.	Particulars	Rupees in Crores	
		For the year ended 31-03-2024	For the year ended 31-03-2023
(i)	Contract price	39,377.56	32,052.96
(ii)	Adjustments:		
	Incentive schemes	705.62	450.97
	Transport cost	526.49	412.80
(iii)	Revenue from sale of products and services	38,145.45	31,189.19

## Notes to the Consolidated Financial Statements (Contd.)

## 41 Earnings Per Share

Particulars	Rupees in Crores	
	As at / Year ended 31-03-2024	As at / Year ended 31-03-2023
Profit after tax	1,686.37	1,328.67
Number of equity shares	47,50,87,114	47,50,87,114
Face value of the share (in rupees)	1.00	1.00
Weighted average number of equity shares	47,50,87,114	47,50,87,114
Basic and diluted earnings per share for continued operations (in rupees)	35.50	27.97
Basic and diluted earnings per share for discontinued operations (in rupees)	-	-
Basic and diluted earnings per share for continued and discontinued operations (in rupees)	35.50	27.97

## 42 Warranty Provision

Particulars	Rupees in Crores	
	As at / Year ended 31-03-2024	As at / Year ended 31-03-2023
Opening balance	55.11	41.32
Add: Provision for the year (Net)	88.32	55.11
	<b>143.43</b>	<b>96.43</b>
Less: Payments / debits (Net)	55.11	41.32
<b>Closing balance</b>	<b>88.32</b>	<b>55.11</b>

## 43 Contingent Liabilities and Commitments not Provided for

Particulars	Rupees in Crores	
	As at / Year ended 31-03-2024	As at / Year ended 31-03-2023
(a) Claims against the company not acknowledged as debts:		
(i) Excise	31.14	52.44
(ii) Service tax	8.08	8.65
(iii) Customs	-	39.67
(iv) Sales tax	2.00	2.74
(v) Income tax	517.86	73.67
(vi) GST	9.03	3.46
(vii) Legal cases filed by customers	-	4.04
(viii) Legal cases filed by borrowers against the Company	6.15	-
The future cash flows on the above items are determinable only on receipt of the 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.		
(b) Other money for which the company is contingently liable:		
(i) On bills discounted with banks	250.99	146.91
(c) Commitments:		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	252.41	281.43
(ii) On Investments	1.88	3.90
(iii) Undrawn loans sanctioned to customers by financial enterprises	63.47	43.58
(iv) Estimated Indemnity amount on account of tax paid due to interpretational difference in GST tax rate	15.94	-
	<b>1,158.95</b>	<b>244.72</b>

## Notes to the Consolidated Financial Statements (Contd.)

## 44 Company As A Lessee

The company has taken land, warehouses and sales offices across the country on lease for lease period ranging from 6-99 years. Company also has other assets on leases, the lease term here ranges from 2-9 Years.

Wherever the lease includes extension option and it is reasonably certain to exercise that option, the same is considered for computing the lease term. In other cases, the term is limited to initial lease period. Lease term includes non-cancellable period and expected lease period.

Payment made towards short term leases during the year is ₹121.76 Cr (Previous year: ₹95.11 Cr)

Payment made towards low value asset leases during the year is Nil (Previous year: Nil)

Payment relating to leases are disclosed in Cash flow statement

Income from sub-leasing of Right of use asset ₹ NIL (Previous year: ₹ 7.47 Cr.)

## 45 Additional Regulatory Disclosures as per Schedule III of Companies Act, 2013

- (i) As per the Group's accounting policy, Property, Plant and Equipment (including Right of Use Assets) and intangible assets are carried at historical cost (less accumulated depreciation & impairment, if any), hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable /do not apply
- (ii) The Group 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.
- (iii) No proceedings have been initiated or pending against any Company in the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (iv) The Group has sanctioned facilities from banks on the basis of security of current assets. The periodic returns filed by the Company with such banks are in agreement with the books of accounts of the Company.
- (v) All the Companies in the Group has adhered to debt repayment and interest service obligations on time. "Wilful defaulter" related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable /do not apply
- (vi) There are no transactions with the companies whose names were struck off under section 248 of The Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2024.
- (vii) The Group 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.
- (viii) The Group 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 Group has 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 Group has not operated in any crypto currency or Virtual Currency transactions
- (xi) During the year no Company in the Group has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.

## Notes to the Consolidated Financial Statements (Contd.)

### 46 Segment Information for the Year ended 31-03-2024

Rupees in Crores

Particulars	Business Segment				
	Automotive vehicles & parts	Automotive components	Financial Services	Others	Total
Revenue					
External sales - domestic	24,958.15	365.40	5,784.40	3.85	31,111.80
- exports	8,032.94	-	-	-	8,032.94
Inter segment sales	5.55	398.39	6.10	-	410.04
Total sales	32,996.64	763.79	5,790.50	3.85	39,554.78
Less: Inter segment sales	5.55	398.39	6.10	-	410.04
Net revenue	32,991.09	365.40	5,784.40	3.85	39,144.74
Segment-wise results before interest and tax	2,214.40	40.06	765.64	0.37	3,020.47
Less: interest	259.42	11.33	3.33	-	274.08
Profit before tax	1,954.98	28.73	762.31	0.37	2,746.39
Less: Tax expenses	724.38	9.58	190.32	0.10	924.38
Profit after tax	1,230.60	19.15	571.99	0.27	1,822.01
Share of profit of Associates	(43.47)	-	-	-	(43.47)
Profit / Loss for the period	1,187.13	19.15	571.99	0.27	1,778.54
Segment assets	13,332.74	395.41	28,486.47	5.83	42,220.46
Segment liabilities	10,175.22	255.12	24,277.32	1.69	34,709.35
Segment depreciation / amortisation	925.18	22.55	27.39	-	975.12

Notes: The Company and its Indian subsidiaries cater mainly to the needs of the domestic market.

There are no reportable geographical segments.

### 47 Additional Information on Net Assets and Share of Profits and Other Comprehensive Income for the year ended 31-03-2024

Rupees in Crores

Name of the entity	Net Assets (Total Assets - Total Liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ in crores	As % of consolidated profit or loss	Amount ₹ in crores	As % of consolidated other comprehensive income	Amount ₹ in crores	As % of consolidated total comprehensive income	Amount ₹ in crores
1	2	3	4	5	6	7	8	9
<b>Parent</b>								
TVS Motor Company Limited, Chennai	7.92%	594.56	114.00%	2,027.56	36.92%	(19.74)	116.39%	2,007.82
<b>Subsidiaries - Indian</b>								
Sundaram Auto Components Limited, Chennai	1.87%	140.29	1.08%	19.15	-0.26%	0.14	1.12%	19.29
TVS Credit Services Limited, Chennai	41.82%	3,140.88	26.07%	463.59	31.34%	(16.76)	25.90%	446.83
TVS Motor Services Limited, Chennai	4.42%	332.06	-0.03%	(0.55)	5.39%	(2.88)	-0.20%	(3.43)
TVS Digital Limited, Chennai (Formerly known as TVS Housing Limited, Chennai)	0.06%	4.14	0.02%	0.27	0.00%	-	0.02%	0.27
Intellicar Telematics private limited, Bengaluru	0.00%	-	0.00%	-	0.00%	-	0.00%	-

## Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

Name of the entity	Net Assets (Total Assets - Total Liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ in crores	As % of consolidated profit or loss	Amount ₹ in crores	As % of consolidated other comprehensive income	Amount ₹ in crores	As % of consolidated total comprehensive income	Amount ₹ in crores
1	2	3	4	5	6	7	8	9
TVS Electric Mobility Ltd, Chennai	0.01%	1.00	0.00%	-	0.00%	-	0.00%	-
<b>Subsidiaries - Foreign</b>								
TVS Motor (Singapore) Pte Limited, Singapore	5.88%	441.30	-0.52%	(9.31)	-12.51%	6.69	-0.15%	(2.62)
TVS Motor Company Europe B.V. Amsterdam	0.00%	(0.23)	-0.06%	(1.06)	0.11%	(0.06)	-0.06%	(1.12)
PT. TVS Motor Company Indonesia, Jakarta	9.21%	691.44	0.85%	15.05	18.87%	(10.09)	0.29%	4.96
Sundaram Holdings USA Inc. Delaware, USA	0.00%	-	0.00%	-	0.00%	-	0.00%	-
The Norton Motorcycle Co. Limited, UK	3.73%	280.07	-22.15%	(393.88)	-17.75%	9.49	-22.28%	(384.39)
TVS Digital Pte Limited, Singapore	-1.41%	(105.67)	-3.73%	(66.42)	0.32%	(0.17)	-3.86%	(66.59)
The GO AG, Switzerland	1.86%	139.64	-3.28%	(58.34)	25.12%	(13.43)	-4.16%	(71.77)
Swiss E-Mobility Group (Holding) AG, Switzerland	7.81%	586.53	-13.54%	(240.73)	-8.70%	4.65	-13.69%	(236.08)
Celerity Motor GmbH, Germany	0.40%	29.91	-0.88%	(15.57)	9.43%	(5.04)	-1.19%	(20.61)
EBCO Limited, UK	0.40%	30.34	-0.56%	(9.91)	0.65%	(0.35)	-0.59%	(10.26)
Non-controlling Interest in all subsidiaries	9.69%	727.60	5.18%	92.17	11.09%	(5.93)	5.00%	86.24
<b>Associates - Indian</b>								
(Investment as per the equity method)								
Emerald Haven Realty Limited, Chennai	0.00%	0.00	-0.21%	(3.65)			-0.21%	(3.65)
Ultraviolette Automotive Private Limited, Bengaluru	1.32%	98.94	-1.03%	(18.35)			-1.06%	(18.35)
Tag Box Solutions Private Limited, Bengaluru	0.00%	0.00	-0.02%	(0.34)			-0.02%	(0.34)
Drivex Mobility Private Limited, Coimbatore	0.91%	68.65	-0.84%	(14.96)	-0.02%	0.01	-0.87%	(14.95)
Indian Foundation for Quality Management, Bengaluru	0.33%	25.00	0.00%	-			0.00%	-
<b>Associates - Foreign</b>								
Predictronics Corp, USA	0.24%	17.85	-0.06%	(1.04)			-0.06%	(1.04)
Tag Box Pte limited, Singapore	0.01%	0.98	-0.02%	(0.32)			-0.02%	(0.32)
Scienaptics Systems Inc., USA	0.72%	54.07	0.01%	0.24			0.01%	0.24
Altizon Inc, USA	0.31%	23.27	0.00%	(0.08)			0.00%	(0.08)
Killwatt GmbH	0.89%	66.68	-0.27%	(4.82)			-0.28%	(4.82)
ION Mobility	1.62%	121.81	-0.01%	(0.15)			-0.01%	(0.15)
<b>Total</b>	<b>1.00</b>	<b>7,511.11</b>	<b>1.00</b>	<b>1,778.54</b>	<b>100.00%</b>	<b>(53.47)</b>	<b>100.00%</b>	<b>1,725.07</b>

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

## Notes to the Consolidated Financial Statements (Contd.)

**48 Previous Year's Figures have been regrouped wherever necessary to conform to The Current Year's classification.**

<b>PROF. SIR RALF DIETER SPETH</b> Chairman DIN: 03318908	<b>SUDARSHAN VENU</b> Managing Director DIN: 03601690	<b>K.N. RADHAKRISHNAN</b> Director & Chief Executive Officer DIN: 02599393	As per our report annexed For <b>Sundaram &amp; Srinivasan</b> Chartered Accountants Firm Regn. No.004207S
Place: Chennai Date: 8 <sup>th</sup> May 2024	<b>K. GOPALA DESIKAN</b> Chief Financial Officer	<b>K.S.SRINIVASAN</b> Company Secretary	<b>S USHA</b> Partner Membership No.:211785

## Notes to the Consolidated Financial Statements (Contd.)

### Annexure

#### Form AOC-I

**Statement containing salient features of the financial statement of subsidiaries / associate companies.**  
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### Part A - Subsidiaries

Information in respect of each subsidiary

S.No	Particulars	Indian Subsidiaries							Rupees in Crores	
		Sundaram Auto Components Limited (1)	TVS Digital Limited (Formerly known as TVS Housing Limited) (2)	TVS Motor Services Limited (3)	TVS Credit Services Limited (4)	TVS Two-Wheeler Mall Private Limited (5)	Harita ARC Private Limited (6)	TVS Housing Finance Private Limited (7)		TVS Electric Mobility Ltd. (8)
1	Date on which subsidiary was acquired	01-04-2003	21-06-2010	07-09-2017	07-09-2017	07-09-2017	07-09-2017	07-09-2017	08-09-2017	13-12-2021
2	Reporting period					01-04-2023 to 31-03-2024				
3	Reporting currency					Indian Rupees				
	Closing Exchange rate					Not applicable.				
4	Share capital	11.94	3.05	149.63	246.60	^	^	12.00	1.00	
5	Reserves & Surplus	133.85	1.09	19.13	3618.88	(0.02)	(0.02)	3.49	-	
6	Total assets	400.95	5.83	224.72	28,137.55	-	-	15.72	1.00	
7	Total Liabilities	255.16	1.69	55.96	24272.06	0.02	0.02	0.24	-	
8	Investments	3.12	-	30.96	109.71	-	-	-	-	
9	Turnover	764.72	3.85	3.41	5789.57	-	-	0.96	-	
10	Profit before taxation	28.83	0.37	(0.55)	761.94	-	-	0.96	-	
11	Provision for taxation	9.58	0.10	-	190.11	-	-	0.23	-	
12	Profit after taxation	19.25	0.27	(0.55)	571.83	-	-	0.73	-	
13	Proposed Dividend	-	-	-	-	-	-	-	-	
14	% of shareholding	100	100	100	80.97	80.97	80.97	80.97	80.97	100

^ Share capital of ₹ 25,000.

## Notes to the Consolidated Financial Statements (Contd.)

S.No	Particulars	Foreign Subsidiaries										EBCO Ltd.
		TVS Motor Company (Europe) B.V.*	PT TVS Motor Company Indonesia	TVS Motor (Singapore) Pte. Ltd.	The Norton Motorcycle Co. Limited	TVS Digital Pte Limited	The GO Corporation*	Swiss E-Mobility Group (Holding) AG*	Celerity Motor GmbH*			
1	Date on which subsidiary was acquired	21-07-2005	05-09-2005	21-10-2005	03-04-2020	24-05-2021	16-09-2021	27-01-2022	06-12-2022	01-04-2022		
2	Reporting period			01-04-2023 to 31-03-2024								
3	Reporting currency	USD	IDR	SGD	GBP	SGD	CHF	CHF	EUR	GBP		
	Closing Exchange rate	₹ 83.41/USD	₹ 0.53/IDR	₹ 61.74/SGD	₹ 105.03/GBP	₹ 61.74/SGD	₹ 92.04/CHF	₹ 92.04/CHF	₹ 89.88/EUR	₹ 105.03/GBP		
4	Share capital	126.52	906.08	3,689.66	1091.44	138.78	1.75	1.23	0.22	^		
5	Reserves & Surplus	(128.23)	(632.06)	(181.32)	(846.91)	(141.65)	(10.20)	(165.11)	(23.30)	(25.30)		
6	Total assets	0.08	1062.46	3861.11	648.97	138.71	105.63	886.70	29.52	33.38		
7	Total Liabilities	1.79	788.44	352.77	404.44	141.59	114.08	1050.58	52.60	58.68		
8	Investments	-	-	2,554.52	-	-	-	-	-	-		
9	Turnover	(0.01)	818.70	151.79	45.18	15.15	48.75	648.79	4.19	6.66		
10	Profit before taxation	(1.06)	26.50	(9.55)	(397.85)	(66.42)	(55.50)	(200.07)	(15.57)	(14.16)		
11	Provision for taxation	-	11.45	(0.24)	(3.97)	-	(0.01)	(24.56)	-	-		
12	Profit after taxation	(1.06)	15.05	(9.31)	(393.88)	(66.42)	(55.49)	(224.63)	(15.57)	(14.16)		
13	Proposed Dividend	-	-	-	-	-	-	-	-	-		
14	% of shareholding	100	100	100	100	100	82.82	100	100	70		

\* Unaudited financial statement.

^ Share capital of GBP 100.

- The GO AG, Switzerland includes the consolidation of its subsidiary viz, EGO Movement Stuttgart, GmbH, Germany.
- Swiss E-Mobility Group (Holding) AG include the consolidation of its subsidiaries viz, Swiss E-Mobility Group (Schweiz) AG, Zurich, Switzerland, Colag E-Mobility GmbH, Nuremberg, Germany and Alexand'Ro Edouard'O Passion Vélo Sàrl ("Passion Vélo"), Germany.

### Notes:

- Subsidiaries which are yet to commence operations: (1) TVS Two Wheeler Mall Private Ltd., (2) Harita ARC Private Ltd., (3) TVS Electric Mobility Ltd.

## Notes to the Consolidated Financial Statements (Contd.)

### Part B – Associates

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

S.No	Name of Associate	Ultraviolette Automotive Private Limited*	DriveX Mobility Pvt. Ltd.	Indian foundation for Quality Management	Predictronics Corp*	Tagbox Pte Limited*	Scienaptic Systems Inc.*	Arizon Inc*	Kilwatt GmbH*	ION Mobility	
1.	Latest audited Balance Sheet Date	31-03-2023	31-03-2024	NA	31-12-2022	31-03-2023	**	**	**	31-03-2022	
2.	Date on which the Associate was acquired	09-08-2018	15-10-2022	15-02-2024	17-08-2019	08-05-2019	28-09-2020	01-02-2021	04-04-2023	02-02-2024	
3.	Shares of Associate held by the company on the year end										
(i)	No. of shares	27,166	9,766	2,50,00,000	24,827	2,43,243	28,05,357	8,06,429	24,500	49,64,524	
(ii)	Amount of investment in Associates/Joint Venture	121.00	87.17	25.00	22.36	15.42	64.81	25.34	71.50	121.96	
(iii)	Extent of holding %	30.83	48.27	28.57	23.49	24.32	21.03	20.00	49.00	25.64	
4.	Description of how there is significant influence.	Holding more than 20% of share capital									
5.	Reason why the associate/joint venture is not consolidated	Not applicable									
6.	Net worth attributable to Shareholding as per latest audited Balance Sheet	106.84	20.90	25.00	1.59	2.91	(0.55)	0.87	27.56	18.89	
7.	Profit / Loss for the year:										
(i)	Considered in consolidation	(18.35)	(14.96)	-	1.04	(0.32)	0.24	(0.08)	(4.82)	(0.15)	
(ii)	Not considered in consolidation	Not Applicable									

\* Unaudited financial statements up to 31-03-2024 has been consolidated.

\*\* Audit of financial statements are not mandated by the regulations of the respective country in which the Company is incorporated.

### Notes:

- Associates which have been liquidated or sold during the year – Tagbox Solutions Private Limited and Emerald Haven Realty Limited

**PROF. SIR RALF DIETER SPETH**  
Chairman  
DIN: 03318908

**SUDARSHAN VENU**  
Managing Director  
DIN: 03601690

**K.N. RADHAKRISHNAN**  
Director & Chief Executive Officer  
DIN: 02599393

As per our report annexed  
For **Sundaram & Srinivasan**  
Chartered Accountants  
Firm Regn. No.0042075

Place: Chennai  
Date: 8<sup>th</sup> May 2024

**K. GOPALA DESIKAN**  
Chief Financial Officer

**K.S.SRINIVASAN**  
Company Secretary

**S USHA**  
Partner  
Membership No.:211785

## Notice of Annual General Meeting

NOTICE is hereby given that the 32<sup>nd</sup> Annual General Meeting of the Company (AGM) will be held on Tuesday, the 6<sup>th</sup> August 2024 at 2.45 PM [Indian Standard Time (IST)] through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

### ORDINARY BUSINESS:

- To consider passing the following resolution as an ordinary resolution:

"RESOLVED THAT the standalone and consolidated audited financial statements for the year ended 31<sup>st</sup> March 2024, together with the Board's Report and the Auditors' Report thereon as circulated to the Members and presented to the meeting be and are hereby approved and adopted."

- To consider passing the following resolution as an ordinary resolution:

"RESOLVED THAT Mr K N Radhakrishnan (holding DIN 02599393), Director, who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company."

### SPECIAL BUSINESS:

- To consider passing the following resolution as an ordinary resolution:

"RESOLVED THAT the vacancy caused by retirement by rotation of Dr. Lakshmi Venu (DIN 02702020) Director, who does not offer herself for re-appointment, be not filled up."

- To consider passing the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) remuneration of ₹ 8,00,000 (Rupees eight lakhs only) plus applicable taxes and reimbursement of travelling and other out of pocket expenses incurred by them, payable to M/s C S Adawadkar & Co, Practicing Cost Accountants, having Firm Registration No. 100401 allotted by The Institute of Cost Accountants of India, who were appointed as Cost Auditors of the Company for the financial year ending 31<sup>st</sup> March 2025 by the Board of Directors of the Company, as recommended by the Audit Committee be and is hereby ratified."

By order of the Board of Directors

Chennai  
8<sup>th</sup> May 2024

**K S Srinivasan**  
Company Secretary

### Notes:

A Statement pursuant to Section 102 of the Companies Act, 2013 (the Act, 2013), setting out the material facts in respect of the special business to be transacted at the Annual General Meeting (AGM), as listed out in the Notice, is annexed hereto.

- Pursuant to the MCA Circular No. 09/2023 dated: 25<sup>th</sup> September 2023 read with MCA Circulars No. 10/2022, 2/2022 and 20/2020 dated 28<sup>th</sup> December 2022, 5<sup>th</sup> May 2022 and 5<sup>th</sup> May 2020 respectively, issued by the Ministry of Corporate Affairs (MCA) and all other relevant circulars issued from time to time, and SEBI Circulars No. SEBI/HO/CFD/PoD-2/ P/CIR/2023/167 dated 7<sup>th</sup> October 2023, issued by the Securities and Exchange Board of India (SEBI) and in compliance with the provisions of the Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), physical attendance of the Members is not required at a common venue and AGM can be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- Pursuant to the Circular No. 14/2020 dated 8<sup>th</sup> April, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives as Members to attend the AGM through VC/OAVM and participate and cast their votes through e- Voting.
- The Members can join the AGM through VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1000 members on "first come first served" basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of "first come first served" basis.
- The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act, 2013.
- Pursuant to the provisions of Section 108 of the Act, 2013 read with Rule 20 of the Companies (Management

and Administration) Rules, 2014 (as amended) and Regulation 44 of the Listing Regulations, and the Circulars issued by the Ministry of Corporate Affairs dated 5<sup>th</sup> May, 2020, the Company is providing facility of remote e-Voting to its Members in respect of the business as to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited ("NSDL") for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as voting at the meeting will be provided by NSDL.

- In line with MCA Circular No. 17/2020 dated 13<sup>th</sup> April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.tvsmotor.com](http://www.tvsmotor.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- AGM has been convened through VC / OAVM in compliance with applicable provisions of the Act, 2013, read with Circulars issued by MCA and SEBI from time to time and the Company will provide one-way live webcast of the proceedings of the AGM, in terms of Regulation 44 of the Listing Regulations, being one of the top 100 listed Companies as at 31<sup>st</sup> March 2024.

### Unclaimed Dividend

- In terms of Section 124 of the Act, 2013, the dividend declared by the Company, for earlier years, which remain unclaimed for a period of seven years will be transferred on due dates to the Investor Education and Protection Fund (IEPF), established by the Central Government. The particulars of due dates for transfer of such unclaimed dividends to IEPF are furnished in the Report on Corporate Governance, forming part of the Annual Report.
- Members who have not encashed their dividend warrants in respect of the above period are requested to make their claim(s) by surrendering the un-encashed warrants immediately to the Company.

Pursuant to The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is providing / hosting the required details of unclaimed amount referred to under Section 124 of the Act, 2013 on its website and also on the website of MCA viz., [www.iepf.gov.in](http://www.iepf.gov.in).

**General**

- 10. With a view to serve the Members better and for administrative convenience, Members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings into one folio.
- 11. Members may also note that the Annual Report will also be available on the Company's website viz., [www.tvsmotor.com](http://www.tvsmotor.com) for their download.

**Members holding shares in electronic form**

- 12. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members are requested to submit their PAN to the Depository Participant(s) ("DP") with whom they are maintaining their demat accounts.
- 13. Members are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC, Mandates, Nominations, Power of Attorney, Change of Address / Name / e-mail Address / Contact Numbers, etc., to their DP.
- 14. Electronic copy of the Annual Report and the Notice of the AGM inter-alia indicating the process and manner of e-Voting are being sent to all the Members whose e-mail IDs are registered with the Company / DPs for communication purposes.

**Members holding shares in physical form**

- 15. Members can submit their PAN details to the Company/ Share Transfer Agent ("STA").
- 16. Members are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC, Mandates, Nomination as per Section 72 of the Act, 2013 by filling Form SH-13, Power of Attorney, Change of Address / Name / e-mail Address / Contact Numbers, etc., with the Company / STA. Blank forms (SH-13) will be sent by e-mail.
- 17. Members holding shares in physical form, in their own interest, are requested to dematerialize the shares to avail the benefits of electronic holding / trading.

**Voting**

- 18. The businesses set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. The Members may cast their votes using electronic voting system from a place other than the venue of the meeting ('remote e-Voting').
- 19. In case of joint holders attending AGM, the Member whose name appears as the first holder in the order

of names as per the Register of Members of the Company / Register of Beneficial Owners maintained by Depositories will be entitled to vote.

- 20. In terms of Section 108 of the Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, ('the Rules') and Regulation 44 of the Listing Regulations, the Company has provided facility to exercise votes through electronic voting system to the Members holding shares as on Tuesday, 30<sup>th</sup> July 2024 being the "Cut-off Date" ("Cut- Off" for the purpose of Rule 20(4)(vii) of the Rules) fixed for determining voting rights of the Members entitled to participate in the remote e-Voting process through the platform provided by NSDL viz., [www.evoting.nsd.com](http://www.evoting.nsd.com).

The voting rights of the Members / Beneficial Owners will be reckoned on the Equity Shares held by them as on Cut-off date. Members as on the Cut-off date only shall be entitled to avail the facility of remote e-Voting or voting at the meeting.

**The instructions for remote e-Voting and voting at the meeting are as under:**

The remote e-Voting period begins on 3<sup>rd</sup> August 2024 at 9:00 A.M. (IST) and ends on 5<sup>th</sup> August 2024 at 5:00 P.M. (IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Members who have not cast their vote on any of the resolutions using the remote e- Voting facility can vote on those resolutions during the AGM. Once the vote on a resolution is cast by the Member, the member shall not be allowed to change it subsequently.

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>"Beneficial Owner"</b> icon under <b>"Login"</b> which is available under <b>'IDeAS'</b> section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on <b>"Access to e-Voting"</b> under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select <b>"Register Online for IDeAS Portal"</b> or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>4. Shareholders/Members can also download NSDL Mobile App <b>"NSDL Speede"</b> facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

NSDL Mobile App is available on



Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email IDs are not registered.
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [sriram.krishnamurthy@rediffmail.com](mailto:sriram.krishnamurthy@rediffmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to NSDL official at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

Process for those shareholders whose email IDs are not registered with the depositories for procuring user ID and password and registration of e mail IDs for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [einward@integratedindia.in](mailto:einward@integratedindia.in)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [einward@integratedindia.in](mailto:einward@integratedindia.in). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user ID and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- ii. Only those Members / shareholders, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- iii. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- iv. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- i. Members will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, Members can see link of "VC/OAVM link" placed under "Join General meeting" menu against the Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC / OAVM will be available in shareholder / members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- ii. Members are encouraged to join the Meeting through Laptops for better experience.
- iii. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that Participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- v. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker and send their request mentioning their name, demat account number/folio number, email ID, mobile number at [srinivasan.ks@tvsmotor.com](mailto:srinivasan.ks@tvsmotor.com) from 1<sup>st</sup> August 2024 (9.00 A.M. (IST)) to 3<sup>rd</sup> August 2024 (5.00 P.M. (IST))
- vi. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- vii. Members can submit questions with regard to the financial statements or any other matter to be placed at the AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number / folio number and mobile number, to reach the Company's e-mail address [srinivasan.ks@tvsmotor.com](mailto:srinivasan.ks@tvsmotor.com) atleast 48 hours in advance before the start of the meeting. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.

**General Guidelines for shareholders:**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail [sriram.krishnamurthy@rediffmail.com](mailto:sriram.krishnamurthy@rediffmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.
4. Mr K Sriram, Practicing Company Secretary (Membership No. 2215), has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and casting vote through the e-Voting system during the meeting in a fair and transparent manner.
5. In case of any queries, Members may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 2244 30 and send a request to NSDL official, Ms. Pallavi Mhatre Manager at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
6. The Scrutinizer shall after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such report shall then be sent to the Chairman or a person authorized in this regard, within 48 (forty eight) hours from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.
7. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.tvsmotor.com](http://www.tvsmotor.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of results by the Chairman or a person authorized by him. The results shall also be immediately

forwarded to BSE Limited, Mumbai and The National Stock Exchange of India Limited, Mumbai.

8. Pursuant to the Circulars issued by MCA and SEBI, owing to the difficulties involved in dispatching of physical copies of the Notice of the AGM and the Annual Report for the year 2023-24, the said documents are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the AGM and the Annual Report for the year 2023-24 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:
  - a) For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAAR) supporting the registered address of the Member, by email to the Company's email address [einward@integratedindia.in](mailto:einward@integratedindia.in).
  - b) For Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

Further, as per Regulation 36 (1) (c) of the Listing Regulations, hard copy of the full annual report will be given to those shareholders who request for the same.

9. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. 1<sup>st</sup> April 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at rates prescribed in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company by sending email to the Company's email address [einward@integratedindia.in](mailto:einward@integratedindia.in) alongwith the documents as stated in Para No. 8.
10. In order to receive dividend/s in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means ("Electronic Bank Mandate"), can register their Electronic Bank Mandate to receive dividends directly into their bank account electronically or any other means, by sending scanned copy of the following details / documents by email to reach the Company's email ID [srinivasan.ks@tvsmotor.com](mailto:srinivasan.ks@tvsmotor.com) or the email ID of STA [einward@integratedindia.in](mailto:einward@integratedindia.in).

- a. a signed request letter mentioning your name, folio number, complete address and following details relating to bank account in which the dividend is to be received:
  - i. Name and Branch of Bank and Bank Account type;
  - ii. Bank Account Number allotted by your bank after implementation of Core Banking Solutions;
  - iii. 11 digit IFSC Code;
  - iv. Self-attested scanned copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
  - v. Self-attested scanned copy of the PAN Card; and
  - vi. Self-attested scanned copy of any document (such as AADHAAR Card, Driving Licence, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.
- b. For the Members holding shares in demat form, please update your Electronic Bank Mandate through your Depository Participant/s.
11. In accordance with the provisions of Article 66 of the Articles of Association of the Company, Mr K N Radhakrishnan, Director is liable for reappointment; and
12. In terms of the Regulation 36(3) of the Listing Regulations, read with Secretarial Standards on General Meeting, brief profile of the Director, who is proposed to be re-appointed in this AGM, nature of his expertise in specific functional areas, other Directorships and Committee Memberships, his shareholding and relationship with other Directors of the Company along with listed entities from which the Director has resigned in the past three years are provided below:

**Profile of Mr K N Radhakrishnan**

K N Radhakrishnan is an eminent leader in the automobile industry, K N Radhakrishnan (DIN: 02599393) is well known for his strategic planning, focus on quality, passion for customers and eye for technology.

In his previous role, he held the position of President & Chief Executive Officer, TVS Motor Company. He started his career in Sundaram-Clayton Automotive Brakes Division and became the head of Business Planning and HR & TQM of Sundaram-Clayton - Brakes Division and all the component divisions such as aluminium die cast.

Before assuming the position of President & CEO, he held the position of Executive Vice President (India operations),

TVS Motor Company. During his tenure in SCL - Business Development, company won the Deming prize in 1998 and won the coveted Japan Quality Medal in 2002.

With decades of leadership skills, he has played a crucial role in transforming TVS Motor from a local favourite Company to the third largest two-wheeler manufacturer in India, respected for quality globally. His relentless efforts and commitment have helped the Company won the prestigious Deming Application Prize in 2002 from the Union of Japanese Scientists and Engineers, Japan and the prestigious TPM Excellence Award from Japan institute of Plant Maintenance in 2004.

KN Radhakrishnan holds a Master's degree from the Indian Institute of Technology, Chennai and has also undergone

Details of his Directorships and Committee memberships / chairmanships are given below:

S No.	Names of companies	Nature of Interest	Committee position held
1.	TVS Motor Company Limited	Director & CEO	Audit Committee Risk Management Committee Administrative Committee
2.	TVS Credit Services Limited	Director	Stakeholders' Relationship Committee* Risk Management Committee* Corporate Social Responsibility Committee IT Strategy Committee
3.	TVS Motor Services Limited	Director	-
4.	PT TVS Motor Company Indonesia	Director	-
5.	TVS Lanka Private Limited, Sri Lanka	Director	-
6.	The Norton Motorcycle Co Limited, UK	Director	-

\* indicates Committee in which he holds the position as Chairman.

### Statement of material facts pursuant to Section 102 of the Companies Act, 2013

The following statement sets out all material facts relating to the ordinary / special businesses mentioned in the accompanying Notice dated 8<sup>th</sup> May 2024 and shall be taken as forming part of the Notice.

#### Item No. 3

Born in 1983, Dr. Lakshmi Venu has been a Director on the Board since 10<sup>th</sup> September 2014.

She is liable to retire by rotation and due for re-appointment at the ensuing AGM, in terms of the applicable provisions of the Companies Act, 2013.

Management Education Programme from the Indian Institute of Management, Ahmedabad.

He is Executive Committee Member of Society of Indian Automobile Manufacturers and leading the two-wheeler CEO Council.

He holds 3255 no. of equity shares in the Company. He received remuneration of ₹ 20.50 Cr during the year 2023-24. He was appointed as a Director on 23<sup>rd</sup> October 2018. He is not related to any Directors and Key Managerial Personnel of the Board. He has attended all the eight Board Meetings held during the year 2023-24.

He has not resigned from the Directorship of any listed companies in the past 3 years.

Dr. Lakshmi Venu has expressed her intention not to seek re-appointment at the AGM, due to her increased responsibilities and commitments in Tractors and Farm Equipment Limited (TAFE) and Sundaram Clayton Limited (SCL). The Directors place on record her outstanding service, significant contributions, and commitment to the Company. The Board does not propose filling the vacancy arising from the retirement of Dr. Lakshmi Venu.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested financially or otherwise, in the resolution as set out in Item No.3 of this Notice.

Accordingly, the Board recommends the ordinary resolution as set out in Item No.3 for approval of the members.

#### Item No. 4

As recommended by the Audit Committee, the Board at its meeting held on 8<sup>th</sup> May 2024, re-appointed M/s C S Adawadkar & Co, Practicing Cost Accountants, having Firm Registration No. 100401, as Cost Auditor of the Company, in terms of Section 148 of the Companies Act, 2013 (the Act,2013) to carry out an audit of cost records maintained for the production of goods covered under the specific Customs Tariff Act headings specified under Table B "Non-regulated sector" of Section 3 of the Companies (Cost Records and Audit) Rules, 2014, and fixed a sum of ₹ 8,00,000 (Rupees eight lakhs only) as remuneration payable to them for the financial year 2024-25, subject to ratification by the shareholders of the Company.

In terms of Section 148 (3) of the Act, 2013, read with the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditor, as recommended by the Audit Committee and approved by the Board of Directors, is required to be ratified by the shareholders of the Company at the ensuing AGM of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested financially or otherwise, in the resolution as set out in Item No.4 of this Notice.

The Directors, therefore, recommend the ordinary resolution, as set out in Item No.4 of this Notice for ratification of remuneration payable to the Cost Auditor of the Company.

By order of the Board of Directors

Chennai  
8<sup>th</sup> May 2024  
Registered Office:  
"Chaitanya"  
No. 12, Khader Nawaz Khan Road,  
Nungambakkam, Chennai - 600 006.

**K S Srinivasan**  
Company Secretary





**Registered office:**

TVS Motor Company Limited  
Chaitanya No. 12, Khader Nawaz Khan Road  
Nungambakkam, Chennai – 600 006

[www.tvsmotor.com](http://www.tvsmotor.com)



# EMERALD HAVEN REALTY LIMITED

## Directors' Report to the Shareholders of the Company

The Directors present the Fourteenth Annual Report together with the audited statement of accounts for the year ended 31<sup>st</sup> March 2024.

### 1. Financial Highlights

(Rs.in Lakhs)

Details	Year ended 31.03.2024	Year ended 31.03.2023
Sales and other income	11,478.79	5,869.27
Less: Expenses	11,989.17	10,053.56
Profit/(Loss) before tax	(510.38)	(4,184.29)
Provision for taxation (including deferred tax)	198.55	1,083.92
Profit/(Loss) after tax	(311.83)	(3,100.37)

### 2. TRANSFER TO RESERVES

During the year, the Company has not transferred any amounts to the General Reserve or any other specific reserve.

### 3. CHANGE IN STATUS OF THE COMPANY

The Company was, at the beginning of the financial year, an associate of TVS Motor Company Limited (TVSM) with TVSM holding 43.54% stake in EHRL.

Pursuant to the acquisition of the stake by TVS Holdings Private Limited (TVSHPL) from TVS Motor Company Limited and consequent to the Composite Scheme of Arrangement as approved by the Hon'ble NCLT, Chennai vide its order dated 6<sup>th</sup> March 2023, the Company became a subsidiary of TVS Holdings Limited (TVSH) effective 16<sup>th</sup> June 2023. Effective from that date, the Company along with its subsidiaries became subsidiaries of TVSH.

Further, during the year under review 22.86% of stake of the Company was additionally acquired by TVSH on 30<sup>th</sup> June 2023 (11.20%) and 5<sup>th</sup> January 2024 (11.66%) from the existing shareholders of EHRL and TVSH currently holds 89.26% of equity capital in EHRL as of 31<sup>st</sup> March 2024.

### 4. SHARE CAPITAL

The Company's Paid-up equity share Capital as on 31<sup>st</sup> March 2024 was Rs. 255.44 Cr. There were no changes to the capital structure of the company during the year.

### 5. DIVIDEND

The Directors had not proposed any dividend for the year under review.

### 6. ACQUISITIONS/ DISINVESTMENT

During the year, the Company had incorporated four new subsidiary companies as detailed below :

S.no	Company Name	Date of Incorporation	Status
1.	Emerald Haven Housing Private Limited	12.06.2023	Associate
2.	Emerald Haven Residences Private Limited	19.06.2023	Wholly Owned Subsidiary
3.	Emerald Haven Properties Private Limited	08.01.2024	
4.	Emerald Haven Builders Private Limited	09.01.2024	

The Company and Emerald Haven Housing Private Limited (EHHPL) had entered into a Joint Venture agreement of 50:50 with CP Senior Housing (India) LLC for development of a senior living community project at Thaiyur, Chennai for which Columbia Pacific Communities Private Limited will be providing long term senior living services.

As per the terms of the agreement, the JV partner had infused equity share capital into EHHPL thereby diluting the Company's stake to 50%. Hence, EHHPL ceased to be a subsidiary of the Company effective 24<sup>th</sup> October 2023 and continues to be an associate.

As on 31<sup>st</sup> March 2024, the following companies are the Subsidiaries / Associates of the Company :

#### Subsidiaries of EHRL

1. Emerald Haven Projects Pvt Ltd
2. Happiness Harmony Property Developers Pvt Ltd
3. Emerald Haven Property Development Ltd
4. Emerald Haven Realty Developers (Paraniputhur) Pvt Ltd
5. Emerald Haven Development Ltd

6. Emerald Haven Life Spaces (Radial Road) Ltd
7. Emerald Haven Town & Country Pvt Ltd
8. Emerald Haven Towers Limited
9. Emerald Haven Residences Private Limited (w.e.f. 19<sup>th</sup> June 2023)
10. Emerald Haven Builders Private Limited (w.e.f. 8<sup>th</sup> Jan 2024)
11. Emerald Haven Properties Private Limited (w.e.f. 9<sup>th</sup> Jan 2024)

#### Associates of EHRL

Emerald Haven Housing Private Limited, Chennai (w.e.f. 24.10.2023)

### 7. OPERATION REVIEW

#### A. Sales, Collections and Operations

During the year, EHRL registered a sales booking value (BV) of Rs.1331 crs – the highest ever annual sales BV in the history of EHRL, with a growth of 43%, backed by strong

sales across new launches and sustenance projects. The Company also tapped the channel partner network extensively and their contribution to FY24 sales increased by 29% to Rs.647 crs. During the year, EHRL's construction spends grew by 198%. Backed by strong growth in sales and construction spends, collections for FY24 were at Rs.1280 crs with growth of 160%.

In FY24, EHRL has been ranked 2<sup>nd</sup> in the Chennai market based on Sales BV and Area Sold and ranked 3<sup>rd</sup> in the Chennai market based on Number of Units Sold. (Source: PropEquity)

#### B. Digitalization

In line with our steadfast commitment to digitalization, and to offer an enhanced experience to the customers, we went live with multiple digitalization initiatives across all functions. The Company also worked on various value engineering measures to control operating and fixed costs, which helped in the operating performance of the Company.

#### Significant milestones during FY24:

- In July 2023, Elements, a residential apartment project in Kovilambakkam, Chennai with 820 units was launched. The project elicited an overwhelming response from the market – 68% of the launched units were sold at launch with a sales BV of Rs.438 crs. This launch chronicled as the biggest launch in Chennai in the last decade. 88% of the inventory has been sold during the year. Construction activities were commenced in the project even prior to launch and is progressing well.
- In October 2023, Estate, a plotted development project in Bagalur, near Hosur with 461 units was launched. The project elicited an overwhelming response from the market – 96% of the total units were sold at launch, a first in the history of EHRL. Development activities are progressing on track at the site.
- In October 2023, Luxor, a premium residential apartment project in Anna Nagar, Chennai with 128 units was launched. 45% of the launched units were sold at launch with a sales BV of Rs.83 crs. Construction activities were commenced in the project along with the launch and is progressing well.
- In January 2024, LakeShore, a plotted development project in Pudupakkam, Chennai with 363 units was launched. The project elicited an excellent response from the market ~53% of the units launched were sold at launch and 67% of the total inventory have been sold in FY24. Development activities are progressing on track at the site.
- Aaranya, a residential villa project in Vengaiwasal, Chennai, comprising of 164 units, was launched in FY23 in 2 phases. 93% of the inventory has been sold till date. Construction activities are progressing well at the site.
- Jardin, a residential apartment project in Singasandra, Bangalore with 581 units was launched in October 2022. This project marked the entry of TVS Emerald entry into Bangalore. 100% of the inventory has been sold till date. Construction activities are progressing well at the site.
- Peninsula Phase I, a residential lifestyle project in Manapakkam, Chennai, was launched in February 2021 and Phase II was launched in April 2022. 98% of the inventory has been sold till date. Construction activities are progressing well at the site.
- Hamlet, a premium villa plot development in Karapakkam, Chennai, with 112 units was launched in February 2021. 97% of the inventory has been sold till date and infrastructure activities have been completed at site.
- Atrium @ Green Acres, a residential project in Kolapakkam, Chennai, was launched, in October 2021, with 256 units. 98% of the inventory has been sold till date. In FY24, this project was handed over to the customers 18 months ahead of committed handover date.
- Green Enclave, a residential project in Paraniputhur, Chennai, with 472 units was launched in multiple phases. 96% of the inventory has been sold till date. During the year 62 units of B

## EMERALD HAVEN REALTY LIMITED

block were made ready for hand over to customers. Construction activities are progressing well at the site for the remaining blocks.

k) Awards and accolades:

- Elements Project won the 'Best Architectural Plan of the Year' Award at the FICCI-REISA summit in Chennai
- Won ET Realty Awards 2024 for:
  - Elements project won the Best 'theme based residential project in South Zone'
  - Estate won the Best 'plotted development project in South Zone'

### Emerald Haven Development Limited (EHDL)

In October 2023, Luxor, a premium residential apartment project in Anna Nagar, Chennai with 128 units was launched. 45% of the launched units were sold at launch with a sales BV of Rs.83 crs. Construction activities were commenced in the project along with the launch and is progressing well.

Jardin, a residential apartment project in Singasandra, Bangalore with 581 units was launched in October 2022. This project marked the entry of TVS Emerald entry into Bangalore. 100% of the inventory has been sold till date. Construction activities are progressing well at the site.

Atrium @ Green Acres, a residential project in Kolapakkam, Chennai, was launched in October 2021 comprising of 256 units. 98% of the inventory has been sold till date. In FY24, this project was handed over to the customers 18 months ahead of committed handover date.

### Emerald Haven Realty Developers (Paraniputhur) Private Ltd (EHRDPPL)

Green Enclave, a residential project in Paraniputhur, Chennai, with 472 units was launched in multiple phases. 96% of the inventory has been sold till date. During the year

62 units of B block were made ready for hand over to customers. Construction activities are progressing well at the site for the remaining blocks.

### Emerald Haven Town and Country Private Limited (EHTCPL)

Peninsula Phase I, a residential lifestyle project in Manapakkam, Chennai, was launched in February 2021 and Phase II was launched in April 2022. 98% of the inventory has been sold till date. Construction activities are progressing well at the site.

Hamlet, a premium villa plot development in Karapakkam, Chennai, with 112 units was launched in February 2021. 97% of the inventory has been sold till date and infrastructure activities have been completed at site.

### Emerald Haven Towers Limited (EHTL)

In July 2023, Elements, a residential apartment project in Kovilambakkam, Chennai with 820 units was launched. The project elicited an overwhelming response from the market – 68% of the launched units were sold at launch with a

sales BV of Rs.438 crs. This launch chronicled as the biggest launch in Chennai in the last decade. 88% of the inventory has been sold during the year. Construction activities were commenced in the project even prior to launch and is progressing well.

Elements Project won the 'Best Architectural Plan of the Year' Award at the FICCI-REISA summit in Chennai

Elements project won the ET Realty Awards 2024 for the Best 'theme based residential project in South Zone'.

### Emerald Haven Property Development Limited (EHPDL)

In January 2024, LakeShore, a plotted development project in Pudupakkam, Chennai with 363 units was launched. The project elicited an excellent response from the market ~53% of the units launched were sold at launch and 67% of the total inventory have been sold in FY24. Development activities are progressing on track at the site.

### Happiness Harmony Property Developers Private Limited (HHPDDL)

In March 2023, HHPDL acquired a 3 acres land parcel in Rachenahalli, Bangalore to develop residential apartments. Approval activities are currently in progress for this project. Construction of sales office and model apartment has commenced at site.

### Emerald Haven Housing Private Limited:

In FY24, Emerald Haven Realty Limited entered into a 50-50 joint venture with CP Senior Housing (India) LLC for development of a senior living community project at Thaiyur, Chennai for which Columbia Pacific Communities Private Limited will provide long term senior living services. Approval activities are currently in progress for this project. Construction of sales office and model apartment has commenced at site.

NIL operations in FY24 in the below companies:

- Emerald Haven Life Spaces (Radial Road) Limited (EHLRRL)
- Emerald Haven Projects Private Limited (EHPPL) and
- Emerald Haven Properties Private Limited (EHPPL)
- Emerald Haven Builders Private Limited (EHBPL)
- Emerald Haven Residences Private Limited (EHRPL)

## 8. 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. The audited consolidated financial statements together with the Auditors' Report form part of the Annual Report.

Pursuant to Rule 5 of the Companies (Accounts) Rules, 2014 read with Section 129(3) of the Act, 2013, the salient features of the financial statement of the subsidiaries in Form AOC I, are annexed as Annexure I to this 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. The annual accounts of the Company including the subsidiary companies will also be available for inspection by the shareholders at the registered office of the Company during the business hours as mentioned in the notice of AGM.

The consolidated Profit Before Tax of the Company and its subsidiaries stood at Rs. 1,548.76 lakhs for the financial year 2023-24 as compared to Profit/(Loss) Before Tax of Rs. (9,140.62) lakhs in the previous year.

## 9. 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.

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.

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.

## 10. 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 matrixes are developed for monitoring and reviewing the risk mitigation.

## 11. DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts for the year ended 31<sup>st</sup> March 2024, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- 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;
- 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;

# EMERALD HAVEN REALTY LIMITED

- (d) the Directors had prepared the accounts for the financial year ended 31<sup>st</sup> March 2024 on a "going concern basis"; and
- (e) that the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 12. DIRECTORS & KEY MANAGERIAL PERSONNEL

### DIRECTORS' APPOINTMENT / RE-APPOINTMENT / CESSATION

During the year, there was no change in the composition of Board of Directors.

As on 31<sup>st</sup> March 2024, the following are the directors of the Company:

Mr S G Murali, Non- Executive Director

Mr Sameer Sah, Independent Director

Ms Tanvi Kumar, Independent Director

### DIRECTORS LIABLE TO RETIRE BY ROTATION

In terms of the provisions of sub-section (6) read with explanation to 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 them, one-third is liable to retire by rotation at every Annual General Meeting (AGM), being eligible, offer themselves for re-appointment.

The Nomination and Remuneration Committee (NRC) at its meeting to be held on 29<sup>th</sup> April 2024 shall recommend the following for approval of the Board & Shareholders at the ensuing General Meeting :

Re-appointment of Mr S G Murali , Director, liable to retire by rotation; and

The Directors have recommended the above for the approval of shareholders.

### INDEPENDENT DIRECTORS (IDs):

All IDs hold office for a fixed term of three years and are not liable to retire by rotation.

In line with the requirements of the Act 2013, the Company has two independent Directors as on 31<sup>st</sup> March 2024 viz., Ms Tanvi Kumar and Mr Sameer Sah.

Ms Tanvi Kumar, was appointed as an Additional and Independent Director for a term of 3 years by the board at its meeting held on 19<sup>th</sup> May 2020 and the same was approved by the shareholders at the AGM held on 27<sup>th</sup> July 2020 and was re-appointed for a second term of 3 years effective 19<sup>th</sup> May 2023 with the approval of the Shareholders by way of a Special resolution. The terms of appointment of IDs include the remuneration payable to them by way of fees.

Mr Sameer Sah, was appointed as an Independent Director effective 20<sup>th</sup> October 2021, as an Independent Director of the Company for a period of three years was approved by the shareholders at the twelfth Annual General Meeting held on 8<sup>th</sup> July 2022 through an Ordinary Resolution.

The terms of IDs cover, inter-alia, duties, rights of access to information, disclosure of their interest / concern, dealing in Company's shares, remuneration and expenses, insurance and indemnity. The IDs are provided with copies of the Company's policies and charters of various committees of the Board.

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.

All the IDs are 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 Companies Act, 2013 and obtained ID registration certificate and renewed the same for five years / lifetime, as the case may be.

### SEPARATE MEETING OF INDEPENDENT DIRECTORS (IDs):

During the year under review, a separate meeting of IDs was held on 29<sup>th</sup> March 2024 and all the Independent Directors were present at the Meeting.

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.

The IDs were fully kept informed of the Company's activities in all its spheres. The IDs evaluated the performance of the NED, Board, Committees and Quality, Quantity and timeliness of flow of information and -

#### a) NON-INDEPENDENT DIRECTORS (NON-IDS)

IDs used various criteria prescribed by the Nomination and Remuneration Committee (NRC) for evaluation of Non-ID viz., Mr S G Murali, Director , Board as a whole and Committees, for the year 2023-24.

IDs evaluated the performance of all Mr S G Murali, Non- ID individually, through a set

of questionnaires. They reviewed his interaction during the Board / Committee meetings and strategic inputs given by him to improve the risk management, internal controls and contribution to the Company's growth.

IDs were satisfied with the performance of the Non-ID.

#### b) BOARD AS A WHOLE

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

The Board upon evaluation concluded that it is well balanced in terms of diversity of experience with expertise in various fields. The Company has a Board with wide range of expertise in all aspects of business and outstanding diversity of the Board with the presence of varied personalities with an expert in each domain viz., Finance, Marketing, Legal, Information Technology and is well balanced.

The IDs unanimously evaluated the prerequisites of the Board viz., formulation of strategy, acquisition & allocation of overall resources, setting up policies, Directors' selection process including succession planning and cohesiveness on key issues.

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

#### c) QUALITY, QUANTITY AND TIMELINESS OF 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 that the relationship between the top management and Board is smooth and seamless.

The Company is in compliance with the statutory requirements under both the Companies Act and the Listing Regulations and all the information provided to the Directors are very wholesome.

The information provided for the meetings were clear, concise and comprehensive to facilitate detailed discussions and periodic external presentations on specific areas well supplemented the management inputs.

#### d) EVALUATION OF THE INDEPENDENT DIRECTORS AND COMMITTEES OF DIRECTORS

In terms of Section 134 of the Act, 2013 the Board reviewed and evaluated all Directors (except the director being evaluated) and its Committees viz., Audit Committee and Nomination and Remuneration Committee (NRC)

The Board concurred with the recommendations made by the Lead Independent Director on the evaluation of Non-IDs based on the views expressed at the IDs' meeting held on 29<sup>th</sup> March 2024. Hence, the Board carried out the evaluation of IDs (excluding the ID being evaluated) and the Board appointed Committees through a set of questionnaires.

#### e) INDEPENDENT DIRECTORS

The performance of all Independent Directors (IDs) was 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, as per the methodology prescribed by the NRC. The performance evaluation has been done by the entire Board of Directors except the Director concerned being evaluated.

The Board noted that all the Directors have understood the opportunities and risks to the Company's strategy and are supportive of the direction articulated by the management team towards consistent improvement.

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 Director, as the case may be.

#### f) COMMITTEES

Board delegates specific mandates to its various committees, to optimize Directors' skills and talent besides complying with key regulatory aspects.

- Audit Committee for overseeing financial reporting and risk minimization;

- Nomination and Remuneration Committee for selecting and remunerating Directors / Senior Management personnel; and

The performance of each Committee was evaluated by the Board after seeking inputs from its

## EMERALD HAVEN REALTY LIMITED

members on the basis of the specific terms of reference, its charter, time spent by the Committees in considering key issues, major recommendations, action plans and work of each Committee.

The Board is satisfied with overall effectiveness and decision making of all its Committees. The Board reviewed each committee's terms of reference to ensure that the Company's existing practices remain appropriate. Recommendations from each Committee are considered and approved by the Board prior to implementation, wherever necessary and disclosed the reasons where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year.

### KEY MANAGERIAL PERSONNEL (KMP)

1. Mr Sriram Subramanian Iyer, Chief Executive Officer;
2. Mr P Vishal Anand, Chief Financial Officer; and
3. Ms S Sukanya, Company Secretary

are the Key Managerial Personnel as on the date of this report as per the provisions of Section 2(51) and Section 203 of the Act 2013, read with the Rules framed thereunder.

### WOMAN DIRECTOR

In terms of Section 149 of the Act 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, the Company is required to have a woman Director on its Board.

In view of the above, Ms Tanvi Kumar continues to be on the Board of the Company as an Independent Woman Director.

### 13. NUMBER OF BOARD MEETINGS HELD

During the year under review, the Board met 6 times viz., 25<sup>th</sup> April 2023, 20<sup>th</sup> July 2023, 25<sup>th</sup> October 2023, 28<sup>th</sup> December 2023, 22<sup>nd</sup> January 2024 and 26<sup>th</sup> March 2024 and the gap between two meetings did not exceed one hundred and twenty days.

### 14. COMMITTEES OF THE BOARD

#### AUDIT COMMITTEE:

In terms of Section 177 of the Act 2013, the Audit Committee is required to consist of minimum of three members, with a majority of Independent Directors.

The Committee constitutes of majority of independent Directors viz., Mr Sameer Sah, Ms Tanvi Kumar, Independent Directors and Mr S G Murali, Non-Executive Director as its members.

The Committee meets periodically to discuss and review such matters as required under the applicable provisions of the Act 2013.

#### NOMINATION AND REMUNERATION COMMITTEE:

In terms of Section 178 of the Act, 2013, the Nomination and Remuneration Committee of Directors (NRC) is required to consist of minimum of three members, of which not less than one-half shall be independent Directors.

The Committee consists of Mr S G Murali, Non-Executive Director and Mr Sameer Sah, Ms Tanvi Kumar, Independent Directors (IDs) as its members, in accordance with the requirements of the Act 2013. The NRC meets periodically to discuss and review such matters, as required under the applicable provisions of the Act, 2013.

In accordance with the requirements under Section 178 of the Act 2013 and the rules made thereunder, the NRC formulated a Nomination and Remuneration Policy (NRC Policy) to govern the terms of nomination / appointment and remuneration of (i) Directors; and (ii) key managerial personnel (iii) and other employees of the Company.

#### Nomination and Remuneration Policy (NRC)

##### DIRECTORS:

NRC will recommend the remuneration for the 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 the regulatory requirements.

##### 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 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.

##### CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

In terms of section 135 of the Act, 2013, Companies with CSR spending of less than Rs. 50 Lakhs per year were exempt from the constitution of Corporate Social Responsibility Committee.

The Committee consists of Mr S G Murali, Non-Executive Director and Mr Sameer Sah, Ms Tanvi Kumar, Independent Directors (IDs) as its members, in accordance with the requirements of the Act 2013.

### AUDITORS

#### STATUTORY AUDITORS:

M/s SRSV & Associates, Chartered Accountants, Chennai holding Firm Registration No. 015041S allotted by The Institute of Chartered Accountants of India was appointed as

Statutory Auditors of the Company and the same was approved by the shareholders at the annual general meeting held on 3<sup>rd</sup> September 2021 as per the provisions of Section 139 of the Act, 2013, read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014.

The Statutory Auditors have completed their third year in the first term of five years as statutory auditors of the Company.

It may be noted that M/s SRSV & Associates, Chartered Accountants, Statutory Auditors will carry out the audit for the fourth year from the conclusion of the ensuing annual general meeting, in the first term of five consecutive years.

#### SECRETARIAL AUDITOR:

Pursuant to 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 its secretarial and related records.

As required by Section 204 of the Act, 2013, the Secretarial Audit Report for the year 2023-24, given by M/s B Chandra & Associates, Practising Company Secretary, Chennai is attached to this Report. The Secretarial Audit Report does not contain any qualification, reservation or other remarks.

The Board at its meeting held on 29<sup>th</sup> April 2024, has re-appointed M/s B Chandra Associates, Practising Company Secretaries, Chennai as the Secretarial Auditor for the financial year 2024-25.

#### COST AUDITOR

In terms of the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board has re-appointed Mr A N Raman, Cost Accountant holding Certificate of practice No. 5359 allotted by The Institute of Cost Accountants of India, as the Cost Auditor for conducting Cost Audit for the financial year 2024-2025.

The Company has also received necessary certificate under Section 141 of the Act, 2013 from him conveying his eligibility to act as a Cost Auditor. A sum of Rs.2,00,000 (Rupees Two Lakhs only) has been fixed by the Board as remuneration in addition to applicable taxes and reimbursement of travelling and out-of-pocket expenses payable to him, which is required to be approved and ratified by the Members, at the ensuing AGM as per Section 148(3) of the Act, 2013.

#### INTERNAL AUDITOR:

In terms of Section 138 of the Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014 the Company is required to appoint a duly qualified Internal Auditor and has appointed Ms R Ashvitha as Internal Auditor of the Company.

### 16. DISCLOSURES

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

- (a) issue of equity shares with differential rights as to dividend, voting or otherwise;
- (b) issue of shares (including sweat equity shares) to employees of the Company under any scheme;
- (c) significant or material order passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;
- (d) **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.

- (e) **Deposits:**

The Company has not accepted any deposit from the Shareholders and others within the meaning of Chapter V of the Act 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the year ended 31<sup>st</sup> March 2024.

- (f) **Vigil Mechanism**

The Company at its meeting held on 22<sup>nd</sup> January 2024, reviewed the vigil mechanism for dealing with instances of fraud and mismanagement, if any.

- (g) **Particulars of employees and related disclosures**

## EMERALD HAVEN REALTY LIMITED

In terms of the provisions of Section 197 of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the remuneration payable to Senior Managerial Personnel (SMPs) and Key Managerial Personnel (KMPs) was reviewed by the Board during the year and the same is annexed as Annexure II.

**(h) 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 2023-24 in prescribed form is available in the Company's website www.tvsemerald.com

**(i) Foreign exchange earnings or expenditure for the financial year 2023-24:**

Particulars	Rs. In Lakhs
Earnings in foreign currency	-
Expenditure in foreign currency	....

**(j) 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. The Internal Committee (IC) comprises of internal members and external member who has an extensive experience in the field.

During the year under review, there was 1 case filed pursuant to the provisions of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act 2013 and the same is pending enquiry.

**(k) 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.

**(l) 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.

**(m) Details of material related party transactions:**

As required under Ind AS, the names of the related party and nature of the related party relationship have been provided as Annexure III to the report.

All related party transactions during the year were on ordinary course of business and at arm's length price and have been approved and reviewed by the Audit Committee and Board of Directors respectively.

**(n) 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.

**(o) Reporting of fraud:**

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

### 17. ACKNOWLEDGEMENT

The Directors gratefully acknowledge the continued support and co-operation received from the suppliers, customers and bankers. The Directors wish to place on record their appreciation of the excellent work done by all the employees of the Company.

For and on behalf of the Board

Place : Chennai  
Date : April 29, 2024

S G Murali  
Director  
DIN: 00348902

Sameer Sah  
Director  
DIN: 01844078

# EMERALD HAVEN REALTY LIMITED

## Annexure - I

### 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" & "B" : Subsidiaries / Associate- Statement containing salient features of the financial statement of subsidiaries: -

(Information in respect of each subsidiary to be presented with amounts Rs. in Crores)

Sl.No	Particulars	Name of the Company											
		Emerald Haven Develop-ment Ltd	Emerald Haven Projects Pvt Ltd	Emerald Haven Realty Developers (Paranipu-thur) Pvt Ltd.	Emerald Haven Life Spaces (Radial Road) Ltd	Emerald Haven Town and Country Pvt Ltd	Emerald Haven Property Development Ltd	Happiness Harmony Property Developers Pvt Ltd.	Emerald Haven Towers Ltd.	Emerald Haven Residences Pvt Ltd	Emerald Haven Properti-es Pvt Ltd	Emerald Haven Builders Pvt Ltd	Emerald Haven Housing Pvt Ltd
	Category	Subsidiary											Associate
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 <sup>st</sup> April 2023 to 31 <sup>st</sup> March 2024								12/06/23 to 31/03/24	19/06/23 to 31/03/24	08/01/24 to 31/03/24	09/01/24 to 31/03/24
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR											
4.	Share capital	57.19	11.00	20.80	55.69	66.82	0.005	0.01	30.00	0.005	0.005	0.005	3.00
5.	Reserves & Surplus	14.88	(10.39)	(7.72)	(43.94)	(20.61)	19.11	(0.58)	(26.25)	(0.002)	(0.001)	(0.001)	(0.06)
6.	Total assets	630.36	37.94	201.42	120.38	417.16	176.00	80.60	395.41	0.004	0.005	0.005	28.58
7.	Total Liabilities	558.30	37.33	188.34	108.62	370.95	156.90	81.16	391.66	0.001	0.001	0.001	25.64
8.	Investments	-	20.55	-	-	-	-	-	-	-	-	-	-
9.	Turnover	149.29	7.68	60.87	-	22.19	111.83	-	-	-	-	-	-
10.	Profit/(loss) before taxation	3.60	(1.00)	4.31	(6.85)	70.86	26.58	(0.74)	(34.52)	(0.002)	(0.001)	(0.001)	(0.06)
11.	Provision for taxation	(0.91)	-	(0.87)	-	(29.23)	(7.41)	19.33	8.97	-	-	-	-
12.	Profit/(loss) after taxation	2.70	(1.00)	3.44	(6.85)	41.63	19.17	(0.55)	(25.54)	(0.002)	(0.001)	(0.001)	(0.06)
13.	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-
14.	% of shareholding	70%	100%	100%	89.23%	89.47%	100%	100%	89.23%	100%	100%	100%	50%

For and on behalf of the Board

S G Murali  
Director  
DIN : 00348902

Sameer Sah  
Director  
DIN : 01844078

Sriram Subramanian Iyer  
Chief Executive Officer

As per our report annexed For SRSV & Associates  
Firm Regn No. 015041S  
G. Chella Krishna  
Partner  
Membership No.: 210474

Place : Chennai  
Date : April 29,2024

P Vishal Anand  
Chief Financial Officer

S Sukanya  
Company Secretary

Place: Chennai  
Date: April 29,2024

**Form No. AOC – 2**

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

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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.

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:

Name of Related Party and nature of relationship		Nature of Contract / arrangement/ transactions	Amount (Rs. in Lakhs)
TVS Holdings Limited	Holding	Availing of Services	226.61
Emerald Haven Projects Private Limited	Subsidiary	Interest income	93.36
		Advance given	12.07
		Rental income	0.60
Emerald Haven Life Spaces (Radial Road) Limited	Subsidiary	Repayment of advance	486.99
		Repayment of loan	450.00
		Interest income	225.62
		Interest expense	149.02
		Rental income	0.60
Emerald Haven Realty Developers (Paraniputhur) Private Limited	Subsidiary	Redemption of Debentures	2,742.40
		Repayment of loan	2,124.00
		Repayment of advance	1,241.33
		Interest income	399.98
		Interest expense	306.44
		Sale of land	33.70
Emerald Haven Development Limited	Subsidiary	Receipt of intercorporate loans	3,000.00
		Advance received	2,853.03
		Management fee	2,659.76
		Interest expense	539.03
		Income from technical know how	358.01
		Rental expense	0.60
Emerald Haven Property Development Limited	Subsidiary	Repayment of loans	8,631.64
		Investment in Optionally Convertible Debentures	4,686.22
		Interest income	855.37
		Repayment of advance	629.08
		Management fee	606.56
		Rental expense	0.60
Emerald Haven Town and Country Private Limited	Subsidiary	Advance received	1,636.51
		Loan received	1,100.00
		Investment in Optionally Convertible Preference Shares	550.00
		Redemption of Optionally Convertible Debentures	344.25
		Interest expense	251.51
		Interest income	5.22
		Rental income	0.60

## EMERALD HAVEN REALTY LIMITED

Name of Related Party and nature of relationship		Nature of Contract / arrangement/ transactions	Amount (Rs. in Lakhs)
Emerald Haven Towers Limited	Subsidiary	Repayment of loan	10200.00
		Trade advances paid	3562.32
		Management fee	2008.22
		Interest income	752.47
		Rental income	0.60
Happiness Harmony Property Developers Pvt Ltd	Subsidiary	Loan given	2715.32
		Interest received	245.35
		Rental income	0.60
Emerald Haven Builders Private Limited	Subsidiary	Investment in Equity Shares	0.50
Emerald Haven Properties Private Limited	Subsidiary	Investment in Equity Shares	0.50
Emerald Haven Residences Private Limited	Subsidiary	Investment in Equity Shares	0.50
Emerald Haven Housing Private Limited	Associate	Investment in Optionally Convertible Debentures	1,279.00
		Investment in Equity Shares	150.00
Sundaram-Clayton Limited	Enterprise under Common Control	Availing of Services	26.00
TVS Digital Pte Ltd, Singapore	Fellow Subsidiary	Availing of Services	25.54
TVS Digital Ltd, Chennai	Fellow Subsidiary	Purchase of land	258.11
		Reimbursement of expenses	95.00
		Rental income	5.50
TVS Motor Company Limited	Fellow Subsidiary	Availing of Services	78.73

For and on behalf of the Board

Place : Chennai  
Date : 29<sup>th</sup> April 2024

S G Murali  
Director  
DIN: 00348902

Sameer Sah  
Director  
DIN: 01844078

## Form No. MR-3

### Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2024

Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,

The Members,  
Emerald Haven Realty Limited  
Ispahani Centre, 4th Floor,  
Door No. 123,124, Nungambakkam High Road, Chennai 600034.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Emerald Haven Realty Limited bearing CIN U45200TN2010PLC075953 (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment;
- (iv) The Company being an unlisted Public Company, the provisions of Securities Exchange Board Of India are not applicable to the said Company.

Based on the study of the systems and processes in place and a review of the reports of (1) the heads of the Departments (2) the compliance reports made by the functional heads of various departments which are submitted to the Board of Directors of the Company, (3) a test check on the licences availed and returns filed, which were made available on other applicable laws we report that the Company has complied with the provisions of the Real Estate Statutes and the rules made there under to the extent it is applicable to them:

- a) Real Estate (Regulation and Development) Act, 2016, with effect from 22nd June 2017;
- b) Transfer of Property Act, 1882

c) Building and other Construction Workers' (Regulation of Employment and Conditions of Services) Act, 1996 and rules made there under

d) The Building and other Construction Workers' Welfare Cess Act, 1996 and rules made thereunder;

Housing Board Act, 1965 is stated to be not applicable to the Company as the company has not undertaken any government projects.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period Under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Non Executive Directors and Independent Directors.

- Adequate notice is given to all the 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.

- Based on the minutes made available to us, we report that Majority decision is carried

through and that there were no dissenting votes from any Board member that was required to be captured and recorded as part of the minutes.

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

Place : Chennai  
Date : 29.4.2024

C ANURADHA  
ACS No.: 38746 C P No.: 21407  
UDIN:A038746F000261716  
Peer Review No 1711/2019

## Independent Auditors' Report to the members of EMERALD HAVEN REALTY LIMITED, chennai for the year ended 31<sup>st</sup> March 2024

### REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying Standalone Financial Statements of EMERALD HAVEN REALTY LIMITED ("the Company"), which comprises the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and notes to the financial statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements")

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 March 31, 2024, the loss and total comprehensive loss, 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 (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules there under, 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 Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report but does not include the Standalone Financial Statements and our 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 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 Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("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, total comprehensive loss, 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, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended.

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 implementation and maintenance of 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 Statement 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.

Those 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 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 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 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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone 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 Standalone Financial Statements.

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 (here in after referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", 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 the backup of the books of accounts and other books and papers of the Company maintained in electronic mode has been maintained on servers physically located in India, on a daily basis.
- (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive loss), Statement of Changes in Equity and the Cash Flow Statement 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 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 March 31,2024 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31,2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, no remuneration was paid by the Company to its directors during the year.
- (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 on its financial position as at 31<sup>st</sup> March 2024;
  - ii. The Company did not have any long-term contracts including derivative contracts as at March 31,2024.
  - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company for the year ended March 31,2024.
  - iv. (a) Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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. (Refer Note.42(xiii) to the Standalone Financial Statements)

- (b) Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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 (Refer Note.42(xiv) to the Standalone Financial Statements) , and
- (c) 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 subclause (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid any Dividend during the year.
- vi. Based on our examination which included test checks, the Company, in respect of financial year commencing on April 01, 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3 (1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rule, 2014 on preservation of audit trail as per statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

Place : Chennai  
Date : 29.4.2024

For SRSV & Associates  
Chartered Accountants  
F.R.No. 015041S  
G. Chella Krishna  
Partner  
Membership. No. 210474  
UDIN No.: 24210474BKBLDG6367

**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT – 31<sup>st</sup> March 2024**

The Annexure referred to in our Independent Auditor’s Report to the members of EMERALD HAVEN REALTY LIMITED on the Standalone Financial Statements for the year ended March 31,2024:

- 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 & 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 physical verification of its Property, Plant & Equipment by which Property, Plant & Equipment are verified in a phased periodical manner designed to cover all the items over a period of three years. In accordance with this program, certain Property, Plant & Equipment were verified during the year and no discrepancies were noticed on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.
- (c) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, there are no immovable properties included under the head Property, Plant and Equipment. Therefore, clause (i)(c) of para 3 of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, clause 3(i)(d) of the Order is not applicable.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) As informed to us, physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion the coverage and procedure of such verification by the management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) According to the records of the Company and information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs Five crores, in aggregate from banks or financial institutions on the basis of security of current assets during the year. In our opinion and on the basis of records examined by us and as represented to us, there is no need to file quarterly returns or statements by the company with such banks or financial institutions. (Also refer Note.42(vii) to the financial statements)
- iii. (a) In our opinion and according to the explanations given to us, during the year the Company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity as indicated below-

(A)

To whom	Type (Loan/adv/ guarantee/security)	Aggregate Amount	Balance outstanding at Balance sheet date
Subsidiaries	Loan	Rs.45,19,17,022	Rs.45,39,34,495
Subsidiaries	Guarantee	Nil	Rs.55,00,00,000
Joint Ventures	-	Nil	Nil
Associates	-	Nil	Nil

(B)

To whom (Other than those mentioned in A)	Type (Loan/adv/ guarantee/security)	Aggregate Amount	Balance outstanding at Balance sheet date
NA	NA	NA	NA

- (b) In our opinion and according to the explanations given to us, the investments made, guarantees provided, 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 prejudicial to the Company’s interest.
- (c) In our opinion and according to the explanations given to us in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular.
- (d) In our opinion and according to the explanations given to us in respect of loans and advances in the nature of loans, no amounts are overdue for a period of more than 90 days.
- (e) In our opinion and according to the explanations given to us, loans or advance in the nature of loan granted which has fallen due during the year, has not been renewed or

extended nor fresh loans have been granted to settle the overdues of existing loans given to the same parties. (No amount is fallen due as per Stipulated payment schedule)

- (f) In our opinion and according to the explanations given to us, the Company has not granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- iv. In our opinion and according to the explanations given to us there are no loans, investments, guarantees and securities provided by the Company as specified under Sections 185 and 186 of the Companies Act, 2013, hence reporting under clause 3(iv) of the Order is not applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder, and hence reporting under clause 3(v) of the Order is not applicable.
- vi. In our opinion and according to the information and explanations given to us, the Central Government has prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for products manufactured / services rendered by the Company. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the central government for the maintenance of cost records under section 148(1) of the act and are of the opinion that, the prescribed accounts and records have been made and maintained.
- vii. In respect of statutory dues:
  - a) According to the records of the Company and information and explanations given to us, the Company is regular in depositing undisputed statutory dues including Goods and Service tax, provident fund, employees’ state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There are no undisputed statutory dues outstanding for more than six months.
  - b) As at March 31, 2024 according to the records of the Company, the following are the particulars of the statutory dues referred in sub-clause (a) which have not been deposited on account of dispute:

Name of the Statute	Nature of Dues	Forum Where the Dispute is Pending	Period to which the amount relates	Amount ( Rs. in Lakhs )
Income Tax Act,1961	Income tax and interest thereon	Assessing officer	FY 2012-13	68.34
Income Tax Act,1961	Income tax and interest thereon	Assessing officer	FY 2013-14	100.97
Income Tax Act,1961	Income tax and interest thereon	CIT	FY 2020-21	34.26

- viii. According to the information and explanations given to us and on the basis of records of the Company examined by us, in our opinion, the Company has no transactions that has not been recorded in the books of account and no unrecorded income was disclosed or surrendered as income during the year in the Tax assessments under the Income Tax,1961. Accordingly, clause 3(viii) the Order is not applicable.
- ix. (a) Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings or in the payment of interest to any lenders during the year.  
(b) According to the records of the Company and information and explanations given to us, the Company is not declared as Willful Defaulter by any bank or financial institution or Government or any Government Authority.  
(c) According to the records of the Company and information and explanations given to us, term loans were applied for the purpose for which the loans were obtained. (Also refer Note.15 to the financial statements)  
(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.  
(e) In our opinion, 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. Accordingly, clause (ix)(e) of Para 3 of the Order is not applicable.  
(f) In our opinion, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, clause (ix)(f) of the Order is not applicable.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable.

## EMERALD HAVEN REALTY LIMITED

- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable.
- xii. In our opinion, the Company is not a Nidhi Company. Accordingly, clause 3(xii) (a), xii(b) and xii(c) of the Order are not applicable.
- xiii. In our opinion and according to the information and explanation given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the Standalone Financial Statements, as required by the applicable accounting standards.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditors for the period under audit up to the date of our audit report were considered by us.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non - cash transactions with its directors or persons connected with its directors. Accordingly, clause 3(xv) of the Order is not applicable.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company has not conducted non-banking financial activities or housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable.

- (d) Based on the information and explanation provided by the Management of the Company, the Group does not have more than one CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the Management is accurate and complete. Accordingly, the reporting under clause 3(xvi) (d) of the Order is not applicable.

- xvii. The Company has incurred cash losses in the financial year and in the immediately preceding financial year. The following are the cash losses incurred:

Financial Year	Amount (in Rs. Lakhs)
2022-23	(2839.49)
2023-24	(175.97)

- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note.43 to the financial statements), ageing and expected dates of realisation 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. 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 3(xx) of the order is not applicable.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

Place : Chennai  
Date : 29.4.2024

For SRSV & Associates  
Chartered Accountants  
F.R.No. 015041S  
G. Chella Krishna  
Partner  
Membership. No. 210474  
UDIN No.: 24210474BKBLDG6367

## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT – 31<sup>st</sup> March 2024

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of **EMERALD HAVEN REALTY LIMITED**

### **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")**

We have audited the internal financial controls over financial reporting of **EMERALD HAVEN REALTY LIMITED** ("the Company") as of March 31, 2024 in conjunction with our audit of the Standalone 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 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**

Our responsibility is to express an opinion on the 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") 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 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.

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 Standalone 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 Standalone 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 Standalone 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 Standalone 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, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SRSV & Associates  
Chartered Accountants  
F.R.No. 015041S

G. Chella Krishna  
Partner

Membership. No. 210474

UDIN No.: 24210474BKBLDG6367

Place : Chennai  
Date : 29.4.2024

# EMERALD HAVEN REALTY LIMITED

## Balance Sheet as at 31<sup>st</sup> March 2024

		Rupees in Lakhs	
	Note No.	As at March 31, 2024	As at March 31, 2023
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	2	379.86	404.97
Other Intangible Assets	2	20.98	31.63
Right -of-use Assets	3	636.69	725.54
Financial Assets			
i. Investments	4A	12,446.54	12,295.04
Deferred Tax Asset (Net)	5	2,516.88	2,351.24
<b>Total Non-Current Assets</b>		<b>16,000.95</b>	<b>15,808.42</b>
<b>Current Assets</b>			
Inventories	6	41,259.60	21,980.06
Financial Assets			
i. Investments	4B	16,729.19	10,161.10
ii. Trade Receivables	7	827.39	734.99
iii. Cash and Cash Equivalents	8	2,987.59	1,872.09
iv. Loans	9	4,539.34	17,482.82
v. Other Financial Assets	10	5,469.14	10,882.87
Current Tax Assets (Net)	11	1,435.05	1,011.08
Other Current Assets	12	1,702.59	863.19
<b>Total Current Assets</b>		<b>74,949.89</b>	<b>64,988.20</b>
<b>Total Assets</b>		<b>90,950.84</b>	<b>80,796.62</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity Share Capital	13	25,544.33	25,544.33
Other Equity	14	(1,721.13)	(1,249.76)
<b>Total Equity</b>		<b>23,823.20</b>	<b>24,294.57</b>
<b>Current Liabilities</b>			
Financial liabilities			
i. Borrowings	15	19,406.31	26,870.80
ii. Trade Payables	16		
-Total outstanding dues of micro enterprises and small enterprises (MSME)		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,370.96	1,839.34
iii. Lease Liabilities	17	690.19	730.08
iv. Other Financial Liabilities	18	19,025.40	13,149.92
Provisions	19	644.70	552.64
Other Current Liabilities	20	24,990.08	13,359.27
<b>Total Current Liabilities</b>		<b>67,127.64</b>	<b>56,502.05</b>
<b>Total Liabilities</b>		<b>67,127.64</b>	<b>56,502.05</b>
<b>Total Equity and Liabilities</b>		<b>90,950.84</b>	<b>80,796.62</b>
<b>Material Accounting Policies</b>	1		

As per our report annexed  
For SRSV & Associates  
Chartered Accountants  
Firm Regn No.: 015041S

For and on behalf of the Board of Directors

G. Chella Krishna  
Partner  
Membership No.: 210474

S G Murali  
Director  
DIN:00348902

Sameer Sah  
Director  
DIN:01844078

Sriram Subramanian Iyer  
Chief Executive Officer

Place: Chennai  
Date: April 29, 2024.

P. Vishal Anand  
Chief Financial Officer

S Sukanya  
Company Secretary

# EMERALD HAVEN REALTY LIMITED

## Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2024

		Rupees in Lakhs	
	Note No.	For the Year ended March 31, 2024	For the Year ended March 31, 2023
<b>Income</b>			
Revenue from Operations	21	8,119.93	2,259.63
Other Income	22	3,358.86	3,609.64
<b>Total Income</b>		<b>11,478.79</b>	<b>5,869.27</b>
<b>Expenses</b>			
Operating Expenses	23	539.47	1,143.32
Employee Benefit Expenses	24	5,383.46	4,268.02
Finance Costs	25	3,439.37	2,350.39
Depreciation and Amortisation Expense	26	254.31	267.85
Other Expenses	27	2,372.58	2,023.99
<b>Total Expenses</b>		<b>11,989.17</b>	<b>10,053.56</b>
<b>Profit/(Loss) Before Tax</b>		<b>(510.38)</b>	<b>(4,184.29)</b>
Income Tax Expense	28		
Current Tax			-
Deferred Tax Asset/(Liability)		198.55	1,083.92
<b>Profit/(Loss) for the Year</b>		<b>(311.83)</b>	<b>(3,100.37)</b>
<b>Other Comprehensive Income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of post employment benefit obligations		126.61	5.52
Income tax relating to these items		32.92	1.44
<b>Other Comprehensive (Income)/loss for the Year, net of tax</b>		<b>159.53</b>	<b>6.96</b>
<b>Total Comprehensive Income/(Loss) for the Year</b>		<b>(471.36)</b>	<b>(3,107.33)</b>
<b>Earnings per Equity Share</b>			
Basic & Diluted Earnings per Share (In Rupees)	29	(0.12)	(1.33)

As per our report annexed  
For SRSV & Associates  
Chartered Accountants  
Firm Regn No.: 015041S

G. Chella Krishna  
Partner  
Membership No.: 210474

Place: Chennai  
Date: April 29, 2024.

For and on behalf of the Board of Directors

S G Murali  
Director  
DIN:00348902

P. Vishal Anand  
Chief Financial Officer

Sameer Sah  
Director  
DIN:01844078

Sriram Subramanian Iyer  
Chief Executive Officer

S Sukanya  
Company Secretary

# EMERALD HAVEN REALTY LIMITED

## Cash Flow Statement for the year ended 31<sup>st</sup> march 2024

Rupees in Lakhs

	Year Ended March 31, 2024	Year Ended March 31,2023
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit/(Loss) Before Tax	(510.38)	(4,184.30)
Add:		
Depreciation and amortisation for the year	254.31	267.85
Provision for Employee Benefits	(34.55)	0.59
Fair valuation Gain	(99.52)	
Loss/(Profit) on sale of Assets	(3.65)	-
Interest Income	(2,675.04)	(2,443.29)
Interest Expenditure	3,439.37	2,350.39
	<b>880.92</b>	<b>175.54</b>
<b>Operating Profit Before Working capital changes</b>	<b>370.54</b>	<b>(4,008.76)</b>
<b>Adjustments for:</b>		
Trade Receivables	(92.40)	(410.50)
Inventories	(19,279.54)	(15,038.70)
Other Current /Financial Assets	16,360.75	(12,805.87)
Trade Payables	531.62	359.99
Other Current Liabilities	17,598.33	12,762.01
	<b>15,118.76</b>	<b>(15,133.07)</b>
<b>Cash Generated from Operations</b>		
Income Taxes (net of refund )	733.06	(67.32)
<b>Net Cash From Operating Activities</b>	<b>16,222.36</b>	<b>(19,209.15)</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of PPE	(129.61)	(1,120.62)
Proceeds from Sale of PPE	3.57	100.54
Investments in Equity Shares of Subsidiaries	(151.50)	(199.16)
Investment in OCD /OCPRS of Subsidiaries	(6,515.22)	(2,296.64)
Investments in Mutual Funds	(3,040.00)	-
Redemption of Optionally Convertible Debentures	3,086.65	1,289.72
Interest Received	2,675.04	4,051.19
<b>Net Cash From / (Used in) Investing Activities</b>	<b>(4,071.08)</b>	<b>1,825.03</b>
<b>C. Cash Flow From Financing Activities :</b>		
Borrowings - availed	-	21,410.00
Borrowings - repaid	(7,464.49)	(7,102.32)
Principal repayments related to lease liabilities	(39.88)	(35.78)
Interest payments related to lease liabilities	(80.12)	(71.68)
Interest paid	(3,451.30)	(2,346.45)
Capital Raised	-	4,116.50
<b>Net Cash From / (Used in) Financing Activities</b>	<b>(11,035.79)</b>	<b>15,970.27</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>1,115.50</b>	<b>(1,413.85)</b>
Cash and Cash Equivalents at the Beginning of the Year	1,872.09	3,285.94
Cash and Cash Equivalents at the End of the Year	2,987.59	1,872.09
<b>D. Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>1,115.50</b>	<b>(1,413.85)</b>

Note : The above Statement of Cash flow is prepared using indirect method

As per our report annexed  
For SRSV & Associates  
Chartered Accountants  
Firm Regn No.: 015041S

G. Chella Krishna  
Partner  
Membership No.: 210474

Place: Chennai  
Date: April 29, 2024.

S G Murali  
Director  
DIN:00348902

P. Vishal Anand  
Chief Financial Officer

Sameer Sah  
Director  
DIN:01844078

Sriram Subramanian Iyer  
Chief Executive Officer

S Sukanya  
Company Secretary

For and on behalf of the Board of Directors

# EMERALD HAVEN REALTY LIMITED

## Statement of Changes in Equity

Rupees in Lakhs

### I) Equity

Balance as at 31 March 2022	22,800.00
Changes in Equity Share Capital	2,744.33
<b>Balance as at 31 March 2023</b>	<b>25,544.33</b>
Changes in Equity Share Capital during the current year	-
<b>Balance as at 31 March 2024</b>	<b>25,544.33</b>

### II) Other Equity

Particulars	Reserves & Surplus		Other Comprehensive Income	Total
	Retained Earnings	Security Premium		
Balance as at 31 March 2022	589.27	-	(103.86)	485.41
Profit / (Loss) For the FY 22-23	(3,101.81)	-	-	(3,101.81)
Issue of Equity Shares	-	1,372.17	-	1,372.17
Remeasurement of post employment benefit obligations Net of tax	-	-	(5.52)	(5.52)
<b>Balance as at 31 March 2023</b>	<b>(2,512.55)</b>	<b>1,372.17</b>	<b>(109.38)</b>	<b>(1,249.76)</b>
Profit / (Loss) For the FY 23-24 (YTD)	(311.83)	-	-	(311.83)
Remeasurement of post employment benefit obligations Net of tax	-	-	(159.53)	(159.53)
<b>Balance as at 31 March 2024</b>	<b>(2,824.38)</b>	<b>1,372.17</b>	<b>(268.92)</b>	<b>(1,721.13)</b>

As per our report annexed  
**For SRSV & Associates**  
 Chartered Accountants  
 Firm Regn No.: 015041S

For and on behalf of the Board of Directors

**G. Chella Krishna**  
 Partner  
 Membership No.: 210474

**S G Murali**  
 Director  
 DIN:00348902

**Sameer Sah**  
 Director  
 DIN:01844078

**Sriram Subramanian Iyer**  
 Chief Executive Officer

Place: Chennai  
 Date: April 29, 2024.

**P. Vishal Anand**  
 Chief Financial Officer

**S Sukanya**  
 Company Secretary

# EMERALD HAVEN REALTY LIMITED

## Notes to Balance Sheet - (continued)

Rupees in Lakhs

### 2. Property, Plant & Equipment

	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		Balance as at 1 April 2023	Additions	Deductions / Other Adjustments	Balance as at 31 March 2024	Balance as at 1 April 2023	Additions	Deductions / Other Adjustments	Balance as at 31 March 2024	Balance as at 31 March 2024	Balance as at 31 March 2023
		Rs.	Rs.		Rs.	Rs.	Rs.		Rs.	Rs.	Rs.
a	<b>Tangible Assets</b>										
	Plant and Equipment	125.77	-	-	125.77	115.37	10.23	-	125.60	0.18	10.41
	Furniture and Fixtures	167.34	12.57	-	179.91	88.25	12.90	-	101.15	78.76	79.09
	Vehicles	107.40	12.30	7.45	112.25	62.11	23.74	7.56	78.29	33.96	45.29
	IT Equipments	202.72	104.74	-	307.46	164.02	41.59	-	205.61	101.85	38.70
	Electrical Equipments	106.15	-	-	106.15	29.49	9.44	-	38.93	67.22	76.66
	Interiors *	415.30	-	-	415.30	263.13	55.33	-	318.46	96.84	152.17
	Mobile Phones	15.23	-	-	15.23	12.60	1.58	-	14.18	1.06	2.65
	<b>Total (A)</b>	<b>1,139.91</b>	<b>129.61</b>	<b>7.45</b>	<b>1,262.08</b>	<b>734.97</b>	<b>154.81</b>	<b>7.56</b>	<b>882.22</b>	<b>379.86</b>	<b>404.97</b>
b	<b>Intangible Assets</b>										
	Computer software	41.88	-	-	41.88	39.74	1.54	-	41.28	0.60	2.14
	ERP Software	45.41	-	-	45.41	15.92	9.11	-	25.03	20.38	29.49
	<b>Total (B)</b>	<b>87.29</b>	<b>-</b>	<b>-</b>	<b>87.29</b>	<b>55.66</b>	<b>10.65</b>	<b>-</b>	<b>66.31</b>	<b>20.98</b>	<b>31.63</b>

Note: \* Includes interiors & improvements on leased property which are depreciated over the primary lease period of 3 years.

	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		Balance as at 1 April 2022	Additions	Deductions / Other Adjustments	Balance as at 31 Mar 2023	Balance as at 1 April 2022	Depreciation charge for the year	Deductions / Other Adjustments	Balance as at 31 Mar 2023	Balance as at 31 Mar 2023	Balance as at 31 Mar 2022
		Rs.	Rs.		Rs.	Rs.	Rs.		Rs.	Rs.	Rs.
a	<b>Tangible Assets</b>										
	Plant and Equipment	78.25	47.53	-	125.78	56.27	59.10	-	115.37	10.41	21.98
	Furniture and Fixtures	152.97	14.37	-	167.34	72.69	15.56	-	88.25	79.09	80.28
	Vehicles	115.26	-	7.86	107.40	52.72	16.97	7.58	62.11	45.29	62.54
	IT Equipments	185.81	16.91	-	202.72	132.45	31.57	-	164.02	38.70	53.36
	Electrical Equipments	46.13	60.02	-	106.15	22.71	6.78	-	29.49	76.66	23.42
	Interiors *	237.85	177.45	-	415.30	193.22	69.91	-	263.13	152.17	44.63
	Mobile Phones	14.99	1.74	1.48	15.25	13.09	0.99	1.48	12.60	2.65	1.90
	<b>Total (A)</b>	<b>831.26</b>	<b>318.02</b>	<b>9.34</b>	<b>1,139.94</b>	<b>543.15</b>	<b>200.88</b>	<b>9.06</b>	<b>734.97</b>	<b>404.97</b>	<b>288.11</b>
b	<b>Intangible Assets</b>										
	Computer software	38.85	3.03	-	41.88	38.11	1.63	-	39.74	2.14	0.74
	ERP Software	45.41	-	-	45.41	9.08	6.84	-	15.92	29.49	36.33
	<b>Total (B)</b>	<b>84.27</b>	<b>3.03</b>	<b>-</b>	<b>87.30</b>	<b>47.19</b>	<b>8.47</b>	<b>-</b>	<b>55.66</b>	<b>31.63</b>	<b>37.07</b>

Note: \* Includes interiors & improvements on leased property which are depreciated over the primary lease period of 3 years.

# EMERALD HAVEN REALTY LIMITED

## Notes to Balance Sheet - (continued)

Rupees in Lakhs

### 3 Right-of-Use Assets (Buildings)

Particulars		As at March 31, 2024	As at March 31, 2023
<b>A</b>	<b>Gross Carrying Value</b>		
	Opening Balance	799.57	392.21
	Additions	-	799.57
	Disposals / Adjustments	-	392.21
	<b>Closing Balance (A)</b>	<b>799.57</b>	<b>799.57</b>
<b>B</b>	<b>Accumulated Depreciation</b>		
	Opening Balance	74.03	307.49
	Depreciation Expense	88.84	105.83
	Disposals / Adjustments	-	339.29
	<b>Closing Balance (B)</b>	<b>162.88</b>	<b>74.03</b>
<b>C</b>	<b>Net carrying value (A-B)</b>	<b>636.69</b>	<b>725.54</b>

The company has taken on lease office premises, with the lease period of 3 years, lease terms included for workings is the non-cancellable period and expected lease term.

Company has exercised the option of short term leases and low value asset exemption.

### Extension and termination options

Extension options are included where the management believes that it could use it to maximise operational flexibility in terms of managing the assets used in the Company's operations. Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

The following factors are normally considered the most relevant:

- If there are significant penalties to terminate or not extend, the Company is typically reasonably certain to extend.
- If the leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend.
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised or not exercised, or the Company becomes obliged to exercise or not exercise. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

### 4. Investments

Sl. No.	Name of the Body Corporate	Face Value (Rs)	Subsidiary /Associate	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
				No. of Shares / Units	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>4A</b>	<b>Non-Current Investments</b>						
	<b>Investments in Equity Instruments</b>						
	<b>Investment in Subsidiaries Valued at Cost Unquoted :</b>						
(i)	Emerald Haven Development Limited	10	Subsidiary	29,759,780	29,759,780	4,518.29	4,518.29
(ii)	Emerald Haven Projects Private Limited	10	Subsidiary	11,000,000	11,000,000	1,100.00	1,100.00
(iii)	Emerald Haven Life Spaces (Radial Road) Limited	10	Subsidiary	49,699,800	49,699,800	2,338.36	2,338.36
(iv)	Emerald Haven Realty Developers (Paraniputhur) Private Limited	10	Subsidiary	8,962,557	8,962,557	896.26	896.26
(v)	Emerald Haven Property Development Limited	10	Subsidiary	5,000	5,000	0.50	0.50
(vi)	Emerald Haven Town & Country Private Limited	10	Subsidiary	6,090,185	6,090,185	609.02	609.02
(vii)	Happiness Harmony Property Development Private Limited	10	Subsidiary	10,000	10,000	1.00	1.00
(viii)	Emerald Haven Towers Limited	10	Subsidiary	28,316,193	28,316,193	2,831.62	2,831.62
(ix)	Emerald Haven Housing Private Limited	10	Associate*	1,500,000	-	150.00	-
(x)	Emerald Haven Residences Private Limited	10	Subsidiary	5,000	-	0.50	-
(xi)	Emerald Haven Builders Private Limited	10	Subsidiary	5,000	-	0.50	-
(xii)	Emerald Haven Properties Private Limited	10	Subsidiary	5,000	-	0.50	-
<b>4A</b>	<b>Total value of Equity Instruments - (A)</b>					<b>12,446.54</b>	<b>12,295.04</b>
<b>4B</b>	<b>Current Investments</b>						
<b>I</b>	<b>Investments in Debentures (Unquoted):</b>						
(i)	Emerald Haven Realty Developers (Paraniputhur) Private Limited (OCD)	10	Subsidiary	-	27,424,000	-	2,742.40
(ii)	Emerald Haven Town & Country Private Limited (OCD)	10	Subsidiary	26,637,335	30,079,835	1,954.63	2,298.88
(iii)	Emerald Haven Property Development Limited (OCD)	10	Subsidiary	46,862,224	-	4,686.22	-
(iv)	Emerald Haven Life spaces (Radial Road) Limited (CCD)	10	Subsidiary	15,000,000	-	1,500.00	1,500.00
(v)	Emerald Haven Housing Private Limited (CCD)	100	Associate*	1,279,000	-	1,279.00	-
<b>II</b>	<b>Investments in Optionally Convertible Redeemable Preference Shares (Unquoted):</b>						
(i)	Emerald Haven Realty Developers (Paraniputhur) Private Limited	10	Subsidiary	11,837,435	11,837,435	1,183.74	1,183.74
(ii)	Emerald Haven Town & Country Private Limited	10	Subsidiary	29,860,738	24,360,738	2,986.07	2,436.07
	<b>Total value of Debentures &amp; Redeemable Preference Shares - (I) + (II)</b>					<b>13,589.67</b>	<b>10,161.10</b>
<b>III</b>	<b>Investments in Mutual Funds - Quoted</b>						
(i)	Aditya Birla Overnight Mutual Funds					3,139.52	-
	<b>Fair Value of Mutual Funds Measured at Fair Value through P &amp; L</b>					3,139.52	-
<b>4B</b>	<b>Total value of Current Investments - (4B) = (I) + (II) + (III)</b>					<b>16,729.19</b>	<b>10,161.10</b>

Note: \*wef 24.10.2023

# EMERALD HAVEN REALTY LIMITED

## Notes to Balance Sheet - (continued)

Rupees in Lakhs

### 5 Deferred Tax Assets/(Liability):

The balance comprises temporary differences attributable to:

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Inventory	768.30	(316.73)
Depreciation	66.90	91.26
Provision for Employee Benefits	56.29	134.61
Carry Forward of Business Loss	1,704.89	2,478.67
Lease Assets net of (Lease Liabilities)	(79.51)	(36.57)
<b>Total Deferred Tax Assets/(Liability)</b>	<b>2,516.88</b>	<b>2,351.24</b>

### Net Movement in Deferred Tax Assets/ (Liability)

Particulars	Inventory	Depreciation	Provision for employee benefits	Carry Forward of Business Loss	Lease Assets net of Lease Liabilities	Total
<b>At March 31, 2022</b>	<b>544.38</b>	<b>27.17</b>	<b>(43.77)</b>	<b>734.73</b>	<b>6.25</b>	<b>1,268.76</b>
(Charged)/Credited:						
- Opening Reserves	-	-	-	-	-	-
- to Profit or Loss	(861.11)	64.09	179.82	1,743.94	(42.82)	1,083.92
- to Other Comprehensive Income	-	-	(1.44)	-	-	(1.44)
<b>At March 31, 2023</b>	<b>(316.73)</b>	<b>91.26</b>	<b>134.61</b>	<b>2,478.67</b>	<b>(36.57)</b>	<b>2,351.24</b>
(Charged)/Credited:						
- Opening Reserves	-	-	-	-	-	-
- to Profit or Loss	1,085.03	(24.36)	(45.40)	(773.78)	(42.94)	198.55
- to Other Comprehensive Income	-	-	(32.92)	-	-	(32.92)
<b>At March 31, 2024</b>	<b>768.30</b>	<b>66.90</b>	<b>56.29</b>	<b>1,704.89</b>	<b>(79.51)</b>	<b>2,516.88</b>

	As at	As at
	March 31, 2024	March 31, 2023
<b>6 Inventories</b>		
Construction-in-Progress	21,740.06	6,073.07
Land held for Development	19,519.54	15,906.99
<b>Total Inventories</b>	<b>41,259.60</b>	<b>21,980.06</b>
<b>7 Trade Receivables</b>		
Trade Receivables considered good - Unsecured	827.39	734.99
<b>Total Trade receivables</b>	<b>827.39</b>	<b>734.99</b>

# EMERALD HAVEN REALTY LIMITED

## Notes to Balance Sheet - (continued)

Rupees in Lakhs

Trade Receivables represent balance amount to be received from customer out of demands raised on milestone completion.

Ageing schedules of Trade Receivables as at 31 March, 2024								
Particulars		Not Due	Outstanding for following periods from due date of payment#					Total
			Less than 6 months	6 months to 1 yr.	1 - 2	2 - 3	More than 3 yrs	
(i)	Undisputed trade receivables - considered good	147.01	578.57	64.06	33.79	3.95	0.00	827.39
(ii)	Undisputed trade receivables - considered doubtful (having significant increase in risk)	-	-	-	-	-	-	-
(iii)	Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(iv)	Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v)	Undisputed trade receivables - considered doubtful (having significant increase in risk)	-	-	-	-	-	-	-
(vi)	Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
(vii)	Allowance for Unsecured, Credit Impaired	-	-	-	-	-	-	-
		<b>147.01</b>	<b>578.57</b>	<b>64.06</b>	<b>33.79</b>	<b>3.95</b>	<b>-</b>	<b>827.39</b>

Ageing schedules of Trade Receivables as at 31 March, 2023								
Particulars		Not Due	Outstanding for following periods from due date of payment#					Total
			Less than 6 months	6 months to 1 yr.	1 - 2	2 - 3	More than 3 yrs	
(i)	Undisputed trade receivables - considered good	320.50	358.04	19.06	5.60	3.39	28.40	734.99
(ii)	Undisputed trade receivables - considered doubtful (having significant increase in risk)	-	-	-	-	-	-	-
(iii)	Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(iv)	Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v)	Undisputed trade receivables - considered doubtful (having significant increase in risk)	-	-	-	-	-	-	-
(vi)	Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
(vii)	Allowance for Unsecured, Credit Impaired	-	-	-	-	-	-	-
		<b>320.50</b>	<b>358.04</b>	<b>19.06</b>	<b>5.60</b>	<b>3.39</b>	<b>28.40</b>	<b>734.99</b>

# EMERALD HAVEN REALTY LIMITED

## Notes to Balance Sheet - (continued)

Rupees in Lakhs

	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>8 Cash and Cash Equivalents</b>				
Balances with banks*	2,687.20	1,570.62		
Fixed Deposit with Banks	300.00	300.00		
Cash on hand	0.39	1.47		
<b>Total cash and cash equivalents</b>	<b>2,987.59</b>	<b>1,872.09</b>		
* Note : Includes bank balance of Rs.263.17 Lakhs (Rs.1038.93 Lakhs) under Real Estate Regulatory Authority (RERA), wherein 70% of the receipt can be used only for the specific permitted payments.				
<b>9 Loans</b>				
Loans to Related Party	4,539.34	17,482.82		
<b>Total loans</b>	<b>4,539.34</b>	<b>17,482.82</b>		
<b>10 Other Financial Assets</b>				
Advance to related party	5,433.29	10,850.81		
Rent Deposit	35.86	32.06		
<b>Total other financial assets</b>	<b>5,469.14</b>	<b>10,882.87</b>		
<b>11 Current Tax Assets (Net)</b>				
Advance Tax less Provision for Tax			1,435.05	1,011.08
<b>Closing balance</b>			<b>1,435.05</b>	<b>1,011.08</b>
<b>12 Other Current Assets</b>				
Security Deposit			392.25	53.17
GST Receivable			30.12	155.72
Prepaid Expenses			164.09	182.73
Employee Advances			17.80	64.57
Mobilisation & Other Advances to Vendors			1,087.24	407.01
Accrued Income			11.06	-
<b>Total other current assets</b>			<b>1,702.59</b>	<b>863.19</b>

### 13 Equity Share Capital

#### (a) Authorised, Issued, Subscribed and Fully Paid up

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	Rs.in.Lakhs	Number of Shares	Rs.in.Lakhs
Authorised:				
Equity Shares of Rs.10/- each	265,000,000	26,500.00	265,000,000	26,500.00
Issued, Subscribed and Fully Paid up:				
Equity Shares of Rs.10/- each	255,443,333	25,544.33	255,443,333	25,544.33

#### (b) Reconciliation of Equity Shares Outstanding at the Beginning and at the End of the Year

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	Rs.in.Lakhs	Number of Shares	Rs.in.Lakhs
Shares outstanding at the beginning of the year	255,443,333	25,544.33	228,000,000	22,800.00
Shares issued during the year	-	-	27,443,333	2,744.33
Shares outstanding at the end of the year	255,443,333	25,544.33	255,443,333	25,544.33

#### (c) 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) Shareholders holding more than five percent at the end of the year

Name of shareholder (M/s.)	Class of Shares	As at March 31, 2024		As at March 31, 2023	
		Number of shares	% holding	Number of shares	% holding
TVS Motor Company Limited	Equity	-	-	111,219,516	43.54%
VS Trust	Equity	-	-	29,779,024	11.66%
Mallika Srinivasan	Equity	-	-	29,779,024	11.66%
Sudarshan Venu	Equity	-	-	28,611,220	11.20%
Dr. Lakshmi Venu	Equity	-	-	28,611,216	11.20%
Sandwood Investments Limited	Equity	27,443,333	10.74%	27,443,333	10.74%
TVS Holdings Limited (Formerly known as Sundaram-Clayton Limited)	Equity	227,999,996	89.26%	-	-

#### (e) Disclosure of Promotor Shareholding

Name of shareholder (M/s.)	Class of Shares	As at March 31, 2024		As at March 31, 2023	
		Number of shares	% holding	Number of shares	% holding
TVS Motor Company Limited	Equity	-	-	111,219,516	43.54%
VS Trust	Equity	-	-	29,779,024	11.66%
Mallika Srinivasan	Equity	-	-	29,779,024	11.66%
Sudarshan Venu	Equity	-	-	28,611,220	11.20%
Dr. Lakshmi Venu	Equity	-	-	28,611,216	11.20%
TVS Holdings Limited (Formerly known as Sundaram-Clayton Limited)	Equity	227,999,996	89.26%	-	-

# EMERALD HAVEN REALTY LIMITED

## Notes to Balance Sheet - (continued)

Rupees in Lakhs

	As at March 31, 2024	As at March 31, 2023
<b>14 Other Equity</b>		
<b>a) Retained Earnings</b>		
Opening balance	(1,249.76)	485.41
Net profit / (Loss) for the year	(311.83)	(3,101.81)
<b>b) Security Premium Reserve</b>	-	1,372.17
<b>c) Other Comprehensive Income</b>	(159.53)	(5.52)
<b>Total Other Equity</b>	<u>(1,721.13)</u>	<u>(1,249.76)</u>

**Retained Earnings:** Company's cumulative undistributed earnings since inception. This reserves is available for distribution to shareholders.

### 15 Current Borrowings

S.No	Description	Repayment Frequency	Interest	Maturity	As at March 31, 2024	As at March 31, 2023
1	Loan 1 From NBFC	Equated monthly installments of Rs. 1.67 Lakhs (Includes interest)	7%	Apr-20	11.42	29.87
2	Loan 2 From NBFC	12 Quartely Installments of Rs 750 Lakhs starting from Jul 2021 to Apr 2023	11.75%	FY 2023-24	-	3,000.00
3	Loan 3 From NBFC	Refer Note 1 below			-	725.83
4	Loan 4 From NBFC	12 Quartely Installments of Rs 333 Lakhs starting from Dec 2024 to Sep 2027	LTLR less 8.80%	FY 2027-28	6,000.00	6,000.00
5	Loan 5 From NBFC	48 Monthly Installments of Rs 10.62 Lakhs starting from Dec 2024 to Sep 2028	LTLR less 7.25%	FY 2028-29	510.00	510.00
6	Loan 6 From NBFC	8 Quartely Installments of Rs 1862.5 Lakhs starting from Dec 2024 to Sep 2026	LTRR less 7.15%	FY 2026-27	11,492.73	14,900.00
7	Loan 7 From NBFC	48 Monthly Installments of Rs 10.4 Lakhs starting from Apr 2022 to Mar 2026	LTLR less 7.25%	FY 2025-26	519.99	780.00
8	Bank Over Draft	On Demand	1 Month MCLR +1%	On Demand	872.16	925.10
		<b>Total Borrowings</b>			<b>19,406.31</b>	<b>26,870.80</b>

#### Details of securities created and Terms of Payment:

- Loan 1  
Vehicle loan is availed, which is offered as hypothecation.
- Loan 3,5 & 7  
Unsold inventory of Land of Salamangalam GD, Salamangalam Plot, Green Hills Club House, Green Hills Commercial Shops, Green Acres GD Ph-2 and Green Acres Villa Ph-4 and Thaiyur.
- Loan 2,4  
Land at Kovilambakkam held by the subsidiary company (Emerald Haven Towers Limited) is given as security.
- Loan 6  
Land at Mission Road land held by the Company and Land at Pudupakkam held by the subsidiary company (Emerald Haven Property Development Limited) is given as security
- Over Draft from Bank  
Exclusive first charge on identified assets with 1.25 times (Market Value) cover . The assets to be a mix of land and completed housing units and receivables

# EMERALD HAVEN REALTY LIMITED

## Notes to Balance Sheet - (continued)

Rupees in Lakhs

### Note 1:

Loan 3 From NBFC

Description	Repayment Frequency	Interest	Maturity	As at March 31, 2024	As at March 31, 2023
Loan 1	12 Quartely Installments of Rs 16.67 Lakhs starting from Aug 2020 to May 2023	LTLR less 7.25%	May-23	-	16.67
Loan 2	12 Quartely Installments of Rs 16.67 Lakhs starting from Aug 2020 to May 2023	LTLR less 7.25%	May-23	-	16.67
Loan 3	12 Quartely Installments of Rs 25 Lakhs starting from Oct 2020 to July 2023	LTLR less 7.25%	Jul-23	-	50.00
Loan 4	12 Quartely Installments of Rs 25 Lakhs starting from Nov 2020 to Aug 2023	LTLR less 7.25%	Aug-23	-	50.00
Loan 5	12 Quartely Installments of Rs 33.33 Lakhs starting from Jan 2021 to Oct 2023	LTLR less 7.25%	Oct-23	-	100.02
Loan 6	12 Quartely Installments of Rs 33.33 Lakhs starting from Jan 2021 to Oct 2023	LTLR less 7.25%	Oct-23	-	99.99
Loan 7	12 Quartely Installments of Rs 4.16 Lakhs starting from Feb 2021 to Nov 2023	LTLR less 7.25%	Nov-23	-	12.48
Loan 8	8 Quartely Installments of Rs 16.25 Lakhs starting from Aug 2021 to May 2023	LTLR less 7.25%	May-23	-	16.25
Loan 9	8 Quartely Installments of Rs 21.25 Lakhs starting from Jan 2022 to Oct 2023	LTLR less 7.25%	Oct-23	-	63.75
Loan 10	8 Quartely Installments of Rs 41.25 Lakhs starting from Jan 2022 to Oct 2023	LTLR less 7.25%	Oct-23	-	123.75
Loan 11	8 Quartely Installments of Rs 58.75 Lakhs starting from Jan 2022 to Oct 2023	LTLR less 7.25%	Oct-23	-	176.25
				-	<b>725.83</b>

16 Trade Payables	March 31, 2024	March 31, 2023
Dues to Micro and Small Enterprises **	-	-
Dues to enterprises other than Micro and Small Enterprises	2,370.96	1,839.34
<b>Total trade payables</b>	<b>2,370.96</b>	<b>1,839.34</b>

\*\* 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:-

- (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 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; - -
- (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. - -

# EMERALD HAVEN REALTY LIMITED

## Notes to Balance Sheet - (continued)

Rupees in Lakhs

Ageing schedules of Trade payables as at 31 March, 2024								
Particulars	Unbilled dues	Not due	Outstanding for following periods from due date of payment#					Total
			Less than 1 yr.	1 - 2	2 - 3	More than 3 yrs		
(i) MSME	-	-	-	-	-	-	-	-
(ii) Other than MSME	-	922.07	571.73	73.13	97.73	263.38	1,928.04	
(iii) Disputed dues - MSME	-	-	-	-	-	-	-	-
(iv) Disputed dues - Other than MSME	-	-	-	-	-	-	-	-
(v) Accrued Expenses	-	-	-	-	-	-	442.92	
	-	922.07	571.73	73.13	97.73	263.38	2,370.96	

Ageing schedules of Trade payables as at 31 March ,2023								
Particulars	Unbilled dues	Not due	Outstanding for following periods from due date of payment#					Total
			Less than 1 yr.	1 - 2	2 - 3	More than 3 yrs		
(i) MSME	-	-	-	-	-	-	-	-
(ii) Other than MSME	-	62.93	1,075.41	195.77	134.80	242.12	1,711.03	
(iii) Disputed dues - MSME	-	-	-	-	-	-	-	-
(iv) Disputed dues - Other than MSME	-	-	-	-	-	-	-	-
(v) Accrued Expenses	-	-	-	-	-	-	128.31	
	-	62.93	1,075.41	195.77	134.80	242.12	1,839.34	

	As at March 31, 2024	As at March 31, 2023		As at March 31, 2024	As at March 31, 2023
<b>17 Lease Liabilities</b>			<b>18 Other Financial Liabilities</b>		
Lease Liability for Buildings	690.19	730.08	Interest accrued but not due	36.19	128.24
			Money received in Trust (Corpus Fund)	23.74	319.12
<b>Total Lease liabilities</b>	<b>690.19</b>	<b>730.08</b>	Payable to related party	18,965.47	12,702.56
<b>Movement in Lease Liability</b>			<b>Total other current financial liabilities</b>	<b>19,025.40</b>	<b>13,149.92</b>
Opening Balance	730.08	90.68			
Add : Addition during the year	-	730.60			
Add : Finance Cost accrued during the year	80.12	71.68			
Less: Lease liability Derecognised	-	55.42			
Less : Payment of lease liability	120.00	107.46			
<b>Closing Balance</b>	<b>690.19</b>	<b>730.08</b>			

	As at March 31, 2024		As at March 31, 2023	
	Current	Non-current	Current	Non-current
<b>19 Provisions</b>				
(a) Pension	380.70	-	398.70	-
(b) Leave salary	211.18	-	119.04	-
(c) Gratuity	52.81	-	34.90	-
<b>Total</b>	<b>644.70</b>	<b>-</b>	<b>552.64</b>	<b>-</b>

	As at March 31, 2024	As at March 31, 2023
<b>20 Other Current Liabilities</b>		
Revenue Received in advance	23,408.90	11,859.16
Advance Received from Customers	364.51	1,227.79
Statutory Dues	1,156.11	218.87
Payable to Employees	60.56	53.45
<b>Total other current liabilities</b>	<b>24,990.08</b>	<b>13,359.27</b>

# EMERALD HAVEN REALTY LIMITED

## Notes to Statement of Profit & Loss

Rupees in Lakhs

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>21 Revenue from Operations</b>				
Income from Sale of Property Development	461.09	501.52		
Income from Sale of Services	146.68	123.62		
Other Operating Revenue	7,512.16	1,634.49		
<b>Total Revenue from Operations</b>	<b>8,119.93</b>	<b>2,259.63</b>		
<b>22 Other Income</b>				
Interest Income from				
(i) Subsidiaries	2,621.94	2,381.20		
(ii) Financial Assets at Amortised Cost	3.80	5.64		
(iii) Fixed Deposits	27.78	62.09		
(iv) From Others	25.32	-		
Other Non-Operating Income	680.02	1,160.71		
<b>Total Other Income</b>	<b>3,358.86</b>	<b>3,609.64</b>		
<b>23 Operating Expenses</b>				
<b>Changes in Inventory</b>				
A Opening stock:				
Construction-in-progress	6,073.07	2,455.52		
Land held for Development	15,906.99	4,485.84		
	21,980.06	6,941.36		
B Incurred during the year				
Construction-in-progress	14,656.99	4,858.53		
Land held for Development	4,994.27	11,130.04		
	19,651.26	15,988.57		
C Closing stock:				
Construction-in-progress	21,740.06	6,073.07		
Land held for Development	19,519.54	15,906.99		
	41,259.60	21,980.06		
D Other Operating Expenses	167.75	193.45		
<b>Operating Expenses (A)+(B)-(C)+(D)</b>	<b>539.47</b>	<b>1,143.32</b>		
<b>24 Employee Benefit Expense</b>				
Salaries, Wages and Bonus	4,902.69	3,857.11		
Contribution to Provident Fund and Other Funds	81.89	78.56		
Staff welfare expenses	398.88	332.34		
<b>Total Employee Benefit Expense</b>	<b>5,383.46</b>	<b>4,268.02</b>		
<b>25 Finance Costs</b>				
Interest on Term Loan	2,004.62	1,502.70		
Interest Expense on Lease Liabilities	80.12	71.68		
Other Interest Expenses	1,354.63	776.01		
<b>Total Finance Costs</b>	<b>3,439.37</b>	<b>2,350.39</b>		
<b>26 Depreciation and Amortization Expense</b>				
Depreciation of Property, Plant and Equipment	165.46	162.01		
Depreciation of Right-of-use Assets	88.84	105.83		
<b>Total Depreciation and Amortization Expense</b>	<b>254.31</b>	<b>267.85</b>		
<b>27 Other Expenses</b>				
Rent *	38.91	89.89		
Repairs and Maintenance	79.30	114.54		
Rates & Taxes	11.63	49.38		
Auditor's remuneration	7.50	10.95		
Advertisement expenses	687.27	874.13		
Donation	16.77	-		
Consultancy expenses	332.72	188.33		
Security Charges	19.66	29.53		
House Keeping & Maintenance	122.50	106.33		
Telephone & Internet Charges	51.78	34.92		
Travel expenses	217.52	148.65		
Software Maintenance Charges	421.26	180.05		
Brand and Management Fee	185.87	-		
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)	179.89	197.29		
<b>Total Other Expenses</b>	<b>2,372.58</b>	<b>2,023.99</b>		
* Represents lease rentals for short term leases and leases of low value assets.				
<b>28 Income Tax Expense</b>				
<b>(a) Income Tax Expense</b>				
<b>(a) Current Tax</b>				
Current Tax on Profits for the Year	-	-		
<b>Total current Tax expense</b>	<b>-</b>	<b>-</b>		
<b>(b) Deferred Tax</b>				
<b>(i) Tax (Credit) / Expense recognised in Profit or Loss</b>				
Decrease/(Increase) in Deferred Tax Assets	(198.55)	(1,083.92)		
(Decrease) /Increase in Deferred Tax Liabilities	-	-		
<b>(ii) Tax (Credit) / Expense recognised in Other Comprehensive Income</b>				
Decrease (Increase) in Deferred Tax Assets	32.92	1.44		
(Decrease) increase in Deferred Tax Liabilities	-	-		
<b>Total Deferred Tax Expense/(Benefit)</b>	<b>(165.63)</b>	<b>(1,082.48)</b>		
<b>Income Tax Expense</b>	<b>(165.63)</b>	<b>(1,082.48)</b>		
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by Income tax rate:</b>				
Profit Before Income Tax Expense	(510.38)	(4,184.29)		
<b>Tax at the Income tax rate of 26.00% (PY 26.00%)</b>	<b>(132.70)</b>	<b>(1,087.91)</b>		
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:				
Effect on deferred tax balances due to the change in income tax rate and estimate	(32.93)	5.43		
<b>Income tax expense</b>	<b>(165.63)</b>	<b>(1,082.48)</b>		

# EMERALD HAVEN REALTY LIMITED

## Notes to Statement of Profit & Loss - (continued)

Rupees in Lakhs

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>29 Earnings Per Share</b>		
<b>(a) Basic/Diluted Earnings per Share</b>		
Basic/Diluted Earnings per Share attributable to the Equity Shareholders of the Company (In Rs.)	(0.12)	(1.33)
<b>(b) Reconciliations of earnings used in calculating earnings per share</b>		
Profit attributable to equity holders of the Company used in calculating Basic/Diluted Earnings per Share (Rs. In Lakhs)	(311.83)	(3,100.37)
<b>(c) Weighted average number of equity shares used as the denominator in calculating Basic/Diluted Earnings per Share (In Nos)</b>	<b>255,443,333</b>	<b>232,573,889</b>

## 30 Fair Value Measurements

### Financial Instruments by Category

Particulars	As at March 31, 2024		As at March 31, 2023	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial Assets</b>				
Investments				
Shares/ Capital Contribution**	-	-	-	-
Investment in Subsidiaries	-	13,589.67	-	10,161.10
Investment in Mutual Funds	3,139.52	-	-	-
Trade Receivables	-	827.39	-	734.99
Cash and Cash Equivalents	-	2,987.59	-	1,872.09
Loans to Related Party	-	4,539.34	-	17,482.82
Other Financial Assets	-	5,469.15	-	10,882.87
<b>Total</b>	<b>3,139.52</b>	<b>27,413.14</b>	<b>-</b>	<b>41,133.87</b>
<b>Financial Liabilities</b>				
Borrowings	-	19,406.31	-	26,870.80
Trade Payable	-	2,370.96	-	1,839.34
Lease Liabilities	-	690.19	-	730.08
Other Financial Liabilities	-	19,025.40	-	13,149.92
<b>Total</b>	<b>-</b>	<b>41,492.86</b>	<b>-</b>	<b>42,590.14</b>

Equity Investment in Subsidiaries is held at cost as per Ind AS 27

\*\*The Company has no Financial Assets or Liabilities that are valued at Fair Value through Other Comprehensive Income

### (i) Fair Value Hierarchy

**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.

### (ii) Fair Value of Financial Assets and Liabilities measured at Amortised Cost

The carrying amounts of Trade Receivables, Trade Payables, Cash and Cash equivalents, Loans to Related Party, Lease Liabilities, Other Current Financial Assets 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.

### (iii) Valuation Process

Discounting rate for fair valuation is based on the Borrowing Cost

**Financial Instruments and Risk Management**

Rupees in Lakhs

**31 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 manages the risk.

Risk	Exposure arising from	Risk Mitigation
Credit Risk	Cash and Cash Equivalents	Surplus Cash is deposited only with banks/financial institutions with a high external credit rating
Credit Risk	Trade Receivables	Significant number of Company's customers take a loan from bank/financial institution where credit risk is negligent. Possession of the property is provided only after complete collection which will mitigate the risk.
Liquidity Risk	Borrowings	Company has pre-approved credit lines for completion of construction with banks and financial institutions for its projects based on the projects funding requirements. Credit lines/loans are negotiated well in advance to ensure liquidity for completing the project.
Market Risk – Interest Rate	Borrowings at Variable Interest Rates	Since the all the borrowing are rupee borrowing company can't enter into any hedging instrument to mitigate variable interest rate risk. Where there is surplus cash flow, the company will look to prepay its debt obligations and reduce interest cost.

**Credit risk**

Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions.

**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. Management monitors rolling forecasts of the company's liquidity position (including the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

**(i) Financing arrangements**

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

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Term loan - Fixed Rate</b>		
- Expiring beyond one year (bank loans)	1,000	-

**(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 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	Amount (in Lakhs.)	
		As at March 31, 2024	As at March 31, 2023
Borrowings	> than 12 months	14,788.39	22,866.80
Borrowings	< than 12 months	4,617.92	4,004.00
Trade payables	< than 12 months	1,936.72	1,266.65
Trade payables	> than 12 months	434.24	572.69
Other financial liabilities	< than 12 months	19,025.40	13,149.92

**Contractual maturities of Lease liabilities:**

Particulars	Less than six months	6 - 12 months	1 - 2 years	2 - 3 years	Over 3 years	Total
Lease liabilities	50.00	70.00	30.00	-	-	150.00
	50.00	70.00	30.00	-	-	150.00

**Financial Instruments and Risk Management - (continued)**

Rupees in Lakhs

**32 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.

Net Debt - (Total Borrowings less 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:

Particulars	As at March 31, 2024	As at March 31, 2023
Net Debt	16,418.72	24,998.71
Total Equity	23,823.20	24,294.57
<b>Net Debt to Equity ratio</b>	<b>0.69</b>	<b>1.03</b>

**Other disclosures**

**33 Ind AS 116 Transition disclosure**

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases. The Company has applied Ind AS 116 using the modified retrospective approach with cumulative effect of initial application recognised in retained earnings at April 1, 2019. The comparative information in the financial statements would not be restated and would be presented based on the requirements of the previous standard i.e. Ind AS 17.

In adopting Ind AS 116, the Company has applied the below practical expedients:

(i) The Company has not reassessed whether a contract is, or contains, a lease as per the definitions of Ind AS 116 at the date of initial application.

(ii) The Company applied a single discount rate to a portfolio of leases with reasonably similar characteristics.

(iii) The company relied on its assessment of whether leases are onerous applying Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, immediately before the date of initial application as an alternative to performing an impairment review as per Ind AS 36 Impairment of assets.

(iv) The Company has treated the leases with remaining lease term of less than 12 months as "short term leases".

(v) The Company has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition..

(vi) The Company used hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

Effective 1st April 2019, the company has adopted Ind AS 116 "Leases" and applied the Standard to its leases retrospectively. There were no leases that require recognition of a "Right-of-use asset" and "Lease liability" on the date of initial application (1st April 2019).

The adoption of the Standard has not resulted in any material impact on the Company's equity.

**34 Revenue from Contracts with Customers**

a The Company has adopted Ind AS 115 from April 1, 2018 and had 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.

**b 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 :

S No	Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
1	Income from Sale of Property Development	461.09	501.52
2	Income from Sale of Services	146.68	123.62
3	Other operating revenue	7,512.16	1,634.49
		<b>8,119.93</b>	<b>2,259.63</b>

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

**d Reconciliation of contracts with customers**

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Contract Liabilities at the beginning of the period	11,859.16	608.29
Add / (Less) :		
Demands raised during the year	12,010.83	11,752.39
Revenue recognized from contract liability	(461.09)	(501.52)
Contract Liabilities at the end of the period	23,408.90	11,859.16

Demands are raised as per contracted payment schedule as per 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.

**e Reconciliation of revenue with contract price**

S No	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1.	Revenue from Operations as per Statement of Profit and Loss	8,119.93	2,259.63
2.	Adjustments :	-	-
3.	Contract price	8,119.93	2,259.63

# EMERALD HAVEN REALTY LIMITED

## Other disclosures - (continued)

Rupees in Lakhs

### 35 Operating Segment

#### (a) Description of Segments and Principal Activities

The Company has one reportable segments namely, Development of Real Estate Property. 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

### 36 Contingent Liabilities and Contingent Assets

(a) Contingent Liabilities	As at March 31, 2024	As at March 31, 2023
a. Corporate Guarantee given by the company	5,500.00	10,078.88
b. Income Tax due (Dispute is pending with ITAT for the AY 13-14)	68.34	68.34
c. Income Tax due (Dispute is pending with ITAT for the AY 14-15)	100.97	100.97
c. Income Tax due (Dispute is pending with Commissioner of Income Tax for the AY 21-22)	34.26	-
<b>Total Contingent Liabilities</b>	<b>5,703.57</b>	<b>10,248.19</b>

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its materially adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.

	As at March 31, 2024	As at March 31, 2023	
<b>37 Commitments</b>			Happiness Harmony Property Developers Private Limited, Chennai
<b>(a) Capital Commitments</b>			Emerald Haven Builders Private Limited, Chennai
Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil	Emerald Haven Properties Private Limited, Chennai
<b>(b) Other Commitments</b>			Emerald Haven Residences Private Limited, Chennai
Expenditure related contractual commitments apart from Capital Commitments	Nil	Nil	<b>C Associate Company</b>
			Emerald Haven Housing Private Limited, Chennai

### 38 Related Party Disclosures

#### a) Related parties and their relationship where transactions exists for the financial year 2023-24:

#### A Holding company

TVS Holdings Limited, Chennai

#### B Subsidiary Companies

Emerald Haven Projects Private Limited, Chennai  
 Emerald Haven Life Spaces (Radial Road) Limited, Chennai  
 Emerald Haven Realty Developers (Paraniputhur) Private Limited, Chennai  
 Emerald Haven Development Limited, Chennai  
 Emerald Haven Property Development Limited, Chennai  
 Emerald Haven Town & Country Private Limited, Chennai  
 Emerald Haven Towers Limited, Chennai

#### D Enterprises under Common control

Sundaram - Clayton Limited, Chennai

#### E Fellow Subsidiaries

TVS Digital Pte Ltd, Singapore  
 TVS Digital Limited (Formerly known as TVS Housing Limited ),Chennai.  
 TVS Credit Services Limited, Chennai.  
 TVS Motor Company Limited , Chennai.

#### F Key Management Personnel

##### Non - Executive Director

Mr. S G Murali

##### Independent Directors

Mr. Sameer Sah

Ms. Tanvi Kumar

##### Chief Executive Officer

Mr. Sriram Subramanian Iyer

##### Chief Financial Officer

Mr. P. Vishal Anand

##### Company Secretary

Ms. S. Sukanya

# EMERALD HAVEN REALTY LIMITED

## Other disclosures - (continued)

Rupees in Lakhs

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>b) Transactions with Related Parties:</b>				
<b>A Holding Company</b>				
<b>1 TVS Holdings Limited, Chennai</b>				
Services Availed	226.61	-		
<b>B Subsidiary Companies</b>				
<b>1 Emerald Haven Projects Private Limited</b>				
Interest Income	93.36	93.11		
Rental Income- Corporate office	0.60	0.78		
Advance Given	12.07	5.67		
<b>2 Emerald Haven Life Spaces (Radial Road) Limited</b>				
Interest Income	225.62	45.00		
Investment in CCD	-	1,500.00		
Rental Income- Corporate office	0.60	0.78		
Interest Expense	149.02	194.00		
Loan Repaid	450.00	375.00		
Joint Development accruals	-	185.27		
Advance Paid	-	642.12		
Advance Repaid	486.99	-		
<b>3 Emerald Haven Realty Developers (Paraniputhur) Private limited</b>				
Interest Income	399.98	411.36		
Interest Expense	306.44	103.82		
Rental Income- Corporate office	0.60	0.78		
Advance Received	-	2,738.89		
Loan Repaid	2,124.00	-		
Advance Repaid	1,241.33	-		
Redemption of Debentures	2,742.40	-		
Sale of Land	33.70	-		
<b>4 Emerald Haven Development Limited</b>				
Technical Know-how Income	358.01	716.51		
Interest Expense	539.03	329.07		
Rental Income- Corporate Office	0.60	0.78		
Management Fee Income	2,659.76	910.48		
Intercorporate Loan Received	3,000.00	-		
Advance Received	2,853.03	1,335.37		
<b>5 Emerald Haven Property Development Limited</b>				
Rental Income- Corporate office	0.60	0.45		
Interest Received	855.37	259.00		
Management Fee Income	606.56	-		
Loan Given	-	9,554.00		
Loan Repaid	8,631.64	-		
Investment in OCD	4,686.22	-		
Advance Repaid	629.08	-		
Advance Given	-	24.37		
<b>6 Emerald Haven Town &amp; Country Private Limited</b>				
Investment in Equity Share Capital	-	199.16		
Investment in Optionally Convertible Preference Shares	550.00	796.64		
Interest Income	5.22	364.82		
Advance Received	1,636.51	-		
Rental Income- Corporate office	0.60	0.45		
Redemption of OCD	344.25	-		
Loan Received	1,100.00	2,104.02		
Premium on Redemption of OCD	79.72	1,072.45		
Interest Expense	251.51	0.58		
<b>7 Emerald Haven Towers Limited</b>				
Rental Income	0.60	0.78		
Interest Income	752.47	1,196.00		
Trade Advances Paid	3,562.32	2,654.90		
Loan Repaid	10,200.00	-		
Management Fee Income	2,008.22	-		
<b>8 Happiness Harmony Property Developers Private Ltd</b>				
Rental Income- Corporate office	0.60	0.45		
Interest Received	245.35	10.53		
Loan Given	2,715.32	1,330.10		
<b>9 Emerald Haven Builders Private Limited</b>				
Investment in Equity Share Capital	0.50	-		
<b>10 Emerald Haven Properties Private Limited</b>				
Investment in Equity Share Capital	0.50	-		
<b>11 Emerald Haven Residences Private Limited</b>				
Investment in Equity Share Capital	0.50	-		
<b>C Associate</b>				
<b>1 Emerald Haven Housing Private Limited</b>				
Investment in Equity Share Capital	150.00	-		
Investment in OCD	1,279.00	-		
<b>D Enterprises under Common Control</b>				
<b>1 Sundaram - Clayton Limited, Chennai</b>				
Services Availed	26.00	68.34		
<b>E Fellow Subsidiaries</b>				
<b>1 TVS Digital Pte Ltd, Singapore</b>				
Services Availed	25.54	-		
<b>2 TVS Digital Limited (Formerly known as TVS Housing Limited ), Chennai.</b>				
Rental Expense	5.50	7.20		
Purchase of Land	258.11	-		
Rental Income- Corporate office	0.60	0.78		
Reimbursement of Expenses	95.00	-		

# EMERALD HAVEN REALTY LIMITED

## Other disclosures - (continued)

Rupees in Lakhs

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023		For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>3 TVS Credit Services Limited, Chennai.</b>			<b>5 Emerald Haven Property Development Limited</b>		
Loan Received	-	300.00	Advance Receivable	1,697.23	239.33
Loan Repaid	-	639.28	Inter Corporate Advances	977.58	9,554.22
Interest Expense	-	6.01	Investment in NCD	4,686.22	-
<b>4 TVS Motor Company Limited, Chennai.</b>			<b>6 Emerald Haven Town &amp; Country Private Limited</b>		
Services Availed	78.73	149.48	Inter Corporate Advances	(3,384.07)	(157.32)
			Advance Receivable	277.28	-
<b>F Key Management Personnel</b>			Optionally Convertible Debentures	1,954.63	2,298.88
<b>1 Non - Executive Director</b>			Optionally Convertible Preference Shares	2,986.07	2,436.07
Sitting Fees	0.54	0.50	<b>7 Emerald Haven Towers Limited</b>		
<b>2 Independent Directors</b>			Advance Receivable	2,640.43	10,200.00
Sitting Fees	1.04	0.63	Inter Corporate Advances	-	6,156.00
<b>3 Chief Executive Officer</b>			<b>8 Happiness Harmony Property Developers Private Ltd</b>		
Short-Term Employee Benefits	507.73	300.32	Advance Receivable	253.92	-
<b>4 Chief Financial Officer</b>			Inter Corporate Advances	2,715.32	1,342.15
Short-Term Employee Benefits	112.08	89.89	<b>B Associate</b>		
			<b>1 Emerald Haven Housing Private Limited</b>		
<b>c) Balances with Related Parties- Receivable/(Payable):</b>			Optionally Convertible Debentures	1,279.00	-
<b>A Subsidiary Companies</b>			<b>C Fellow Subsidiaries</b>		
<b>1 Emerald Haven Projects Private Limited</b>			<b>1 TVS Digital Limited (Formerly known as TVS Housing Limited ), Chennai.</b>		
Advance Receivables/(Payable)	1,292.06	1,186.03	Trade Receivables	-	147.29
Inter Corporate Advances	846.44	846.44	Advance Receivable	6.42	-
<b>2 Emerald Haven Life Spaces (Radial Road) Limited</b>			<b>2 TVS Motor Company Limited, Chennai.</b>		
Loan Outstanding	(975.00)	1,425.00	Advance Payable	(472.58)	(550.34)
Advance Receivable/(Payable)	3,187.19	93.93	<b>D Guarantees</b>		
Joint development accruals payable	(10,970.40)	(10,970.40)	<b>Subsidiary</b>		
Investment in CCD	1,500.00	1,500.00	<b>1 Emerald Haven Development Limited</b>	5,500.00	11,000.00
<b>3 Emerald Haven Realty Developers (Paraniputhur) Private Limited</b>			<b>2 Emerald Haven Realty Developers (Paraniputhur) Private Limited</b>	-	6,000.00
Advance Receivables	(630.16)	(441.54)			
Inter Corporate Advances	(636.00)	(2,760.00)			
Interest Accrued but Not Due	370.22	370.22			
Optionally Convertible Debentures	-	2,742.40			
Optionally Convertible Preference Shares	1,183.74	1,183.74			
<b>4 Emerald Haven Development Limited</b>					
Advance Receivables/(Payable)	(3,694.99)	(931.93)			
Inter Corporate Advances	(3,000.00)	(1,700.00)			

# EMERALD HAVEN REALTY LIMITED

## Other disclosures - (continued)

Rupees in Lakhs

39 Employee Benefit Obligations	Gratuity			Leave Salary		
	Present Value of Obligations	Fair Value of Plan Assets	Net Amount	Present Value of Obligations	Fair Value of Plan Assets	Net Amount
<b>April 1, 2022</b>	<b>47.16</b>	<b>19.51</b>	<b>27.65</b>	<b>102.17</b>	0.00	<b>102.17</b>
Current Service Cost	10.15	0.00	10.15	0.00	0.00	<b>0.00</b>
Interest Expense/(Income)	1.88	-0.39	2.27	10.36	0.00	<b>10.36</b>
<b>Total Amount Recognised in Profit or Loss</b>	<b>12.03</b>	<b>-0.39</b>	<b>12.42</b>	<b>10.36</b>	<b>0.00</b>	<b>10.36</b>
<i>Remeasurements</i>						
Return on plan assets, excluding amounts included in interest expense/(income)	0.00	0.00	0.00	0.00	0.00	0.00
(Gain)/loss from change in demographic assumptions	0.00	0.00	0.00	0.00	0.00	0.00
(Gain)/loss from change in financial assumptions	0.80	0.00	0.80	1.69	0.00	1.69
Experience (gains)/losses	8.31	-3.59	4.72	4.82	0.00	4.82
<b>Total Amount Recognised in Other Comprehensive Income</b>	<b>9.11</b>	<b>-3.59</b>	<b>5.52</b>	<b>6.51</b>	<b>0.00</b>	<b>6.51</b>
Employer Contributions		43.00	43.00	0.00	0.00	0.00
Benefit Payments	10.31	0.00				
<b>March 31, 2023</b>	<b>57.99</b>	<b>66.49</b>	<b>-8.49</b>	<b>119.04</b>	0.00	<b>119.04</b>
<b>April 1, 2023</b>	<b>57.99</b>	<b>66.49</b>	<b>-8.49</b>	<b>119.04</b>	0.00	<b>119.04</b>
Current Service Cost	13.87	0.00	13.87	0.00	0.00	<b>0.00</b>
Interest Expense/(Income)	9.52	9.46	0.06	12.90	0.00	<b>12.90</b>
<b>Total Amount Recognised in Profit or Loss</b>	<b>23.39</b>	<b>9.46</b>	<b>13.93</b>	<b>12.90</b>	0.00	<b>12.90</b>
<i>Remeasurements</i>						
Return on plan assets, excluding amounts included in interest expense/(income)	0.00	0.00	0.00	0.00	0.00	0.00
(Gain)/loss from change in demographic assumptions	0.00	0.00	0.00	0.00	0.00	0.00
(Gain)/loss from change in financial assumptions	4.92	0.00	4.92	3.87	0.00	3.87
Experience (gains)/losses	42.45	0.00	42.45	75.37	0.00	75.37
<b>Total Amount Recognised in Other Comprehensive Income</b>	<b>47.37</b>	<b>0.00</b>	<b>47.37</b>	<b>79.24</b>	0.00	<b>79.24</b>
Employer contributions	0.00		0.00	0.00	0.00	0.00
Benefit payments	2.47	2.47	4.93	0.00	0.00	0.00
<b>March 31, 2024</b>	<b>126.29</b>	<b>73.48</b>	<b>52.81</b>	<b>211.18</b>	0.00	<b>211.18</b>

**Other disclosures - (continued)**

Rupees in Lakhs

**(iv) Post-Employment Benefits**

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	Gratuity	Leave Salary
<b>March 31, 2023</b>		
Discount rate	7.23%	7.20%
Inflation	NA	NA
Salary growth rate	5.50%	5.50%
Pension growth rate	NA	NA
Attrition rate	3.00%	3.00%
<b>March 31, 2024</b>		
Discount rate	6.97%	6.97%
Inflation	NA	NA
Salary growth rate	5.50%	5.50%
Pension growth rate	NA	NA
Attrition rate	3.00%	3.00%

Assumptions are based on actuarial advice in accordance with published statistics and experience.

**(v) Sensitivity Analysis** (to be included for each defined benefit obligation)

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

**Impact on defined benefit obligation:**

March 31, 2023	Gratuity			Leave Salary		
	Change in Assumption	Increase in Assumption	Decrease in Assumption	Change in Assumption	Increase in Assumption	Decrease in Assumption
Discount Rate	0.50%	112.97	124.76	0.50%	114.13	124.35
Salary Growth Rate	0.50%	127.55	112.83	0.50%	124.41	114.03
<b>March 31, 2024</b>	<b>Change in Assumption</b>	<b>Increase in Assumption</b>	<b>Decrease in Assumption</b>	<b>Change in Assumption</b>	<b>Increase in Assumption</b>	<b>Decrease in Assumption</b>
Discount rate	0.50%	177.86	199.44	0.50%	202.90	220.12
Salary growth rate	0.50%	199.55	177.67	0.50%	220.21	202.75

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.

**(vi) 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 underperform 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:** 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 and medical plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy. The company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, The company's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency. The company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The company has not changed the processes used to manage its risks from previous periods. The company uses derivatives to manage some of its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in 2017 consists of government and corporate bonds, although The company also invests in equities, cash and mutual funds. The company believes that equities offer the best returns over the long term with an acceptable level of risk.

# EMERALD HAVEN REALTY LIMITED

## Other disclosures - (continued)

Rupees in Lakhs

### 40 Auditors' Remuneration (Included under Other Expenses) (Exclusive of GST)

Particulars	As at March 31, 2024	As at March 31, 2023
Payments to Auditors as		
a. Statutory Auditors	7.00	7.50
b. Tax Auditors	1.50	1.50
c. Certification charges	-	-
d. Reimbursement of Expenses	0.30	0.27
<b>Total</b>	<b>8.80</b>	<b>9.27</b>

### 42 Expenditure incurred on Corporate Social Responsibility (CSR) activities:

(a) Gross amount required to be spent during the year is Rs. 16.77 Lakhs

(b) Amount spent during the year:

Particulars	In Cash	Year Ended March 31, 2024	Year Ended March 31, 2023
Through construction/acquisition of any asset	-	-	-
On purpose other than above in cash.	-	-	-

### 43 Additional Regulatory Information

- |   |   |
|---|---|
| <p>i Title deeds of immovable properties are held in the name of the Company. The same is held as stock in trade.</p> <p>ii The Company does not have any investment property.</p> <p>iii The Company does not revalue its Property, Plant and Equipment (including Right to Use Assets).</p> <p>iv 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.</p> <p>v 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.</p> <p>vi The Company has been sanctioned short term loan by a financial institution, which is considered as working capital limit. However there is no stipulation for submission of quarterly returns to the financial institution.</p> <p>vii The Company is not declared "willful defaulter" by any bank or financial institution or other lender.</p> <p>viii There are no transactions with the companies whose names were struck off under section 248 of The Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2024.</p> <p>ix 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 end of financial year ended 31 March 2024.</p> <p>x The company has complied with the number of layers prescribed under clause (87) of section 2 of the act read with Companies (Restriction on Number of Layers) Rules 2017.</p> | <p>xi No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.</p> <p>xii 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</p> <p>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)</p> <p>b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.</p> <p>xiii 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</p> <p>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)</p> <p>b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.</p> <p>xiv The Company has taken borrowings from Banks, Non Banking Financial Corporations and utilised for the specific purpose for which they are taken as at the balance sheet date</p> <p>44 The Company does 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.</p> <p>45 The Company has not dealt with any crypto currency.</p> |
|---|---|

As per our report annexed  
For **SRSV & Associates**  
Chartered Accountants  
Firm Regn No.: 015041S

**G. Chella Krishna**  
Partner  
Membership No.: 210474

Place: Chennai  
Date: April 29, 2024.

**S G Murali**  
Director  
DIN:00348902

**P. Vishal Anand**  
Chief Financial Officer

**Sameer Sah**  
Director  
DIN:01844078

**Sriram Subramanian Iyer**  
Chief Executive Officer

**S Sukanya**  
Company Secretary

For and on behalf of the Board of Directors

## Independent Auditors' Report to the members of EMERALD HAVEN REALTY LIMITED, chennai for the year ended 31<sup>st</sup> March 2024

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying Consolidated Financial Statements of Emerald Haven Realty Limited ("the Holding Company"), and its subsidiaries (Holding company and its subsidiaries together referred as "Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, 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 principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and their consolidated profit, consolidated total comprehensive income, consolidated statement of changes in equity and its consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Act, 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.

#### Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the Consolidated Financial Statements and our report thereon.

Our opinion on the Consolidated 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 Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the work done/ audit report of other auditors, 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 Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act 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 principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated 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 Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group is 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 Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of the Group.

#### Auditor's Responsibilities 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 SA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 SA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 an adequate internal financial controls system in place and the operative 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 to 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 entities or business activities 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 such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone 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 Standalone Financial Statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors 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 be reasonable to be thought to bear on our independence, and where applicable related safeguards.

#### Other Matter

The Consolidated Financial Statements include the audited Financial Results of the subsidiaries, whose Financial Statements reflects Group's share of total assets of Rs. 1,42,731.89 lakhs as at March 31, 2024, Group's share of total revenue of Rs. 21,100.39 lakhs and Group's share of total net loss after tax of Rs. (1091.79) lakhs for the year ended March 31, 2024, and net cash inflows of Rs. 17,387.74 lakhs for the year ended March 31, 2024, as considered in the Consolidated Financial Statements, which have been audited by their respective independent auditors.

# EMERALD HAVEN REALTY LIMITED

These financial statements/financial information have been audited by other auditors whose reports have 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 these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

## Report on Other Legal and Regulatory Requirements

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 (here in after referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable

As required by section 143(3) of the Act, we report 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 have been kept by the Company so far as it appears from our examination of those books. Further, the back of the books of accounts and other books and papers of the Company maintained in electronic mode has been maintained on servers physically located in India, on a daily basis.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the Consolidated Financial Statements.
- (d) In our opinion, the aforesaid Consolidated Financial Statements, comply with the Indian Accounting Standards 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 of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on March 31, 2024 from being appointed as a Director of that Company in terms of sub-section 2 of Section 164 of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B" and
- (g) With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act as amended:  
  
In our opinion and to the best of our information and according to the explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which are not audited by us, remuneration paid by the Holding Company and its subsidiary companies 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) There are no pending litigations on its financial position as at 31<sup>st</sup> March 2024;

- ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.
- iv) (a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their 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 Holding Company or any of such subsidiaries 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Refer Note. 46(xiii) to the Consolidated Financial Statements)
  - (b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding 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. (Refer Note. 46(xiii) to the Consolidated Financial Statements)
  - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material mis-statement.
- v) The Holding Company and its subsidiaries have not declared or paid any Dividend during the year.
- vi) Based on our examination which included test checks, the Company, in respect of financial year commencing on April 01, 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3 (1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rule, 2014 on preservation of audit trail as per statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For SRSV & Associates  
Chartered Accountants  
F.R.No. 015041S

G. Chella Krishna  
Partner

Place : Chennai  
Date : 29.4.2024

Membership No. 210474  
UDIN No.: 24210474BKBLDH5775

## EMERALD HAVEN REALTY LIMITED

### ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT – 31<sup>st</sup> March 2024

The Annexure referred to in our Independent Auditor’s Report to the members of **EMERALD HAVEN REALTY LIMITED** on the Consolidated Financial Statements for the year ended March 31, 2024:

To the best of our information and according to the explanations provided to us by the Company and based on the report of other auditors of the subsidiary companies, we state that:

1.The reporting under clauses 3(i) to (xx) of the Order is not applicable in respect of audit of Consolidated Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

2. In terms of clause (xxi), qualifications or adverse remarks in the CARO reports of companies included in the Consolidated Financial Statements are as follows:

Sl. No	Name of the Company	CIN	Holding Company/ Subsidiary/ Associate / Joint Venture	Clause no. of the CARO Report which is qualified or adverse
1	Emerald Haven Realty Limited	U45200TN2010PLC075953	Holding Company	No qualifications / adverse remarks
2	Happiness Harmony Property Developers Private Limited	U70200TN2018PTC121367	Subsidiary	No qualifications / adverse remarks
3	Emerald Haven Development Limited	U45200TN2008PLC068511	Subsidiary	No qualifications / adverse remarks
4	Emerald Haven Life Space (Radial Road) Limited	U70200TN2016PLC110981	Subsidiary	No qualifications / adverse remarks
5	Emerald Haven Property Development Limited	U45500TN2017PLC114839	Subsidiary	No qualifications / adverse remarks
6	Emerald Haven Projects Private Limited	U74140TN2010PTC075022	Subsidiary	No qualifications / adverse remarks
7	Emerald Haven Realty Developers (Paraniputhur)Private Limited	U70109TN2017PTC116039	Subsidiary	No qualifications / adverse remarks
8	Emerald Haven Town and Country Private Limited	U45309TN2017PTC118212	Subsidiary	No qualifications / adverse remarks
9	Emerald Haven Towers Limited	U70100TN2020PLC134312	Subsidiary	No qualifications / adverse remarks
10	Emerald Haven Residences Limited	U68100TN2023PTC161276	Subsidiary	No qualifications / Adverse remarks
11	Emerald Haven Builders Private Limited	U68100TN2024PTC166602	Subsidiary	No qualifications / Adverse remarks
12	Emerald Haven Properties Private Limited	U68100TN2024PTC166589	Subsidiary	No qualifications / Adverse remarks
13	Emerald Haven Housing Private Limited	U68100TN2023PTC161250	Associate	No qualifications / Adverse remarks

Place : Chennai  
Date : 29.4.2024

For SRSV & Associates  
Chartered Accountants  
F.R.No. 015041S  
G. Chella Krishna  
Partner  
Membership No. 210474  
UDIN No.: 24210474BKBLDH5775

## Annexure – B to the Independent Auditor’s Report of even date on the Consolidated Financial Statements of Emerald Haven Realty Limited (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. In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of **Emerald Haven Realty Limited** (“the Holding Company”) and its subsidiary companies, which are companies incorporated in India as of that date.

#### Management’s Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, 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 Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors’ 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”), issued by ICAI and Standards on auditing issued by ICAI deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, 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 Consolidated Financial Statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports and the information and explanation provided by the management, 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

Consolidated 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 Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorization 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 Consolidated 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, based on the test checks conducted by us, to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, reasonably adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were prima facie operating effectively as at March 31, 2024, 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.

#### Other Matter

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Holding Company, in so far as it relates to the subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For SRSV & Associates  
Chartered Accountants  
F.R.No. 015041S

G. Chella Krishna  
Partner

Place : Chennai  
Date : 29.4.2024

Membership. No. 210474  
UDIN No.: 24210474BKBLDH5775

# EMERALD HAVEN REALTY LIMITED

## Consolidated Balance Sheet as at 31<sup>st</sup> March 2024

Rupees in Lakhs

	Note No.	As at March 31, 2024	As at March 31, 2023
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	2A	390.24	418.27
Other Intangible Assets	2B	20.98	31.63
Goodwill on Consolidation	3	229.88	229.88
Right-of-Use Assets	4	636.69	725.54
<b>Financial Assets</b>			
i. Investments	5A	146.80	-
Deferred Tax Asset	6	3,594.66	2,990.76
<b>Total Non-Current Assets</b>		<b>5,019.25</b>	<b>4,396.09</b>
<b>Current Assets</b>			
Inventories	7	178,007.46	138,875.69
<b>Financial Assets</b>			
i. Investments	5B	4,418.52	-
i. Trade Receivables	8	8,393.25	6,682.47
ii. Cash and Cash Equivalents	9	36,881.50	14,996.99
iii. Other Bank Balances	10	300.00	300.00
iv. Other Financial Assets	11	46.79	415.27
Current Tax Assets (Net)	12	1,683.90	1,881.92
Other Current Assets	13	6,475.07	4,139.25
<b>Total Current Assets</b>		<b>236,206.48</b>	<b>167,291.60</b>
<b>Total Assets</b>		<b>241,225.72</b>	<b>171,687.69</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity Share Capital	14	25,544.33	25,544.34
Other Equity	15	(2,264.20)	(3,055.10)
Equity Attributable to Owners		23,280.14	22,489.24
Non Controlling Interest		2,535.14	3,060.99
<b>Total Equity</b>		<b>25,815.28</b>	<b>25,550.23</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
i. Borrowings	16	39,586.31	44,303.83
ii. Trade Payables		-	-
'-Total outstanding dues of micro enterprises and small enterprises (MSME)		-	-
'- Total outstanding dues of creditors other than micro enterprises and small enterprises (MSME)	17	6,639.17	4,919.63
iii. Lease Liabilities	18	690.19	730.08
iv. Other Financial Liabilities	19	2,862.11	3,285.95
Provisions	20	644.70	552.64
Other Current Liabilities	21	164,987.98	92,345.33
<b>Total Current Liabilities</b>		<b>215,410.45</b>	<b>146,137.46</b>
<b>Total Liabilities</b>		<b>215,410.45</b>	<b>146,137.46</b>
<b>Total Equity and Liabilities</b>		<b>241,225.72</b>	<b>171,687.69</b>
<b>Material Accounting Policies</b>	1		

As per our report annexed  
For SRSV & Associates  
Chartered Accountants  
Firm Regn No.: 015041S

For and on behalf of the Board of Directors

G. Chella Krishna  
Partner  
Membership No.: 210474

S G Murali  
Director  
DIN:00348902

Sameer Sah  
Director  
DIN:01844078

Sriram Subramanian Iyer  
Chief Executive Officer

Place: Chennai  
Date: April 29, 2024.

P. Vishal Anand  
Chief Financial Officer

S Sukanya  
Company Secretary

# EMERALD HAVEN REALTY LIMITED

## Consolidated Statement of Profit and Loss for the Year Ended March 31, 2024

		Rupees in Lakhs	
	Note No.	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>Income</b>			
Revenue from Operations	22	36,905.00	7,060.09
Other Income	23	1,289.73	257.03
<b>Total Income</b>		<b>38,194.73</b>	<b>7,317.12</b>
<b>Expenses</b>			
Operating Expenses	24	26,636.41	7,372.18
Employee Benefit Expenses	25	2,307.25	1,838.06
Finance Costs	26	375.23	618.16
Depreciation and Amortisation Expenses	27	257.22	270.79
Other Expenses	28	7,066.66	6,358.55
<b>Total Expenses</b>		<b>36,642.77</b>	<b>16,457.74</b>
Share of Profit/Loss of an Associate/Joint Venture		(3.20)	
<b>Profit / (Loss) Before Tax</b>		<b>1,548.76</b>	<b>(9,140.62)</b>
Income Tax Expense	29		
Current Tax		1,210.98	-
Deferred Tax		(636.81)	(2,150.56)
<b>Profit / (Loss) for the Year</b>		<b>974.59</b>	<b>(6,990.06)</b>
<b>Other Comprehensive Income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of post employment benefit obligations		126.61	5.52
Income tax relating to these items		32.92	1.44
<b>Other comprehensive (income)/ Loss for the year, net of tax</b>		<b>159.53</b>	<b>6.96</b>
<b>Total comprehensive income for the year</b>		<b>815.05</b>	<b>(6,997.02)</b>
<b>Net Profit/(Loss) attributable to</b>			
a) Owners of the Company		-	-
b) Non Controlling Interest		1,238.23	(5,966.52)
<b>Other Comprehensive Income attributable to</b>			
a) Owners of the Company		(159.53)	(5.52)
b) Non Controlling Interest		-	-
<b>Total Comprehensive Income attributable to</b>			
a) Owners of the Company		(159.53)	(5.52)
b) Non Controlling Interest		1,238.23	(5,966.52)
Earnings per Equity Share			
<b>Basic &amp; Diluted Earnings per Share (Rs)</b>	30	0.38	(3.01)

As per our report annexed  
For SRSV & Associates  
Chartered Accountants  
Firm Regn No.: 015041S

G. Chella Krishna  
Partner  
Membership No.: 210474

Place: Chennai  
Date: April 29, 2024.

S G Murali  
Director  
DIN:00348902

P. Vishal Anand  
Chief Financial Officer

Sameer Sah  
Director  
DIN:01844078

Sriram Subramanian Iyer  
Chief Executive Officer

S Sukanya  
Company Secretary

For and on behalf of the Board of Directors

# EMERALD HAVEN REALTY LIMITED

## Consolidated Cash Flow Statement for the Period ended March 31,2024

Rupees in Lakhs

	Year ended March 31, 2024	Year ended March 31, 2023
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit/(Loss) Before Tax	1,548.76	(9,140.62)
Add:		
Depreciation and Amortisation for the Year	257.22	270.79
Net (Profit)/Loss on Sale of Fixed Assets	(3.65)	-
Fair valuation Gain	(99.52)	-
Provision for Diminution in Value of Investments	3.20	-
Interest Income	(307.34)	(137.58)
Interest Expenditure	375.23	618.16
Provision for Employee Benefits	(34.55)	0.59
	190.60	751.96
<b>Operating profit before working capital changes</b>	<b>1,739.35</b>	<b>(8,388.66)</b>
<b>Adjustments for:</b>		
Inventories	(39,131.77)	(65,027.27)
Trade Receivables	(1,710.78)	(4,178.02)
Other Financial Assets	368.48	(159.12)
Other Current Assets	(2,753.23)	(584.70)
Trade Payables	1,719.54	1,380.49
Other Financial Liabilities	(423.86)	1,013.35
Other Current Liabilities	72,642.64	72,612.33
Provision for Tax	(1,210.98)	-
	29,500.05	5,057.06
<b>Cash Generated from Operations</b>	<b>31,239.41</b>	<b>(3,331.60)</b>
Income Taxes Refund/(Paid) - Net	615.42	-
<b>Net Cash from Operating Activities</b>	<b>31,854.83</b>	<b>(3,331.60)</b>
<b>B. Cash Flow from Investing Activities:</b>		
Purchase of Fixed Assets	(129.60)	(1,109.40)
Sale of Fixed Assets	3.57	100.54
Change in Other Bank Balance and cash not available for immediate use	-	(300.00)
Goodwill on Consolidation	-	400.09
Purchase of Mutual Funds	(3,040.00)	-
Purchase from Minority Interest	(550.00)	(686.78)
Purchase of Investments	(1,429.00)	-
Interest Received	307.34	137.58
<b>Net Cash From / (Used in) Investing Activities</b>	<b>(4,837.70)</b>	<b>(1,457.97)</b>
<b>C. Cash Flow from Financing Activities :</b>		
Increase in Share Capital	-	4,116.49
Principal Repayments related to Lease Liabilities	(39.88)	(35.78)
Interest Payments related to Lease Liabilities	(80.12)	(71.68)
Borrowings Availed / (Repaid) (net)	(4,717.52)	4,913.96
Interest Paid	(295.11)	(546.48)
<b>Net Cash From / (Used In) Financing Activities</b>	<b>(5,132.63)</b>	<b>8,376.51</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>21,884.51</b>	<b>3,586.94</b>
Cash and Cash Equivalents at the Beginning of the Year	14,996.99	11,410.05
Cash and Cash Equivalents at the End of the Year	36,881.50	14,996.99
<b>D. Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>21,884.51</b>	<b>3,586.94</b>

Note : 1. The above Statement of Cash flow is prepared using indirect method.

As per our report annexed  
For SRSV & Associates  
Chartered Accountants  
Firm Regn No.: 015041S

G. Chella Krishna  
Partner  
Membership No.: 210474

Place: Chennai  
Date: April 29, 2024.

S G Murali  
Director  
DIN:00348902

P. Vishal Anand  
Chief Financial Officer

Sameer Sah  
Director  
DIN:01844078

Sriram Subramanian Iyer  
Chief Executive Officer

S Sukanya  
Company Secretary

For and on behalf of the Board of Directors

# EMERALD HAVEN REALTY LIMITED

## Statement of Changes in Equity for the Year ended March 31, 2024

Rupees in Lakhs

### I) Equity

Particulars	Balance at the Beginning of the Current Reporting Period	Changes in Equity Share Capital due to Prior Period Errors	Restated Balance at the Beginning of the Current Reporting Period	Changes in Equity Share Capital during the Year	Balance at the End of the Reporting Period
Balance as at 31st March 2022	22,800.00	-	-	-	22,800.00
Balance as at 31st March 2023	22,800.00	-	-	2,744.33	25,544.33
Balance as at 31st March 2024	25,544.33	-	-	-	25,544.33

### II) Other Equity

Particulars	Reserves & Surplus					
	Retained Earnings	Security Premium	Other Comprehensive Income	Total Equity attributable to Equity Share Holders)	Non-Controlling Interest	Total
<b>Balance as at 31st March 2022</b>	<b>1,650.28</b>	-	(103.85)	<b>1,546.43</b>	<b>4,771.09</b>	<b>6,317.52</b>
Profit/(Loss) For the FY 22-23	(5,966.52)	-	-	(5,966.52)	(1,023.32)	(6,989.84)
Increase/(Decrease) in non-controlling interests due to acquisition				-	(686.78)	(686.78)
Remeasurement of post employment benefit obligations Net of tax	-		(7.18)	(7.18)		(7.18)
Issue of Equity Shares	-	1,372.17		1,372.17	-	1,372.17
<b>Balance as at 31st March 2023</b>	<b>(4,316.24)</b>	<b>1,372.17</b>	<b>(111.03)</b>	<b>(3,055.10)</b>	<b>3,060.99</b>	<b>5.89</b>
Profit/(Loss) For the FY 23-24	1,238.23	-	-	1,238.23	(263.64)	974.59
Net Increase/ Decrease in non-controlling interests due to acquisition or Sale	(287.79)	-	-	(287.79)		(287.79)
Change in Minority Share Capital				-	(262.21)	(262.21)
Remeasurement of post employment benefit obligations Net of tax	-		(159.53)	(159.53)	-	(159.53)
<b>Balance as at 31st March 2024</b>	<b>(3,365.81)</b>	<b>1,372.17</b>	<b>(270.56)</b>	<b>(2,264.20)</b>	<b>2,535.14</b>	<b>270.94</b>

As per our report annexed  
For **SRSV & Associates**  
Chartered Accountants  
Firm Regn No.: 015041S

For and on behalf of the Board of Directors

**G. Chella Krishna**  
Partner  
Membership No.: 210474

**S G Murali**  
Director  
DIN:00348902

**Sameer Sah**  
Director  
DIN:01844078

**Sriram Subramanian Iyer**  
Chief Executive Officer

Place: Chennai  
Date: April 29, 2024.

**P. Vishal Anand**  
Chief Financial Officer

**S Sukanya**  
Company Secretary

# EMERALD HAVEN REALTY LIMITED

## Notes to Balance Sheet - (continued)

Rupees in Lakhs

### 2 Property, Plant and Equipment

	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		Balance as at 1 April 2023	Additions	Deductions / Other Adjustments	Balance as at 31 March 2024	Balance as at 1 April 2023	Depeciation Charge for the Year	Deductions / Other Adjustments	Balance as at 31 March 2024	Balance as at 31 March 2024	Balance as at 31 March 2023
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>A</b>	<b>Tangible Assets</b>										
	Plant and Equipment	125.77	-	-	125.77	115.37	10.23	-	125.60	0.18	10.41
	Furniture and Fixtures	167.34	12.57	-	179.91	88.25	12.90	-	101.15	78.76	79.09
	Vehicles	123.65	12.30	7.45	128.50	65.06	26.66	7.56	84.16	44.34	58.59
	IT Equipments	202.72	104.74	-	307.46	164.02	41.59	-	205.61	101.85	38.70
	Electrical Equipments	106.15	-	-	106.15	29.49	9.44	-	38.93	67.22	76.66
	Interiors *	415.30	-	-	415.30	263.13	55.33	-	318.46	96.84	152.17
	Mobile Phones	15.23	-	-	15.23	12.60	1.58	-	14.18	1.06	2.65
	<b>Total (A)</b>	<b>1,156.16</b>	<b>129.61</b>	<b>7.45</b>	<b>1,278.33</b>	<b>737.92</b>	<b>157.73</b>	<b>7.56</b>	<b>888.09</b>	<b>390.24</b>	<b>418.27</b>
<b>B</b>	<b>Intangible Assets</b>										
	Computer software	41.88	-	-	41.88	39.74	1.54	-	41.29	0.59	2.14
	ERP Software	45.41	-	-	45.41	15.92	9.11	-	25.03	20.38	29.49
	<b>Total (B)</b>	<b>87.29</b>	<b>-</b>	<b>-</b>	<b>87.29</b>	<b>55.66</b>	<b>10.65</b>	<b>-</b>	<b>66.32</b>	<b>20.98</b>	<b>31.63</b>

### 2.1 Property, Plant and Equipment

	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		Balance as at 1 April 2022	Additions	Deductions / Other Adjustments	Balance as at 31 March 2023	Balance as at 1 April 2022	Depeciation Charge for the Year	Deductions / Other Adjustments	Balance as at 31 March 2023	Balance as at 31 March 2023	Balance as at 31 March 2022
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>A</b>	<b>Tangible Assets</b>										
	Plant and Equipment	98.85	47.53	20.60	125.78	71.51	59.10	15.25	115.36	10.42	27.34
	Furniture and Fixtures	166.75	14.37	13.77	167.35	80.93	15.56	8.25	88.24	79.11	85.82
	Vehicles	131.52	-	7.86	123.66	52.75	19.89	7.58	65.06	58.60	78.77
	IT Equipments	185.83	16.91	-	202.74	132.45	31.57	-	164.02	38.71	53.38
	Electrical Equipments	47.37	60.02	1.24	106.15	23.59	6.78	0.87	29.50	76.64	23.78
	Interiors *	237.85	177.45	-	415.30	193.23	69.91	-	263.14	152.15	44.60
	Mobile Phones	14.99	1.74	1.48	15.25	13.09	0.99	1.48	12.60	2.64	1.90
	<b>Total (A)</b>	<b>883.16</b>	<b>318.02</b>	<b>44.95</b>	<b>1,156.23</b>	<b>567.55</b>	<b>203.80</b>	<b>33.43</b>	<b>737.92</b>	<b>418.27</b>	<b>315.59</b>
<b>B</b>	<b>Intangible Assets</b>										
	Computer software	38.86	3.03	-	41.89	38.11	1.63	-	39.74	2.15	0.75
	ERP Software	45.41	-	-	45.41	9.08	6.84	-	15.92	29.48	36.32
	<b>Total (B)</b>	<b>84.27</b>	<b>3.03</b>	<b>-</b>	<b>87.30</b>	<b>47.19</b>	<b>8.47</b>	<b>-</b>	<b>55.66</b>	<b>31.63</b>	<b>37.07</b>

Note: \* Includes interiors & improvements on leased property which are depreciated over the primary lease period of 3 years.

# EMERALD HAVEN REALTY LIMITED

## Notes to Balance Sheet - (continued)

Rupees in Lakhs

### 3 Goodwill on Consolidation

Details of the purchase consideration and goodwill are follows:

#### Calculation of Goodwill

Particulars	
Opening Balance Goodwill on Consolidation (A)	229.88
Consideration transferred (B)	-
Investment value (C)	-
Goodwill on Current Year Acquisition (D)=(B)-(C)	-
<b>Closing Balance Goodwill on Consolidation (E)=(A)+(D)</b>	<b>229.88</b>

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows.

The Group assessed impairment of goodwill based on the expected earnings growth of the acquired business.

### 4 Right-of-Use Assets (Buildings)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>A Gross carrying value</b>		
<b>Opening Balance</b>	<b>799.57</b>	<b>392.21</b>
Impact of adoption of Ind AS 116	-	-
Additions	-	799.57
Disposals / adjustments	-	(392.21)
<b>Closing Balance (A)</b>	<b>799.57</b>	<b>799.57</b>
<b>B Accumulated depreciation</b>		
<b>Opening Balance</b>	<b>74.03</b>	<b>307.49</b>
Impact of adoption of Ind AS 116	-	-
Depreciation expense	88.84	105.83
Disposals / adjustments	-	(339.29)
<b>Closing Balance (B)</b>	<b>162.88</b>	<b>74.03</b>
<b>Net carrying value (A-B)</b>	<b>636.69</b>	<b>725.54</b>

### 5 Investments

Sl. No.	Particulars	Face Value (Rs)	Subsidiary /Associate/ Joint Venture	No. of Shares / Units		Rs. in Lakhs	
				As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>5A</b>	<b>Non-Current Investments</b>						
	<b>Investments in Equity Instruments</b>						
	<b>Investment in Joint Venture Valued under Equity method</b>						
	Unquoted :						
(i)	Emerald Haven Housing Private Limited	10	Associate*	1,500,000	-	146.80	-
<b>5A</b>	<b>Total value of Equity Instruments - (A)</b>			<b>1,500,000</b>	<b>-</b>	<b>146.80</b>	<b>-</b>
	<b>Instruments valued at Cost : (Unquoted)</b>						
<b>5B</b>	<b>Current Investments</b>						
	<b>Investments in Debentures (Unquoted):</b>						
(i)	Emerald Haven Housing Private Limited (NCD)	100	Associate*	1,279,000	-	1,279.00	-
	<b>Total value of Debentures - (i)</b>			<b>1,279,000</b>	<b>-</b>	<b>1,279.00</b>	<b>-</b>
	<b>Instruments valued at Cost : (Unquoted)</b>						
	<b>Investments in Securities</b>						
(ii)	Aditya Birla Overnight Mutual Funds			-	-	3,139.52	-
	<b>Fair Value of Investment in securities - (ii)</b>			<b>-</b>	<b>-</b>	<b>3,139.52</b>	<b>-</b>
	<b>Measured at Fair Value through P &amp; L</b>						
<b>5B</b>	<b>Total Value of Current Investments (B) = (i) + (ii)</b>			<b>-</b>	<b>-</b>	<b>4,418.52</b>	<b>-</b>

Note: \*wef 24.10.2023

The group has taken on lease office premises, with the lease period of 3 years, lease terms included for workings is the non-cancellable period and expected lease term.

Group has exercised the option of short term leases and low value asset exemption.

#### Extension and termination options

Extension options are included where the management believes that it could use it to maximise operational flexibility in terms of managing the assets used in the group's operations.

#### Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

The following factors are normally considered the most relevant:

- If there are significant penalties to terminate or not extend, the group is typically reasonably certain to extend.
- If the leasehold improvements are expected to have a significant remaining value, the group is typically reasonably certain to extend.
- Otherwise, the group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised or not exercised, or the group becomes obliged to exercise or not exercise. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

# EMERALD HAVEN REALTY LIMITED

## Notes to Balance Sheet - (continued)

Rupees in Lakhs

### 6 Deferred Tax Assets:

The balance comprises temporary differences attributable to:

	As at March 31, 2024	As at March 31, 2023
Depreciation	67.41	91.77
Provision for Employee Benefits	56.30	134.62
Carry Forward of Business Loss	1,182.68	3,428.83
Carrying Value of Inventory	2,367.78	(627.89)
Lease Assets net of Lease Liabilities	(79.51)	(36.57)
<b>Total Deferred Tax Assets</b>	<b>3,594.66</b>	<b>2,990.76</b>

**Movement in Deferred Tax Assets** 603.90

	Depreciation	Provision for Employee Benefits	Carry Forward of Business Loss	Carrying Value of Inventory	Lease Assets net of Lease Liabilities	Total
<b>As at March 31, 2022</b>	<b>29.02</b>	<b>(43.76)</b>	<b>1,163.30</b>	<b>(313.17)</b>	<b>6.25</b>	<b>841.64</b>
(Charged)/Credited:						
- Opening Reserves	-	-	-	-	-	-
- To Profit or Loss	62.75	179.82	2,265.53	(314.72)	(42.82)	2,150.56
- To Other Comprehensive Income	-	(1.44)	-	-	-	(1.44)
<b>As at March 31, 2023</b>	<b>91.77</b>	<b>134.62</b>	<b>3,428.83</b>	<b>(627.89)</b>	<b>(36.57)</b>	<b>2,990.76</b>
(Charged)/Credited:						
- Opening Reserves	-	-	-	-	-	-
- To Profit or Loss	(24.36)	(45.40)	(2,246.15)	2,995.67	(42.94)	636.82
- To Other Comprehensive Income	-	(32.92)	-	-	-	(32.92)
<b>As at March 31, 2024</b>	<b>67.41</b>	<b>56.30</b>	<b>1,182.68</b>	<b>2,367.78</b>	<b>(79.51)</b>	<b>3,594.66</b>

The Group has recognised deferred tax asset on the basis that future taxable profits will be available to utilize those temporary differences and losses.

	As at March 31, 2024	As at March 31, 2023
<b>7 Inventories</b>		
Construction-in-Progress	96,644.59	52,821.49
Land held for Development	81,362.87	86,054.20
<b>Total Inventories</b>	<b>178,007.46</b>	<b>138,875.69</b>

### 8 Trade Receivables

Trade Receivables Considered Good - Unsecured	8,393.25	6,682.47
Less: Loss Allowance	-	-
<b>Total Trade Receivables</b>	<b>8,393.25</b>	<b>6,682.47</b>

Trade Receivable represents balance amount to be received from customer out of demands raised on milestone completion.

# EMERALD HAVEN REALTY LIMITED

## Notes to Balance Sheet - (continued)

Rupees in Lakhs

### Ageing Schedule of Trade Receivables at March 31, 2024

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Undisputed trade receivables - considered good	1,124.82	5,832.85	1,245.49	185.75	4.35	-	8393.25
(ii) Undisputed trade receivables - considered doubtful (having significant increase in risk)	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Undisputed trade receivables - considered doubtful (having significant increase in risk)	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
(vii) Allowance for Unsecured, Credit Impaired	-	-	-	-	-	-	-
	<b>1,124.82</b>	<b>5,832.85</b>	<b>1,245.49</b>	<b>185.75</b>	<b>4.35</b>	<b>-</b>	<b>8,393.25</b>

### Ageing Schedule of Trade Receivables at March 31, 2023

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) Undisputed trade receivables - considered good	1,634.96	4,718.56	236.96	58.05	3.39	30.55	6682.47
(ii) Undisputed trade receivables - considered doubtful (having significant increase in risk)	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Undisputed trade receivables - considered doubtful (having significant increase in risk)	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
(vii) Allowance for Unsecured, Credit Impaired	-	-	-	-	-	-	-
	<b>1,634.96</b>	<b>4,718.56</b>	<b>236.96</b>	<b>58.05</b>	<b>3.39</b>	<b>30.55</b>	<b>6,682.47</b>

	As at March 31, 2024	As at March 31, 2023		As at March 31, 2024	As at March 31, 2023
<b>9 Cash and Cash Equivalents</b>			<b>10 Other Bank Balances</b>		
Balances with Banks*	33,325.07	11,986.95	Fixed Deposit with Banks (Maturity more than 3 Months)	300.00	300.00
In Deposit Accounts (Maturity less than 3 Months)	3,424.00	2,624.00	<b>Total Other Bank Balances</b>	<u>300.00</u>	<u>300.00</u>
Cheques, drafts on hand	130.96	384.17			
Cash on Hand	1.46	1.86	<b>11 Other Financial Assets</b>		
<b>Total Cash and Cash Equivalents</b>	<u>36,881.50</u>	<u>14,996.99</u>	Advance To Related Party	10.93	379.13
			Rent Deposit	35.86	36.14
			<b>Total Other Financial Assets</b>	<u>46.79</u>	<u>415.27</u>

\*Includes bank balance of Rs.17489.39 Lakhs (PY Rs.6762.41 Lakhs) under Real Estate Regulatory Authority (RERA), wherein 70% of the receipt can be used only for the specific permitted payments.

# EMERALD HAVEN REALTY LIMITED

## Notes to Balance Sheet - (continued)

Rupees in Lakhs

	As at March 31, 2024	As at March 31, 2023		As at March 31, 2024	As at March 31, 2023
<b>12 Current Tax Assets (Net)</b>			<b>13 Other Current Assets</b>		
Advance Tax less Provision for Tax	1,683.90	1,881.92	Deposits with Govt Authorities	1,082.94	297.89
<b>Closing balance</b>	<b>1,683.90</b>	<b>1,881.92</b>	GST Receivable	971.97	879.43
			Prepaid expense	164.09	182.73
			Mobilisation & Other Advances to Vendors	3,997.40	2,067.07
			Employee Advances	17.80	60.48
			Security Deposits	224.08	647.66
			Accrued Income	16.79	3.99
			<b>Total Other Current Assets</b>	<b>6,475.07</b>	<b>4,139.25</b>

### 14 Equity Share Capital

#### (a) Authorised, Issued, Subscribed and Fully Paid up

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	Rs. in Lakhs	Number of Shares	Rs. in Lakhs
<b>Authorised:</b>				
Equity shares of Rs. 10/- each	265,000,000	26,500.00	265,000,000	26,500.00
<b>Issued, Subscribed and Fully Paid Up:</b>				
Equity shares of Rs. 10/- each	255,443,333	25,544.33	255,443,333	25,544.33

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	Rs. in Lakhs	Number of Shares	Rs. in Lakhs
Shares outstanding at the beginning of the year	255,443,333	25,544.33	228,000,000	22,800.00
Shares issued during the year	-	-	27,443,333	2,744.33
<b>Shares outstanding at the end of the period</b>	<b>255,443,333</b>	<b>25,544.33</b>	<b>255,443,333</b>	<b>25,544.33</b>

#### (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) Shareholders holding more than five percent at the end of the year

Name of Shareholder (M/s.)	Class of Shares	As at March 31, 2024		As at March 31, 2023	
		Number of Shares	% Holding	Number of Shares	% Holding
TVS Motor Company Limited	Equity	-	-	111,219,516	43.54%
VS Trust	Equity	-	-	29,779,024	11.66%
Mallika Srinivasan	Equity	-	-	29,779,024	11.66%
Sudarshan Venu	Equity	-	-	28,611,220	11.20%
Dr. Lakshmi Venu	Equity	-	-	28,611,216	11.20%
Sandwood Investments Limited	Equity	27,443,333	10.74%	27,443,333	10.74%
TVS Holdings Limited (Formerly known as Sundaram-Clayton Limited)	Equity	227,999,996	89.26%	-	-

#### (e) Disclosure of Promoter shareholding

Name of Shareholder (M/s.)	Class of Shares	As at March 31, 2024		As at March 31, 2023	
		Number of Shares	% Holding	Number of shares	% Holding
TVS Motor Company Limited	Equity	-	-	111,219,516	43.54%
VS Trust	Equity	-	-	29,779,024	11.66%
Mallika Srinivasan	Equity	-	0.00%	29,779,024	11.66%
Sudarshan Venu	Equity	-	-	28,611,220	11.20%
Dr. Lakshmi Venu	Equity	-	-	28,611,216	11.20%
TVS Holdings Limited (Formerly known as Sundaram-Clayton Limited)	Equity	227,999,996	89.26%	-	-

# EMERALD HAVEN REALTY LIMITED

## Notes to Balance Sheet - (continued)

Rupees in Lakhs

	As at March 31, 2024	As at March 31, 2023
<b>15 Other Equity</b>		
<b>Reserves &amp; Surplus</b>		
Reserves & Surplus	(1,993.64)	(2,944.07)
Other Comprehensive Income	(270.56)	(111.03)
<b>Total reserves and surplus</b>	<u>(2,264.20)</u>	<u>(3,055.10)</u>

**Retained Earnings:** Company's cumulative undistributed earnings since inception. This reserves is available for distribution to shareholders.

## 16 Borrowings

Description	Repayment Frequency	Interest / Coupon	Maturity	As at 31 March 2024	As at 31 March 2023
<b>Secured Loans</b>					
Loan 1 From NBFC	Equated monthly installments of Rs. 1.67 Lakhs (Includes interest)	7%	Apr-20	11.42	29.87
Loan 2 From NBFC	Refer Note 1 below			-	725.83
Loan 3 From NBFC	12 Quartely Installments of Rs 750 Lakhs starting from Jul 2021 to Apr 2023	11.75%	FY 2023-24	-	3,000.00
Loan 4 From NBFC	12 Quartely Installments of Rs 333 Lakhs starting from Dec 2024 to Sep 2027	LTLR less 8.80%	FY 2027-28	6,000.00	6,000.00
Loan 5 From NBFC	48 Monthly Installments of Rs 10.62 Lakhs starting from Dec 2024 to Sep 2028	LTLR less 7.25%	FY 2028-29	510.00	510.00
Loan 6 From NBFC	48 Monthly Installments of Rs 10.4 Lakhs starting from Apr 2022 to Mar 2026	LTLR less 7.25%	FY 2025-26	519.99	780.00
Loan 7 From NBFC	11 Equated Quarterly Repayments amounting to Rs. 458.33 Lakhs & last installment of Rs.358.37 Lakhs From July 2021 to April 2024	LTLR less 7.25%	FY 2023-24	-	1,462.50
Loan 8 From NBFC	12 Quartely Installments of Rs 458 Lakhs starting from Jan 2025 to Oct 2027	LTLR less 8.80%	FY 2027-28	5,500.00	5,500.00
Loan 9 From NBFC	Monthly Installments of Rs 37.50 Lakhs starting from Jun 2022 to May 2026.	LTLR less 8.25%	FY 2026-27	975.00	1,425.00
Loan 10 From NBFC	60 months from the date of first disbursement (i.e, FY26-27)	HDFC CF-PLR minus 250 bps	FY 2026-27	-	1,714.78
Loan 11 From NBFC	8 Quartely Installments of Rs 1862.5 Lakhs starting from Dec 2024 to Sep 2026	LTRR less 7.15%	FY 2026-27	11,492.73	14,900.00
Over Draft from Bank	On Demand	1 Month MCLR +1%	On Demand	872.16	925.10
Non-Convertible Debentures	Redemption on maturity	0.01%	Feb-27	4,680.00	-
Optionally Convertible Debentures-#	Rs 4708.15 Lakhs during the FY 2025-26 and Rs 1198.64 Lakhs during the FY 2026-27	15.00%	Redeemed within the operating cycle	-	330.75
Optionally Convertible Debentures	Redemption on maturity	0.01%		600.00	-
Optionally Convertible Debentures	Redemption on maturity	0.01%		1,000.00	-
Compulsory Convertible Debentures-1	Redemption on maturity	15.00%	FY 2025-26	3,000.00	3,000.00
Compulsory Convertible Debentures-2	Redemption on maturity	13.00%	FY 28-29	1,000.00	-
Compulsory Convertible Debentures-3	Redemption on maturity	13.00%	Feb-29	3,425.00	-
<b>Unsecured Loans</b>					
Unsecured Loan from Trust	On Demand - Feb 2024	9.75%	FY 2023-24	-	3,000.00
Unsecured loan from other parties	On Demand - Jan 2024	9.75%	FY 2023-24	-	1,000.00
<b>Total Borrowings :</b>				<b>39,586.31</b>	<b>44,303.83</b>

\* Under the Investment Agreement between ASK Real Estate Special Opportunities Fund - II , Emerald Haven Town and Country Private Limited, Emerald Haven Realty Limited , all classes of debentures shall rank equally, except on occurrence of events of default (as defined in the Investment Agreement), where the debentures issued to ASK Real Estate Special Opportunities Fund - II shall rank senior to debentures issued to EHRL.

# Land at Manapakkam and Karapakkam held by the subsidiary company (EHTCPL) was given as security

# EMERALD HAVEN REALTY LIMITED

## Notes to Balance Sheet - (continued)

Rupees in Lakhs

Particulars	Details of Securities Created
Loan 1	Vehicle loan is availed, which is offered as hypothecation.
Loan 2,5 & 6	Unsold inventory of Land of Salamangalam GD,Salamangalam Plot, Green Hills Club House, Green Hills Commercial Shops, Green Acres GD Ph-2 and Green Acres Villa Ph-4 and Land at Thaiyur.
Loan 3,4 & 9	Land at Kovilambakkam held by the subsidiary company (EHTL) was given as security.
Loan 7	Land at Singasandra held by the subsidiary company (EHDL) was given as security and corporate guarantee of EHRL, Holding company.
Loan 8	Land at Anna Nagar held by the subsidiary company (EHDL) was given as security
Loan 10	Hypothecation of Stock , Receivables , Other current assets of Green Enclave Project and first charge on land held at Paraniputhur by Subsidiary Company EHRDPPL was given as security
Loan 11	Land at Mission Road held by the company and Land at Pudupakkam by the subsidiary company (EHPDL) was given as security
Over Draft from Bank	Exclusive first charge on identified fixed assets, mix of land and completed housing units and receivables

### Note 1:

Loan 2 From NBFC

Description	Repayment Frequency	Interest	Maturity	Amount as on Mar'24	Amount as on Mar'23
Loan 1	12 Quartely Installments of Rs 16.67 Lakhs starting from Aug 2020 to May 2023	LTLR less 7.25%	May-23	-	16.67
Loan 2	12 Quartely Installments of Rs 16.67 Lakhs starting from Aug 2020 to May 2023	LTLR less 7.25%	May-23	-	16.67
Loan 3	12 Quartely Installments of Rs 25 Lakhs starting from Oct 2020 to July 2023	LTLR less 7.25%	Jul-23	-	50.00
Loan 4	12 Quartely Installments of Rs 25 Lakhs starting from Nov 2020 to Aug 2023	LTLR less 7.25%	Aug-23	-	50.00
Loan 5	12 Quartely Installments of Rs 33.33 Lakhs starting from Jan 2021 to Oct 2023	LTLR less 7.25%	Oct-23	-	100.02
Loan 6	12 Quartely Installments of Rs 33.33 Lakhs starting from Jan 2021 to Oct 2023	LTLR less 7.25%	Oct-23	-	99.99
Loan 7	12 Quartely Installments of Rs 4.16 Lakhs starting from Feb 2021 to Nov 2023	LTLR less 7.25%	Nov-23	-	12.48
Loan 8	8 Quartely Installments of Rs 16.25 Lakhs starting from Aug 2021 to May 2023	LTLR less 7.25%	May-23	-	16.25
Loan 9	8 Quartely Installments of Rs 21.25 Lakhs starting from Jan 2022 to Oct 2023	LTLR less 7.25%	Oct-23	-	63.75
Loan 10	8 Quartely Installments of Rs 41.25 Lakhs starting from Jan 2022 to Oct 2023	LTLR less 7.25%	Oct-23	-	123.75
Loan 11	8 Quartely Installments of Rs 58.75 Lakhs starting from Jan 2022 to Oct 2023	LTLR less 7.25%	Oct-23	-	176.25
	<b>Total</b>			-	<b>725.83</b>

	As at March 31, 2024	As at March 31, 2023
<b>17 Trade Payables</b>		
<b>Current</b>		
Dues to Micro and Small Enterprises **	-	-
Dues to enterprises other than Micro and Small Enterprises	6,639.17	4,919.63
<b>Total Trade Payables</b>	<b>6,639.17</b>	<b>4,919.63</b>

\*\* 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) MSME Act is as under:-

(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 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;	-	-
(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.	-	-

# EMERALD HAVEN REALTY LIMITED

## Notes to Balance Sheet - (continued)

Rupees in Lakhs

### Ageing Schedule of Trade Payables as at March 31, 2024

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	-	2,921.52	1,712.56	106.70	110.59	284.85	5136.22
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Other than MSME	-	-	-	-	-	-	-
	-	2,921.52	1,712.56	106.70	110.59	284.85	5,136.22
Accrued Expenses							1,502.95
<b>Total</b>							<b>6,639.17</b>

### Ageing Schedule of Trade Payables as at March 31, 2023

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	-	1,482.47	2,572.86	209.74	137.67	258.02	4660.75
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Other than MSME	-	-	-	-	-	-	-
	-	1,482.47	2,572.86	209.74	137.67	258.02	4,660.75
(v) Accrued Expenses							258.88
<b>Total</b>							<b>4,919.63</b>

	As at March 31, 2024	As at March 31, 2023
<b>18 Lease liabilities</b>		
Lease Liability for Buildings	690.19	730.08
<b>Total Lease liabilities</b>	<b>690.19</b>	<b>730.08</b>

#### Movement in Lease Liability

Opening Balance	730.08	90.68
Add : Addition during the Year	-	730.60
Add : Finance Cost accrued during the Year	80.12	71.68
Less: Lease Liability Derecognised	-	55.42
Less : Payment of Lease Liability	120.00	107.46
<b>Closing Balance</b>	<b>690.19</b>	<b>730.08</b>

#### 19 Other Financial Liabilities

Payable to Land Owner	-	444.47
Interest Accrued but Not Due	2,391.11	2,076.32
Money Received in Trust (Corpus fund)	469.98	764.14
Security Deposit	1.02	1.02
<b>Total Other Current Financial Liabilities</b>	<b>2,862.11</b>	<b>3,285.95</b>

	As at March 31, 2024	As at March 31, 2023
<b>20 Provisions</b>		
(a) Pension	380.70	398.70
(b) Leave Salary	211.18	119.04
(c) Gratuity	52.81	34.90
<b>Total Provisions</b>	<b>644.70</b>	<b>552.64</b>

#### 21 Other Current Liabilities

Revenue Received in Advance	159,515.88	88,624.95
Advance Received from customers	3,113.42	2,793.50
Statutory dues	2,298.12	873.43
Employee Liabilities	60.56	53.45
<b>Total Other Current Liabilities</b>	<b>164,987.98</b>	<b>92,345.33</b>



# EMERALD HAVEN REALTY LIMITED

## Notes to Statement of Profit & Loss - (continued)

Rupees in Lakhs

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023		For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>30 Earnings per Share</b>					
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:</b>					
Profit/(Loss) before income tax expense	1,548.76	(9,140.62)	<b>(a) Basic/Diluted Earnings per Share</b>		
<b>Tax at the Indian tax rate of 26%</b>	402.68	(2,376.56)	Basic/Diluted Earnings per Share attributable to the Equity Holders of the Company - (Rs.)	0.38	(3.01)
Effect of tax on profit eliminated under inter company transactions	-	-	<b>(b) Reconciliations of earnings used in calculating earnings per share</b>		
Effect on deferred tax balances due to the change in income tax rate and estimate	204.42	227.44	Profit / (Loss) attributable to equity holders of the company used in calculating basic/diluted earnings per share	974.59	(6,990.06)
<b>Income Tax Expense</b>	<b>607.09</b>	<b>(2,149.12)</b>	<b>(c) Weighted average number of equity shares used as the denominator in calculating basic/diluted earnings per share</b>	255,443,333	232,573,889

### 31 Fair value measurements

#### Financial Instruments by Category

	As at March 31, 2024		As at March 31, 2023	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial assets</b>				
Investments				
Optionally Convertible Debentures	-	1,279.00	-	-
Mutual Funds	3,139.52	-	-	-
Trade Receivables	-	8,393.25	-	6,682.47
Cash and cash Equivalents	-	36,881.50	-	14,996.99
Other Bank Balances	-	300.00	-	300.00
Other Financial Assets	-	46.79	-	415.27
<b>Total Financial Assets</b>	<b>3,139.52</b>	<b>46,900.53</b>	<b>-</b>	<b>22,394.73</b>
<b>Financial liabilities</b>				
Borrowings	-	39,586.31	-	44,303.83
Trade Payable	-	6,639.17	-	4,919.63
Lease Liability	-	690.19	-	730.08
Other Financial Liabilities	-	2,862.11	-	3,285.95
<b>Total Financial Liabilities</b>	<b>-</b>	<b>49,777.77</b>	<b>-</b>	<b>53,239.49</b>

#### (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 2024	Notes	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>					
Financial Investments at FVTPL:	-	3,139.52	-	-	3,139.52
<b>Total Financial Assets</b>	<b>-</b>	<b>3,139.52</b>	<b>-</b>	<b>-</b>	<b>3,139.52</b>

# EMERALD HAVEN REALTY LIMITED

## Notes to Statement of Profit & Loss - (continued)

Rupees in Lakhs

**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.

### (ii) Fair value of Financial Assets and Liabilities measured at Amortised cost

The carrying amounts of trade receivables, 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.

The fair values for loans, security deposits and investment in government securities were calculated based on cash flows discounted using a current borrowing rate.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

## 32 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 manages the risk

Risk	Exposure arising from	Risk Mitigation
Credit risk	Cash and cash equivalents	Surplus Cash is deposited only with banks/financial institutions with a high external credit rating
Credit risk	Trade Receivables	Significant number of group's customers take a loan from bank/financial institution where credit risk is negligent. Possession of the property is provided only after complete collection which will mitigate the risk.
Liquidity risk	Borrowings	Group has pre-approved credit lines for completion of construction with banks and financial institutions for its projects based on the projects funding requirements. Credit lines/loans are negotiated well in advance to ensure liquidity for completing the project.
Market risk – interest rate	Borrowings at variable rates	Since the all the borrowing are rupee borrowing group can't enter into any hedging instrument to mitigate variable interest rate risk. Where there is surplus cash flow, the company will look to prepay its debt obligations and reduce interest cost.

### 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.

### Liquidity Risk

#### (i) Financing Arrangements

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

Particulars	As at March 31, 2024	As at March 31, 2023
Term loan - Fixed Rate		
- Expiring beyond one year	1,000.00	-

#### (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 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	Amount	
		31-Mar-24	31-Mar-23
Borrowings	> than 12 months	21,263.39	34,799.83
Borrowings	< than 12 months	18,322.92	9,504.00
Trade Payables	< than 12 months	6,137.03	4,314.21
Trade Payables	> than 12 months	502.15	605.42
Other Financial Liabilities	> than 12 months	2,862.11	3,285.95

#### Contractual maturities of Lease liabilities:

Particulars	Less than six months	6 - 12 months	1 - 2 years	2 - 3 years	Total
Lease liabilities	50.00	70.00	30.00	-	150.00
	50.00	70.00	30.00	-	150.00

**Notes to Statement of Profit & Loss - (continued)**

Rupees in Lakhs

**33 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.

Net Debt - (Total Borrowings less Cash and Cash Equivalents) divided by Total 'Equity' (as shown in the balance sheet).

Total Debt 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:

Particulars	As at March 31, 2024	As at March 31, 2023
Net Debt	2,704.81	29,306.84
Total Equity	23,280.14	22,489.24
<b>Net Debt to Equity Ratio</b>	<b>0.12</b>	<b>1.30</b>

**34 Ind AS 116 Transition Disclosure**

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases. The Company has applied Ind AS 116 using the modified retrospective approach with cumulative effect of initial application recognised in retained earnings at April 1, 2019. The comparative information in the financial statements would not be restated and would be presented based on the requirements of the previous standard i.e. Ind AS 17.

In adopting Ind AS 116, the Company has applied the below practical expedients:

- The Company has not reassessed whether a contract is, or contains, a lease as per the definitions of Ind AS 116 at the date of initial application.
- The Company applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Company relied on its assessment of whether leases are onerous applying Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets, immediately before the date of initial application as an alternative to performing an impairment review as per Ind AS 36 Impairment of assets.
- The Company has treated the leases with remaining lease term of less than 12 months as "short term leases".
- The Company has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition.
- The Company used hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

Effective 1st April 2019, the Company has adopted Ind AS 116 "Leases" and applied the Standard to its leases retrospectively. There were no leases that require recognition of a "Right-of-use asset" and "Lease liability" on the date of initial application (1st April 2019).

The adoption of the Standard has not resulted in any material impact on the Company's equity.

**35 Revenue from Contracts with Customers**

- The Company has adopted Ind AS 115 from April 1, 2018 and had 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.

**b 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 :

S No	Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
1	Income from Sale of Real estate Properties	34,571.44	6,638.68
2	Other operating revenue	2,333.56	421.41
		<b>36,905.00</b>	<b>7,060.09</b>

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

**d Reconciliation of contracts with customers**

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

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Contract Liabilities at the beginning of the period	88,624.95	18,045.37
Add / (Less) :		
Demands raised on customers during the year	105,462.36	77,218.26
Revenue recognized from contract liability	(34,571.44)	(6,638.68)
Contract Liabilities at the end of the period	159,515.88	88,624.95

Demands raised on customers during the year is recognised as a contract liability. As and when the performance obligation is met the same is recognized as revenue.

**e Reconciliation of Revenue with Contract Price**

S No	Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
1.	Revenue from operations as per Statement of Profit and loss	36,905.00	7,060.09
2.	Adjustments :	-	-
3.	Contract price	36,905.00	7,060.09

# EMERALD HAVEN REALTY LIMITED

## Notes to Statement of Profit & Loss - (continued)

Rupees in Lakhs

### 36 Operating Segment

#### (a) Description of Segments and Principal Activities

The company has one reportable segments namely,development of real estate property. The entity's entire operations are reviewed by Chief operating decision makers as one operating segment.

#### b) Entity Wide Disclosures

- i) Group's major service is real estate development
- ii) Group is domiciled and operates within India
- iii) There is no major reliance on a single customer

### 37 Contingent Liabilities

(a) Contingent Liabilities	As at March 31, 2024	As at March 31, 2023
Corporate Guarantee given by the company	5,500.00	10,078.88
Income tax due (Pending with ITAT for the AY 13-14)	68.34	68.34
Income tax due (Pending with ITAT for the AY 14-15)	100.97	100.97
Income tax due (Pending with Commssioner of Income Tax for the AY 21-22)	34.26	-
Income tax due (Pending with Assesing Officer for the AY 17-18)	11.02	-
Pursuant to order by Hon'ble Single Member, TNRERA, Chennai (Appeal pending at Hon'ble Tamilnadu Real Estate Appellate Tribunal, Chennai)	15.29	-

The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its materially adverse effect on its financial position. The Group does not expect any reimbursements in respect of the above contingent liabilities.

### 38 Commitments

#### (a) Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Capital Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil
<b>(b) Other commitments</b>		
Expenditure related contractual commitments apart from Capital Commitments	Nil	Nil

### 39 Related Party Disclosure

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>(a) Related parties and their relationship for the financial year 2023-24:</b>		
<b>A Holding Company</b>		
1 TVS Holdings Limited, Chennai		
<b>B Enterprises under Common control</b>		
1 Sundaram-Clayton Limited, Chennai.		
<b>C Fellow Subsidiaries</b>		
1 TVS Digital Pte Ltd, Singapore		
2 TVS Motor Company Limited, Chennai.		
3 TVS Credit Services Limited, Chennai.		
4 TVS Digital Limited (Formerly known as TVS Housing Limited), Chennai.		
<b>D Key Management Personnel</b>		
<b>1 Non-Executive Director</b>		
Mr. S G Murali		
<b>2 Independent Directors</b>		
Mr. Sameer Sah		
Ms. Tanvi Kumar		
<b>3 Chief Executive Officer</b>		
Mr. Sriram Subramanian Iyer		
<b>4 Chief Financial Officer</b>		
Mr. P. Vishal Anand		
<b>5 Company Secretary</b>		
Ms. S. Sukanya		
<b>(b) Transactions with Related Parties:</b>		
<b>A Holding Company</b>		
<b>1 TVS Holdings Limited, Chennai</b>		
(i) Services Availed	226.61	-
<b>B Enterprises under Common control</b>		
<b>1 Sundaram-Clayton Limited, Chennai.</b>		
(i) Services Availed	26.00	68.34
<b>C Fellow Subsidiaries</b>		
<b>1 TVS Digital Pte Ltd, Singapore</b>		
(i) Services Availed	25.54	-
<b>2 TVS Motor Company Limited, Chennai.</b>		
(i) Services Availed	78.73	149.48
<b>3 TVS Credit Services Limited, Chennai.</b>		
(i) Loan Received	-	300.00
(ii) Loan Repaid	-	639.28
(iii) Interest Expense	-	6.01

# EMERALD HAVEN REALTY LIMITED

## Notes to Statement of Profit & Loss - (continued)

Rupees in Lakhs

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>4 TVS Digital Limited (Formerly known as TVS Housing Limited), Chennai.</b>		
(i) Rental Expenses	5.50	7.20
(ii) Purchase of Land	258.11	-
(iii) Rental Income - Corporate office	0.60	0.78
(iv) Reimbursement of Expenses	95.00	-
<b>D Key Managerial Personnel</b>		
<b>1 Non-Executive Director</b>		
Sitting Fees	0.54	0.50
<b>2 Independent Directors</b>		
Sitting Fees	1.04	0.63
<b>3 Chief Executive Officer</b>		
Short-Term Employee Benefits	507.73	300.32
<b>4 Chief Financial Officer</b>		
Short-Term Employee Benefits	112.08	89.89
<b>(c) Balances with Related parties:</b>		
<b>A Subsidiary of Holding Company</b>		
1 TVS Digital Limited (Formerly known as TVS Housing Limited), Chennai.	6.42	147.29
2 TVS Motor Company Limited, Chennai.	(472.58)	(550.34)

### 40 Auditors' Remuneration (Included under Other Expenses) (Exclusive of GST)

Particulars	As at 31st March 2024	As at 31st March 2023
Payments to Auditors as		
a. Statutory Auditors	33.65	25.83
b. Tax auditors	4.75	5.25
c. Certification charges	0.45	0.60
d. Reimbursement of Expenses	0.57	0.89

### 41 Expenditure incurred on Corporate Social Responsibility (CSR) activities:

- (a) Gross amount required to be spent during the year is 16.77  
 (b) Amount spent during the year:

Particulars	In Cash	March 31, 2024	March 31, 2023
Through construction/acquisition of any asset	-	-	-
On purpose other than above in cash.	-	-	-

# EMERALD HAVEN REALTY LIMITED

## Notes to Statement of Profit & Loss - (continued)

Rupees in Lakhs

42 Employee benefit obligations	Gratuity			Leave Salary		
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
<b>April 1, 2022</b>	<b>47.16</b>	<b>19.51</b>	<b>27.65</b>	<b>102.17</b>	-	<b>102.17</b>
Current service cost	10.15	-	<b>10.15</b>	-	-	-
Interest expense/(income)	1.88	(0.39)	<b>2.27</b>	10.36	-	<b>10.36</b>
<b>Total amount recognised in profit or loss</b>	<b>12.03</b>	<b>(0.39)</b>	<b>12.42</b>	<b>10.36</b>	-	<b>10.36</b>
<i>Remeasurements</i>						
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	0.80	-	0.80	1.69	-	1.69
Experience (gains)/losses	8.31	(3.59)	4.72	4.82	-	4.82
<b>Total amount recognised in other comprehensive income</b>	<b>9.11</b>	<b>(3.59)</b>	<b>5.52</b>	<b>6.51</b>	-	<b>6.51</b>
Employer contributions	-	43.00	43.00	-	-	-
Benefit payments	10.31	-	-	-	-	-
<b>March 31, 2023</b>	<b>57.99</b>	<b>66.49</b>	<b>(8.49)</b>	<b>119.04</b>	-	<b>119.04</b>
<b>April 1, 2023</b>	<b>57.99</b>	<b>66.49</b>	<b>(8.49)</b>	<b>119.04</b>	-	<b>119.04</b>
Current service cost	13.87	-	<b>13.87</b>	-	-	-
Interest expense/(income)	9.52	9.46	<b>0.06</b>	12.90	-	<b>12.90</b>
<b>Total amount recognised in profit or loss</b>	<b>23.39</b>	<b>9.46</b>	<b>13.93</b>	<b>12.90</b>	-	<b>12.90</b>
<i>Remeasurements</i>						
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	4.92	-	4.92	3.87	-	3.87
Experience (gains)/losses	42.45	-	42.45	75.37	-	75.37
<b>Total amount recognised in other comprehensive income</b>	<b>47.37</b>	-	<b>47.37</b>	<b>79.24</b>	-	<b>79.24</b>
Employer contributions	-	-	-	-	-	-
Benefit payments	2.47	2.47	4.93	-	-	-
<b>March 31, 2024</b>	<b>126.29</b>	<b>73.48</b>	<b>52.81</b>	<b>211.18</b>	-	<b>211.18</b>

### (iv) Post-Employment benefits

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	Gratuity	Leave Salary
<b>March 31, 2023</b>		
Discount rate	7.23%	7.20%
Inflation	NA	NA
Salary growth rate	5.50%	5.50%
Pension growth rate	NA	NA
Attrition rate	3.00%	3.00%

### March 31, 2024

Discount rate	6.97%	6.97%
Inflation	NA	NA
Salary growth rate	5.50%	5.50%
Pension growth rate	NA	NA
Attrition rate	3.00%	3.00%

Assumptions are based on actuarial advice in accordance with published statistics and experience.

**Notes to Statement of Profit & Loss - (continued)**

Rupees in Lakhs

**(v) Sensitivity analysis** (To be included for each defined benefit obligation)

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

**Impact on defined benefit obligation:**

March 31, 2023	Gratuity			Leave Salary		
	Change in assumption	Increase in assumption	Decrease in assumption	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	112.97	124.76	0.50%	114.13	124.35
Salary growth rate	0.50%	127.55	112.83	0.50%	124.41	114.03
March 31, 2024	Change in assumption	Increase in assumption	Decrease in assumption	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.50%	177.86	199.44	0.50%	202.90	220.12
Salary growth rate	0.50%	199.55	177.67	0.50%	220.21	202.75

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.

**(vi) Risk exposure** (Risk are illustrative, actual to be disclosed)

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:** 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 and medical plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy. The company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, The company's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency. The company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The company has not changed the processes used to manage its risks from previous periods. The company uses derivatives to manage some of its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in 2017 consists of government and corporate bonds, although The company also invests in equities, cash and mutual funds. The company believes that equities offer the best returns over the long term with an acceptable level of risk.

**43 Interests in other entities**

**(a) Subsidiaries**

The Company's subsidiaries at 31 March 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
		31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	
Emerald Haven Projects Private Limited	India	100.00%	100.00%	-	-	Real Estate
Emerald Haven Realty Developers (Paraniputhur) Private Limited	India	100.00%	100.00%	-	-	Real Estate
Emerald Haven Property Development Limited	India	100.00%	100.00%	-	-	Real Estate
Happiness Harmony Property Developers Private Limited	India	100.00%	100.00%	-	-	Real Estate
Emerald Haven Life Spaces (Radial Road) Limited	India	89.23%	89.23%	10.77%	10.77%	Real Estate
Emerald Haven Development Limited	India	70.00%	70.00%	30.00%	30.00%	Real Estate
Emerald Haven Town & Country Private Limited	India	89.47%	75.78%	10.53%	49.00%	Real Estate
Emerald Haven Towers Limited	India	89.23%	89.23%	10.77%	10.77%	Real Estate
Emerald Haven Residences Private Limited	India	100.00%	100.00%	-	-	Real Estate
Emerald Haven Builders Private Limited	India	100.00%	100.00%	-	-	Real Estate
Emerald Haven Properties Private Limited	India	100.00%	100.00%	-	-	Real Estate

# EMERALD HAVEN REALTY LIMITED

## Notes to Statement of Profit & Loss - (continued)

Rupees in Lakhs

### (b) Non-Controlling Interest

Particulars	Emerald Haven Life Spaces (Radial Road) Limited		Emerald Haven Development Limited		Emerald Haven Town and Country Private Limited		Emerald Haven Towers Limited	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
<b>Summarised balance sheet</b>								
Current assets	12,037.67	12,509.35	61,730.29	47,365.45	41,021.67	36,469.86	38,627.53	20,223.99
Current liabilities	10,861.39	10,648.52	55,830.08	41,201.86	37,094.91	32,613.96	39,166.01	17,310.02
Net current assets	1,176.28	1,860.83	5,900.21	6,163.59	3,926.76	3,855.90	(538.48)	2,913.97
								-
Non-current assets	-	-	1,306.20	773.05	694.26	723.49	913.74	1.89
Non-current liabilities	-	-	-	-	-	-	-	-
Net non-current assets	-	-	1,306.20	773.05	694.26	723.49	913.74	1.89
								-
Net assets	1,176.28	1,860.83	7,206.41	6,936.64	4,621.01	4,579.39	375.27	2,915.86
Accumulated NCI	126.71	200.45	2,161.92	2,080.98	206.11	463.93	40.42	315.63

Particulars	Emerald Haven Life Spaces (Radial Road) Limited		Emerald Haven Development Limited		Emerald Haven Town and Country Private Limited		Emerald Haven Towers Limited	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
<b>Summarised Statement of profit and loss</b>								
Revenue	149.80	472.23	15,887.48	2,094.21	2,459.50	4,100.59	54.27	0.05
Profit / Loss for the year	(684.54)	(545.68)	269.76	(2,510.25)	41.63	(855.43)	(2,554.80)	(40.46)
Other comprehensive income								-
Total comprehensive income	(684.54)	(545.68)	269.76	(2,510.25)	41.63	(855.43)	(2,554.80)	(40.46)
Profit allocated to NCI	(73.74)	(58.78)	80.92	(753.01)	4.38	(207.17)	(275.21)	(4.36)

Particulars	Emerald Haven Life Spaces (Radial Road) Limited		Emerald Haven Development Limited		Emerald Haven Town and Country Private Limited		Emerald Haven Towers Limited	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
<b>Summarised Cash Flow Statement</b>								
Cash flow from Operating activities	658.42	688.42	5,407.32	3,051.75	(697.26)	12,013.52	21,022.81	(3.18)
Cash flow from Investing activities	599.80	569.42	137.84	40.06	238.56	25.04	52.78	-
Cash flow from Financing activities	(1,277.08)	(1,240.00)	(2,165.32)	1,631.62	(675.00)	(10,896.07)	(14,380.08)	-
Net increase/ (decrease) in Cash and Cash equivalents	(18.86)	17.84	3,379.84	4,723.43	(1,133.70)	1,142.49	6,695.51	(3.18)

# EMERALD HAVEN REALTY LIMITED

## Notes to Statement of Profit & Loss - (continued)

Rupees in Lakhs

### 44 Additional Information required by Schedule III

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
<b>Parent</b>								
<b>Emerald Haven Realty Limited</b>								
31-Mar-24	102.33%	23,823.20	-48.37%	(471.36)	100.00%	(159.53)	-77.41%	(630.89)
31-Mar-23	108.03%	24,294.57	44.44%	(3,107.33)	100.00%	(5.52)	44.49%	(3,112.85)
<b>Subsidiaries</b>								
<b>Emerald Haven Development Limited</b>								
31-Mar-24	30.96%	7,206.41	27.68%	269.76	0.00%	-	33.10%	269.76
31-Mar-23	30.84%	6,936.64	35.90%	(2,510.05)	0.00%	-	35.87%	(2,510.05)
<b>Emerald Haven Projects Private Limited</b>								
31-Mar-24	0.26%	60.98	-10.29%	(100.24)	0.00%	-	-12.30%	(100.24)
31-Mar-23	0.72%	161.22	1.42%	(98.97)	0.00%	-	1.41%	(98.97)
<b>Emerald Haven Life Spaces (Radial Road) Limited</b>								
31-Mar-24	5.05%	1,176.28	-70.24%	(684.54)	0.00%	-	-83.99%	(684.54)
31-Mar-23	8.27%	1,860.83	7.80%	(545.68)	0.00%	-	7.80%	(545.68)
<b>Emerald Haven Realty Developers (Paraniputhur) Private Limited</b>								
31-Mar-24	5.62%	1,308.09	35.33%	344.32	0.00%	-	42.25%	344.32
31-Mar-23	4.29%	963.77	9.37%	(655.02)	0.00%	-	9.36%	(655.02)
<b>Emerald Haven Property Development Limited</b>								
31-Mar-24	8.21%	1,911.44	196.73%	1,917.27	0.00%	-	235.23%	1,917.27
31-Mar-23	-0.03%	(5.84)	0.02%	(1.45)	0.00%	-	0.02%	(1.45)
<b>Emerald Haven Town &amp; Country Private Limited</b>								
31-Mar-24	19.85%	4,621.00	4.27%	41.63	0.00%	-	5.11%	41.63
31-Mar-23	20.36%	4,579.39	12.24%	(855.43)	0.00%	-	12.23%	(855.43)
<b>Emerald Haven Towers Limited</b>								
31-Mar-24	1.61%	375.26	-262.14%	(2,554.80)	0.00%	-	-313.45%	(2,554.80)
31-Mar-23	13.03%	2,930.06	0.58%	(40.46)	0.00%	-	0.58%	(40.46)

# EMERALD HAVEN REALTY LIMITED

## Notes to Statement of Profit & Loss - (continued)

Rupees in Lakhs

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
<b>Happiness Harmony property developers Private Limited</b>								
31-Mar-24	-0.24%	(56.36)	-5.65%	(55.02)	0.00%	-	-6.75%	(55.02)
31-Mar-23	-0.01%	(1.33)	0.01%	(0.43)	0.00%	-	0.01%	(0.43)
<b>Emerald Haven Residences Private Limited</b>								
31-Mar-24	0.00%	0.34	-0.02%	(0.16)	0.00%	-	-0.02%	(0.16)
31-Mar-23	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Emerald Haven Builders Private Limited</b>								
31-Mar-24	0.00%	0.40	-0.01%	(0.10)	0.00%	-	-0.01%	(0.10)
31-Mar-23	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Emerald Haven Properties Private Limited</b>								
31-Mar-24	0.00%	0.40	-0.01%	(0.10)	0.00%	-	-0.01%	(0.10)
31-Mar-23	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Less:</b>								
<b>Non-Controlling Interest</b>								
31-Mar-24	10.89%	2,535.14	127.05%	1,238.23	0.00%	-	151.92%	1,238.23
31-Mar-23	13.61%	3,060.99	14.64%	(1,023.32)	0.00%	-	14.63%	(1,023.32)
<b>Effect of consolidation adjustments</b>								
31-Mar-24	-84.55%	(19,682.44)	105.66%	1,029.71	0.00%	-	126.34%	1,029.71
31-Mar-23	-99.12%	(22,291.00)	-26.42%	1,846.83	0.00%	-	-26.39%	1,846.83
<b>Total</b>								
31-Mar-24	100.00%	23,280.14	100.00%	974.59	100.00%	(159.53)	100.00%	815.05
31-Mar-23	100.00%	22,489.24	100.00%	(6,991.49)	100.00%	(5.52)	100.00%	(6,997.01)

# EMERALD HAVEN REALTY LIMITED

## Notes to Statement of Profit & Loss - (continued)

Rupees in Lakhs

### 45 Ratio Analysis

S No	Ratio	Current Year 31.03.2024	Previous Year 31.03.2023	% Variance	Reasons
a	Current Ratio= Current assets / Current Liabilities	1.10	1.14	-4%	NA
b	Debt equity ratio= total debt / total shareholder's equity	1.53	1.73	-12%	NA
c	Debt service coverage ratio= earnings available for debt services / total interest and principal repayments	0.08	(0.33)	-125%	The variance in due to increase in earnings and start of repayment of principal. (Revenue is being recognised as per IND AS 115 on completion of the project and handing over to the customer). Operating cycle is from 5 to 7 years
d	Return on equity ratio/ return on investment ratio= Net profit after tax / Average shareholder's equity	0.03	(0.25)	-114%	The variance in due to increase in earnings. (Revenue is being recognised as per IND AS 115 on completion of the project and handing over to the customer). Operating cycle is from 5 to 7 years
e	Inventory turnover ratio= Net sales divided by average Inventory	0.23	0.07	251%	Revenue is being recognised as per IND AS 115 on completion of the project and handing over to the customer. At present two projects (Atrium and Green Enclave-B Block) have been handed over to customers. Operating cycle is from 5 to 7 years
f	Trade receivables turnover ratio= Net sales / average trade receivables	4.90	1.54	219%	The variance in due to increase in earnings. (Revenue is being recognised as per IND AS 115 on completion of the project and handing over to the customer). Operating cycle is from 5 to 7 years
g	Trade Payables turnover ratio= Net Purchases divided by average trade Payables	11.30	17.01	-34%	Land has not been Purchased during the Year
h	Net capital turnover ratio= Net sales / working capital	1.77	0.33	432%	Revenue is being recognised as per IND AS 115 on completion of the project and handing over to the customer. At present two projects (Atrium and Green Enclave-B Block) have been handed over to customers. Operating cycle is from 5 to 7 years
i	Net profit turnover ratio= Net profit after tax / Net sales	0.03	(0.99)	-103%	The variance in due to increase in earnings. (Revenue is being recognised as per IND AS 115 on completion of the project and handing over to the customer). Operating cycle is from 5 to 7 years
j	Return on Capital employed = Earnings before interest and taxes(EBIT) / Capital Employed	0.07	(0.30)	-122%	The variance in due to increase in earnings. (Revenue is being recognised as per IND AS 115 on completion of the project and handing over to the customer). Operating cycle is from 5 to 7 years
k	Return on investment	0.03	(0.25)	-114%	The variance in due to increase in earnings. (Revenue is being recognised as per IND AS 115 on completion of the project and handing over to the customer). Operating cycle is from 5 to 7 years

# EMERALD HAVEN REALTY LIMITED

## Notes to Statement of Profit & Loss - (continued)

Rupees in Lakhs

### 46 Additional Regulatory Information

- i Title deeds of immovable properties 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 does not revalue its Property, Plant and Equipment (including Right to Use Assets).
  - iv The Company does not have any intangible assets.
  - v 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.
  - vi 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.
  - vii The Company has been sanctioned short term loan by a financial institution, which is considered as working capital limit. However there is no stipulation for submission of quarterly returns to the financial institution.
  - viii The Company is not declared "willful defaulter" by any bank or financial institution or other lender.
  - ix 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 2024.
  - x 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 end of financial year ended 31 March 2024.
  - xi The company has complied with the number of layers prescribed under clause (87) of section 2 of the act read with Companies (Restriction on Number of Layers ) Rules 2017.
  - xii No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.
  - xiii 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.
  - xiv 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.
  - xv The Company has taken borrowings from Banks, Non Banking Financial Corporations and utilised for the specific purpose for which they are taken as at the balance sheet date
- 47 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
- 48 The Company has not dealt with any crypto currency.

As per our report annexed  
**For SRSV & Associates**  
Chartered Accountants  
Firm Regn No.: 015041S

**G. Chella Krishna**  
Partner  
Membership No.: 210474

Place: Chennai  
Date: April 29, 2024.

**S G Murali**  
Director  
DIN:00348902

**P. Vishal Anand**  
Chief Financial Officer

**Sameer Sah**  
Director  
DIN:01844078

**Sriram Subramanian Iyer**  
Chief Executive Officer

**S Sukanya**  
Company Secretary

For and on behalf of the Board of Directors

# SUNDARAM AUTO COMPONENTS LIMITED

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## 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.,  
Chartered 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, Chennai 600 018

## 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.

# SUNDARAM AUTO COMPONENTS LIMITED

## Directors' Report to the Shareholders

The Directors present the 32<sup>nd</sup> annual report together with the audited financial statements for the year ended 31<sup>st</sup> March 2024.

### 1. Financial Highlights

(Rs.in crores)

Details	Year ended 31.03.2024	Year ended 31.03.2023
<b>Sales and other income (A)</b>	<b>764.72</b>	<b>787.02</b>
<b>Expenses</b>		
Cost of material consumed	534.31	550.98
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(0.98)	1.80
Employee benefit expenses	88.38	86.99
Finance costs	11.33	12.92
Depreciation and amortisation expense	22.55	21.06
Other expenses	80.20	87.32
<b>Total expenses (B)</b>	<b>735.89</b>	<b>761.07</b>
<b>Profit before tax (A) – (B)</b>	<b>28.83</b>	<b>25.95</b>
<b>Exceptional items (Gain / Loss)</b>	<b>0.00</b>	<b>(1.87)</b>
Less: Income tax expense:		
Current Tax	5.79	3.74
Deferred Tax	3.79	4.84
<b>Profit for the period</b>	<b>19.25</b>	<b>15.50</b>
Other Comprehensive income/ (loss)	0.14	3.25
<b>Total comprehensive income</b>	<b>19.39</b>	<b>18.75</b>

### Share Capital

The Company's paid-up Equity Share Capital as on 31<sup>st</sup> March 2024 is Rs. 11.94 Cr.

During the year, the National Company Law Tribunal (NCLT), Chennai vide its order dated 20<sup>th</sup> December 2023 approved the application of the Company towards reduction of its paid – up capital from Rs. 44,56,90,000/- (Rupees Forty Four Crores Fifty Six Lakhs Ninety Thousand Only) divided into 4,45,69,000 (Four Crore forty five lakhs sixty nine thousand) Equity shares of Rs.10/- each to Rs. 11,93,74,220/- (Rupees Eleven Crores Ninety Three Lakhs Seventy Four Thousand Two Hundred and Twenty Only) divided into 1,19,37,422 (One Crore Nineteen Lakhs Thirty Seven Thousand Four Hundred and Twenty Two) equity shares of Rs.10/- each by cancelling and extinguishing the paid-up equity share capital of Rs. 32,63,15,780/- (Rupees Thirty Two Crore Sixty Three Lakhs Fifteen Thousand Seven Hundred and Eighty Only) divided into 3,26,31,578 (Three Crore Twenty Six Lakhs Thirty One Thousand Five Hundred and Seventy Eight) Equity shares of Rs.10/- each.

Subsequently, the Company has filed Form INC 28 with the Registrar of Companies, Chennai on 26<sup>th</sup> December 2023 and has also remitted the consideration of Rs. 310 Cr towards reduction / extinguishment 3,26,31,578 equity shares of Rs. 10 each at a price of Rs. 95/- each to TVS Motor Company Limited, the Holding Company.

No other changes took place in the share capital of the Company during the year.

### Dividend

The Board at its meeting held on 28<sup>th</sup> March 2024 declared an interim dividend of Rs. 1.64/- per share (16.40%) on 1,19,37,422 (post capital reduction) equity shares of Rs.10/- each fully paid up, absorbing a sum of Rs. 1.96 Cr for the financial year 2023-24 and the same was paid to the shareholders of the Company. The board does not recommend any final dividend for this Financial year.

### Industry Performance

The domestic two-wheeler industry recorded a sale of 18.0 Mn units in 2023-24, with a growth of 13% from 15.9 Mn units in 2022-23. The two-wheeler industry has witnessed growth continuously for two years.

Passenger vehicles have recorded domestic sales by touching the mark of 4.2 Mn units in 2023-24 with a growth of 8% from 3.9 Mn units in 2022-23.

### Production

The Auto Industry produced a total of 28.4 million vehicles including Passenger Vehicles (PVs), Commercial Vehicles (CVs), Three-Wheelers, Two-Wheelers and Quadricycle during the year under review as against 25.9 million in the previous year, thereby registering a growth of 10% as compared to previous year.

### Domestic Sales

In the financial year 2023-24, overall automobile domestic sales have grown by 12.5%. Two wheelers, Commercial Vehicles (CVs), Three wheelers & Passenger Vehicles (PVs) segments have grown by 13.3%, 0.6%, 41.5% and 8.4% in the financial year 2023-24 over the corresponding previous year.

### Exports

In the financial year 2023-24, overall automobile exports have de-grown by 5.5%. Two wheelers, Commercial Vehicles (CVs), Three-wheeler segments have de-grown by 5.3%, 16.3% and 17.9% in the financial year 2023-24 over the corresponding previous year. Passenger Vehicles (PVs) segment has grown by 1.4% in financial year 2023-24 over the corresponding previous year.

S. No	Segment	Production			Domestic sales			Export sales		
		2022-23	2023-24	GOLY %	2022-23	2023-24	GOLY %	2022-23	2023-24	GOLY %
1	PVs	46	49	7%	39	42	8%	7	7	1%
2	CVs	10	11	3%	10	10	1%	1	1	-16%
3	Three-Wheelers	9	10	16%	5	7	42%	4	3	-18%
4	Two-wheelers	195	215	10%	159	180	13%	37	35	-5%
	<b>Total</b>	<b>259</b>	<b>284</b>	<b>10%</b>	<b>212</b>	<b>239</b>	<b>12%</b>	<b>48</b>	<b>45</b>	<b>-6%</b>

UOM: No of units in Lakhs

### Company Performance

Component and tool sales of the company decreased from Rs.787.0 Cr in FY23 to Rs.764.7 Cr in FY24. During the year, the Company has entered business with new customers like Cikauto, Bosch India & Raptree Energy. The company also initiated supplies to River and Simple Energy and BMW projects. During the year, the company took a strategic decision to reduce the share of EV order obtainment in its orderbook from 47% to 34%

SACL vs Industry growth - FY23-24		
Segment	Industry growth	SACL growth
Two wheelers	10%	8%
Passenger vehicles	7%	-19%
Commercial vehicles	3%	17%

The Research and Development (R&D) team at the Company has been involved in implementing 314 new parts. They have also developed competency to reduce the lead time taken to prove the NPD parts through engaging strategic mould suppliers & developing in-house SPMs.

During the year 2023-24, the Company earned a profit of Rs. 28.8 Crs. It also enhanced its inventory management by increasing inventory turnover by 15%.

### Business outlook

Overall, India GDP growth forecasts range between 6%-7% for 2024-25, which builds in the possible impacts from slow global growth, possibility of recession in western nations, tightening interest rates,

# SUNDARAM AUTO COMPONENTS LIMITED

improved sentiments due to elections and steady production of goods. The service sector is likely to grow by 6%-7% in FY25 supported by growth in IT & emerging Fintech services. The industry is expected to grow by 5% - 6% pushed by steady production of goods.

On the rural front, 2024-25 is likely to witness a normal monsoon. Agriculture is expected to grow by 3%-4%.

Two-wheeler segment has witnessed growth for consecutively 2 years for the first time since FY18-19, mainly due to people returning to workplaces & resumption of physical classes in colleges. Even though, the launches of Electric vehicles aided the growth of electric two-wheelers, the FAME subsidy restrictions have slowed down the growth of EVs. During 2024-25, EVs are expected to grow at a steady rate of 30%. During 2024-25, due to faster adoption of EVs backed by PM-Surya Ghar Muft Bijli Yojana, the scooter segment is expected to grow by 10%-11%. The motorcycle segment is expected to grow by 8%-9%.

The passenger vehicle segment has always seen growth since the beginning of the Covid-19 pandemic, due to the need for personal mobility 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. Also, the demand of premium vehicles is on an increasing trend. During 2024-25, the above drivers will continue, and the passenger vehicle segment is expected to grow marginally by 5%-6%.

During FY23-24, Commercial vehicle industry had a sluggish growth due to increasing preference to heavier trucks than multiple lower tonnage trucks. The growth outlook for FY24-25 is around 4%-7%. LCV segment is expected to grow by 3%-4% in FY24-25 due to last mile connectivity of e-commerce goods and migration of workforce. M&HCV segment is expected to grow by 7%-11% due to infrastructure improvement and customer preference to heavier trucks.

The Company has planned to start the process of manufacturing from its Sanand facility for supplying to customers in the Western region.

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 2024-25 is expected to grow by approximately 10%.

## RISKS AND CONCERNS

### Environmental & Geopolitical Factors:

The Geopolitical strife remains volatile. Israel-Iran, Russia-Ukraine wars could disrupt supply chains.

### Awards / awards

The Company has also received multiple awards from customers during financial year 2024-25

Royal Enfield	:	For active participation in sustainability initiatives, Chennai plant, Jul'23
TGSIN	:	Certificate of appreciation for achieving targets in delivery category, Hosur plant, Dec'23
Ashok Leyland	:	"Award of Excellence" for quality category, Chennai plant, Nov'23
ACMA	:	"Star performer award for sustainability & mould maintenance cluster programs", Chennai & Hosur plants "Exemplary leadership support award" to the company's Director & CEO, Mr Rajesh Oommen

### Subsidiaries/ Joint Ventures/ Associates

As on 31<sup>st</sup> March 2024, the Company has no subsidiaries/ joint ventures/ associates.

### 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 Board 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 Board evaluates 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):

- that in the preparation of the annual accounts for the year ended 31<sup>st</sup> March 2024, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- 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;
- 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;
- that the Directors had prepared the accounts for the financial year ended 31<sup>st</sup> March 2024 on a going concern basis; and
- 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 31<sup>st</sup> March 2024.

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

- Mr Venu Srinivasan, Chairman
- Dr. Lakshmi Venu, Director
- Mr Rajesh Oommen, Director & CEO
- Mr S G Murali, Director

### 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.

At the Annual General Meeting of the Company held on 30<sup>th</sup> June 2023, Mr Venu Srinivasan, Chairman who held the office of director for the longest period, was liable to retire by rotation and was re-appointed by the shareholders.

### 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.

# SUNDARAM AUTO COMPONENTS LIMITED

## 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 five times on 27<sup>th</sup> April 2023, 17<sup>th</sup> July 2023, 24<sup>th</sup> October 2023, 22<sup>nd</sup> January 2024 and 28<sup>th</sup> March 2024 and the gap between two meetings did not exceed one hundred and twenty days.

### Extra- Ordinary General Meetings:

During the year under review, no Extra-Ordinary General Meetings were held by the Company.

### 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 5<sup>th</sup> July 2017 and 13<sup>th</sup> 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 3<sup>rd</sup> 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:

Committed to social responsibility, the Company works to drive positive change in rural communities through the Srinivasan Services Trust (SST). SST prioritizes health, education, environmental well-being, and economic empowerment in these areas. The core approach centres around total community involvement, ensuring all stakeholders participate and that projects are sustainable in the long run.

This participation is central to SST's success. SST has developed a mature model that emphasizes community involvement in every project, even adapting best practices from Total Quality Management (TQM) to the rural development landscape. This results in programs and structures that foster not only growth but also long-term sustainability for these communities.

SST fosters integrated, holistic, and participatory village development, working together with both communities and the Government. This collaborative approach ensures sustainable progress in the villages supported. Over the past 28 years, SST has empowered over 60,000 women by organizing them into Self Help Groups (SHGs).

Furthermore, SST has implemented over 350 water conservation projects, including desilting tanks and irrigation channels, and has repaired and renovated over 2,600 pieces of rural government infrastructure.

Looking ahead, SST is committed to continuous improvement.

In the last few years SST has stitched partnerships with several NGOs and Foundations to work on specific areas of water, health and hygiene, capacity building of SHGs, quality education and livelihoods through effective livestock management and entrepreneurship.

SST has won the following awards in FY24:

- Best CSR and Sustainability Practices Award 2022-23 (awarded in 2023-24) by Asian Centre for Corporate governance and Sustainability.
- Economic Times Human Capital Awards 2023 – Winner (Gold) in Change Management
- CSR Journal Excellence Award 2023 - Special commendation for Water Conservation work in Tiruvannamalai.
- Maharashtra CSR Awards 2023 by India CSR – for Silage: Livestock Development
- CII National HR Circle Award for Best practices – Winners in 2 Platinum in Change Management & Digitization.
- NHRD 12<sup>th</sup> Showcase Best Corporate HR Practice – Runners-up.

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

Over 28 years of service, SST has played a pivotal role in changing lives of people in rural India by creating self-reliant communities that are models of sustainable development.

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

Based on the recommendation of the CSR Committee, the Board has approved the projects/ programmes carried out as CSR for an amount of Rs. 15 Lakhs for undertaking similar programmes / projects constituting more than 2% of the average net profits of the Company, made during the three immediately preceding financial years, towards CSR spending for the financial year 2023-24 and the Company has met the CSR spending through SST. CFO of the Company has also ensured the spending through SST for FY 2023-24.

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

To bring in expertise in specific intervention areas like education, health and hygiene and livelihoods through livestock, SST is working in collaboration with organizations like Agastya International Foundation, Villmart, Navsahyog Foundation, Sankara Eye Foundation, Gramalaya and Shreeja Mahila Milk Producers Company Limited.

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

However, SST is working with Tata Institute of Social Sciences (TISS) and Deloitte to carry out social impact studies. TISS is working to study the impact created on livelihoods by SST in rural Pabal area in Pune district, Maharashtra.

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

As required under Section 135 of the Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the annual Report on CSR, containing the particulars of the projects / programmes approved and recommended by the CSR Committee and approved by the Board for the financial year 2023-24 are given by way of Annexure III attached to this Report.

## Auditors

### Statutory Auditors:

The Company at its thirtieth AGM held on 15<sup>th</sup> 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 35<sup>th</sup> 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 3<sup>rd</sup> 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 2024-25.

### 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 2023-24.

The Board has re-appointed them as Secretarial Auditor for carrying out the secretarial audit for the financial year 2024-25.

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.

# SUNDARAM AUTO COMPONENTS LIMITED

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## 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 31<sup>st</sup> March 2024.

### 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 IV 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 2023-24, the Company has not extended any guarantee or loans to other companies during the year under review.

Details of all investments made by the Company as at the end of the Financial year 2023-24 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 2023-24 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  
Date: 2<sup>nd</sup> May 2024

Venu Srinivasan  
Chairman

# SUNDARAM AUTO COMPONENTS LIMITED

## 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 2023-24

- Initiatives for alternate sourcing of power.
  - o Nil
- Projects undertaken to reduce energy consumption:
  - o Optimization of energy consumption in paint shop through transferring operations to newly installed paint shop
  - o Implementation of TPM initiatives 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. 0.8 Crore.

##### 1.2 Proposed measures for the year 2024-25:

- o Acquiring additional power capacity from green energy providers through solar farms/windmills
- o Reduce specific energy consumption through TPM implementation across all plants.

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

#### 2. Steps taken for utilizing alternate sources of energy during the year 2023-24

The Company continued the utilization of the wind energy and solar energy to an extent of 16.9 MW, also balancing the power sourcing with IEX traded power.

#### 3. Capital investment- Energy conservation Equipment:

Nil

#### B. TECHNOLOGY ABSORPTION

- o Reducing the lead time to develop & implement the new products through standardization of raw materials, engaging with strategic mould suppliers and inhouse development of SPM

#### C. FOREIGN EXCHANGE ACTUAL EARNINGS AND OUTGO

Total foreign exchange earnings and out go	(Rs. In Cr)
(a) Earnings	0.96
(b) Out go	20.11

For and on behalf of the Board

Place : Chennai  
Date: 2<sup>nd</sup> May 2024

Venu Srinivasan  
Chairman

# SUNDARAM AUTO COMPONENTS LIMITED

## Annexure - III

### 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: NA

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.	<a href="https://www.sundaramautocomponents.com/">https://www.sundaramautocomponents.com/</a>
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).	Rs. 3.10 Cr
	(b) Two percent of average net profit of the company as per section 135(5) of the Companies Act, 2013.	Rs. 0.06 Cr
	(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil
	(d) Amount required to be set off for the financial year, if any	Nil
	(e) Total CSR obligation for the financial year (5b+5c-5d).	Rs. 0.06 Cr
6.	(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	Rs. 0.15 Cr
	(b) Amount spent in Administrative Overheads	Nil
	(c) Amount spent on Impact Assessment, if applicable	Not Applicable
	(d) Total amount spent for the Financial Year [(a)+(b)+(c)]	Rs. 0.15 Cr

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

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) 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
0.15 Cr	Not Applicable				

(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)	0.06 Cr
(ii)	Total amount spent for the financial year	0.15 Cr
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.09 Cr
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.09 Cr

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

(in Rs.)

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	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 Rs)	Deficiency, if any
					Amount (in Rs.)		
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

Place : Chennai  
Date: 2<sup>nd</sup> May 2024

Venu Srinivasan  
Chairman

# SUNDARAM AUTO COMPONENTS LIMITED

## Annexure - IV

### 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	2023-24
(d)	Date (s) of approval by the Board, if any:	18 <sup>th</sup> January 2023

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	406.74
Availing of Services	Sharing of Common exps etc. & Canteen recovery and Rent on Mysore Plant	At cost	0.97

For and on behalf of the Board

Place : Chennai  
Date: 2<sup>nd</sup> May 2024

Venu Srinivasan  
Chairman

## Form No. MR-3

### Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2024

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

(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, and  
(e) Listing agreements with stock exchanges.

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 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024 ('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 31<sup>st</sup> March 2024 but before the issue of this report;
- (ii) Compliance certificate confirming compliance with all laws applicable to the Company given by 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 authorized representatives during our conduct of the Secretarial Audit.

In our opinion, during the audit period covering the financial year ended on 31<sup>st</sup> March 2024, 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:

1.1. We have examined the books, papers, Minute books and other records maintained by the 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) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder ('FEMA'), to the extent of External Commercial Borrowings ('ECB'); and
- (iii) 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 31<sup>st</sup> March 2024 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) The applicable rules and regulations under FEMA mentioned in paragraph 1.1 (ii) above, with respect to ECB; and
- (iii) 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 (iii) 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) FEMA, with respect to Foreign Direct Investment and Overseas Direct Investment (ODI);

(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 during the year, it was 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 31<sup>st</sup> March 2024, 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 change which took place in the Board of Directors during the year was carried out in compliance with the applicable provisions of the Act and the Rules made thereunder:
  - (a) Re-appointment of Mr. Venu Srinivasan (DIN: 00051523), Director who retired by rotation at the 31<sup>st</sup> Annual General Meeting held on 30<sup>th</sup> June 2023.

##### 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, wherever applicable;
- (ii) Agenda and detailed notes on agenda were sent atleast 7 (seven) days before the Board meetings, except in respect of meetings for which agenda and detailed notes were sent at a shorter notice; and
- (iii) 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:

## SUNDARAM AUTO COMPONENTS LIMITED

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) The National Company Law Tribunal (NCLT) vide its order dated 20<sup>th</sup> December 2023, approved the reduction of paid-up equity share capital of the Company from Rs.44,56,90,000/- (Rupees Forty Four Crores Fifty Six Lakhs Ninety Thousand Only) divided into 4,45,69,000 (Four Crore forty five lakhs sixty nine thousand) Equity shares of Rs.10/- each to Rs.11,93,74,220/- (Rupees Eleven Crores Ninety Three Lakhs Seventy Four Thousand Two Hundred and Twenty Only) divided into 1,19,37,422 (One Crore Nineteen Lakhs Thirty Seven Thousand Four Hundred and Twenty Two) equity shares of Rs.10/- each by cancelling and extinguishing the paid-up equity share capital of Rs. 32,63,15,780/- (Rupees Thirty Two Crore Sixty Three Lakhs Fifteen Thousand Seven Hundred and Eighty Only) divided into 3,26,31,578 (Three Crore Twenty Six Lakhs Thirty One Thousand Five Hundred and Seventy Eight) Equity shares of Rs.10/- each.

Accordingly, the Company had duly cancelled and extinguished 3,26,31,578 (Three Crore Twenty Six Lakhs Thirty One Thousand Five Hundred and Seventy Eight) Equity shares of Rs.10/- each held by the shareholder viz., M/s. TVS Motor Company Limited after returning to them the face value of Rs.10/- along with a premium amount of Rs.85/- for each equity share.

- (ii) Redemption by TVS Motor Company Limited, the Holding Company, of the 310 (Three hundred and ten) Unlisted Unsecured Zero-Coupon Debentures (ZCDs), having face value of Rs 1 crore each, amounting to Rs 310 Crores, held by the Company.

For S. Krishnamurthy & Co  
Company Secretaries  
[Firm Unique Identification No. P1994TN045300]  
(Peer Review Certificate No.739/2020)

SHARANYA SRIRAM,  
Partner  
Membership No.F10252  
Certificate of Practice No: 12731  
UDIN: F010252F000295196

Date : 2<sup>nd</sup> May 2024  
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 2024 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 2024 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  
[Firm Unique Identification No. P1994TN045300]  
(Peer Review Certificate No.739/2020)

SHARANYA SRIRAM,  
Partner  
Membership No.F10252  
Certificate of Practice No: 12731  
UDIN: F010252F000295196

Date : 2<sup>nd</sup> May 2024  
Place : Chennai

# SUNDARAM AUTO COMPONENTS LIMITED

## Independent Auditors' Report to the members of Sundaram Auto Components Limited, Chennai for the year ended 31<sup>st</sup> March 2024

### 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 31<sup>st</sup> March 2024, 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, 2024, 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 31<sup>st</sup> March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

## SUNDARAM AUTO COMPONENTS LIMITED

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- (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 financial 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(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 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. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.
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 24023116BKDZMV5745

Place: Chennai  
Date: 2<sup>nd</sup> May 2024

S. VENKATARAMAN  
PARTNER  
Membership No.023116

# SUNDARAM AUTO COMPONENTS LIMITED

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT – 31<sup>st</sup> March 2024 (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, 2024.
- 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:
- Has made investments in companies.
  - Has not made investments in firms, Limited Liability Partnerships or any other parties.
  - 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 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 2024 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 2024 other than the following on account of dispute, as given below.
- | Name of the statute/ (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               | 2.16                          | 0.10  | GST Appellate Authority, Salem.  |
| Goods and Service Tax, 2017           | FY 2017-18               | 4.54                          | -   | Appeal order rejected by Additional commissioner (ST), Chittoor, AP. Preparation of writ petition to AP - High Court is under process. |
- 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,
- the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
  - the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
  - the Term loans were applied for the purpose for which the loans were obtained.
  - the Company has not utilized funds raised on short-term basis for long-term purposes.
  - 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.

## SUNDARAM AUTO COMPONENTS LIMITED

- 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 of the Company, transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.
- 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) The Group does not have more than one 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 24023116BKDZMV5745

Place: Chennai  
Date: 2<sup>nd</sup> May 2024

S. VENKATARAMAN  
PARTNER  
Membership No.023116

# SUNDARAM AUTO COMPONENTS LIMITED

## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT – 31<sup>st</sup> March 2024 (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, 2024 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, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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 | 24023116BKDZMV5745

Place: Chennai  
Date: 2<sup>nd</sup> May 2024

S. VENKATARAMAN  
PARTNER  
Membership No.023116

# SUNDARAM AUTO COMPONENTS LIMITED

## Balance Sheet as at 31<sup>st</sup> March 2024

	Notes	As at March 31, 2024	Rupees in crores As at March 31, 2023
<b>Assets</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	2	215.60	222.92
Capital work in progress	3	2.58	6.92
Goodwill	4(a)	2.20	2.20
Intangible assets	4(b)	11.47	-
Financial assets			
i. Investments	5	3.12	312.76
ii. Other financial assets	6	0.32	1.67
Other non-current assets	7	5.07	4.56
<b>Total non-current assets</b>		<b>240.36</b>	<b>551.03</b>
<b>Current assets</b>			
Inventories	8	44.96	44.26
Financial assets			
i. Trade receivables	9	96.79	92.33
ii. Cash and cash equivalents	10	4.44	1.14
iii. Other financial assets	11	0.16	0.16
Other current assets	12	14.24	16.27
<b>Total current assets</b>		<b>160.59</b>	<b>154.16</b>
<b>Total Assets</b>		<b>400.95</b>	<b>705.19</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	13	11.94	44.57
Other equity	14	134.17	394.12
<b>Total equity</b>		<b>146.11</b>	<b>438.69</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings	15a	43.64	50.63
ia. Lease liabilities	15b	2.19	2.36
Provision - Employee benefit obligations	16	5.40	6.99
Deferred tax liabilities (Net)	17	21.18	16.86
<b>Total non-current liabilities</b>		<b>72.41</b>	<b>76.84</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	18	44.46	55.45
ia. Lease liabilities	15b	0.17	0.17
ii. Trade payables	19		
a. Total outstanding dues of Micro and Small enterprises		13.39	11.28
b. Total outstanding dues of other than (ii)(a) above		86.02	86.75
iii. Other financial liabilities	20	0.44	0.72
Other current liabilities	21	36.58	34.04
Provision - Employee benefit obligations	16	1.37	1.25
<b>Total current liabilities</b>		<b>182.43</b>	<b>189.66</b>
<b>Total liabilities</b>		<b>254.84</b>	<b>266.50</b>
<b>Total equity and liabilities</b>		<b>400.95</b>	<b>705.19</b>
<b>Material Accounting Policies</b>	1	-	-
<b>(See accompanying notes to the financial statements)</b>			

Venu Srinivasan  
Chairman

Rajesh Oommen  
Director & Chief Executive Officer

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

Place: Chennai  
Date: 02-05-2024

J Ashok Chakravarthi  
Chief Financial Officer

G Sathyan  
Company Secretary

S. Venkataraman  
Partner  
Membership No. 023116

# SUNDARAM AUTO COMPONENTS LIMITED

## Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2024

	Notes	Year ended March 31, 2024	Rupees in crores Year ended March 31, 2023
<b>Income</b>			
Revenue from operations	22	763.79	783.21
Other income	23	0.93	3.81
<b>Total income</b>		<b>764.72</b>	<b>787.02</b>
<b>Expenses</b>			
Cost of materials consumed	24	534.41	550.98
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	24	(0.98)	1.80
Employee benefits expense	25	88.38	86.99
Finance costs	26	11.33	12.92
Depreciation and amortisation expense	2 & 4	22.55	21.06
Other expenses	27	80.20	87.32
<b>Total expenses</b>		<b>735.89</b>	<b>761.07</b>
<b>Profit/ (Loss) before exceptional items</b>		<b>28.83</b>	<b>25.95</b>
Exceptional items - Gain / (Loss)		-	(1.87)
<b>Profit/(Loss) before tax</b>		<b>28.83</b>	<b>24.08</b>
Tax expense			
Current tax	28	5.79	3.74
Deferred tax	28	3.79	4.84
<b>Profit/(Loss) for the year</b>		<b>19.25</b>	<b>15.50</b>
<b>Other comprehensive income</b>			
<i>A. Items that will not be reclassified to profit or loss</i>			
Remeasurement of post employment benefit obligations arising on account of actuarial losses		1.19	(2.56)
Change in fair value of equity instruments		(0.52)	0.17
Income tax relating to these items		(0.53)	1.27
<i>B. Items that will be reclassified to profit or loss</i>			
Fair value changes on cash flow hedges		-	6.15
Income tax relating to these items		-	(1.78)
<b>Other comprehensive income for the year, net of tax</b>		<b>0.14</b>	<b>3.25</b>
<b>Total comprehensive income for the period</b>		<b>19.39</b>	<b>18.75</b>
<b>Earnings per equity share of Rs. 10 each fully paid up</b>			
Basic and Diluted earnings per share (in Rupees)	34	5.34	3.48
<b>Material Accounting Policies (See accompanying notes to the financial statements)</b>	<b>1</b>		

Venu Srinivasan  
Chairman

Rajesh Oommen  
Director & Chief Executive Officer

Place: Chennai  
Date: 02-05-2024

J Ashok Chakravarthi  
Chief Financial Officer

G Sathyan  
Company Secretary

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

S. Venkataraman  
Partner  
Membership No. 023116

# SUNDARAM AUTO COMPONENTS LIMITED

## Statement of Cash Flow for the year ended 31<sup>st</sup> march 2024

Rupees in crores

Details	Year Ended March 31,2024	Year Ended March 31,2023
<b>Profit/(Loss) before tax</b>	28.83	24.08
<b>Adjustments for</b>		
Depreciation and amortisation expense	22.55	21.06
Prov. for doubtful debt	0.02	-
Unrealised exchange (gain) / loss	-	6.24
Loss on sale of fixed assets	-	0.01
(Gain) on disposal of property, plant and equipment	(0.15)	-
Employee provisions	1.52	1.13
Interest income	(0.40)	(3.49)
Impact of fair valuation of financial liability	0.25	0.24
Finance costs	11.33	12.92
	<u>35.12</u>	<u>38.11</u>
<b>Operating profit before working capital changes</b>	<b>63.95</b>	<b>62.19</b>
<b>Change in operating assets and liabilities</b>		
(Increase) / Decrease in trade receivables	(4.46)	0.95
(Increase) / Decrease in Inventories	(0.70)	7.09
(Increase) / Decrease in other financial assets	1.35	(0.17)
(Increase) / Decrease in other non-current assets	(0.26)	0.59
(Increase) / Decrease in other current assets	(1.79)	19.48
Increase / (Decrease) in trade payables	1.38	(0.35)
Increase / (Decrease) in other current liabilities	2.54	(21.58)
	(1.94)	6.01
<b>Cash generated from operations</b>	<b><u>62.01</u></b>	<b><u>68.20</u></b>
Less: Direct taxes paid	5.15	4.25
<b>Net cash inflow from operating activities</b>	<b><u>56.86</u></b>	<b><u>63.95</u></b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(27.33)	(30.65)
Payments for property, plant and equipment - CWIP	4.34	5.74
Capital Advances	(0.20)	(0.25)
Sale of Investments	-	317.01
Share application money paid	-	(1.34)
Investments in Zero coupon bonds	-	(310.00)
Proceeds from sale of property, plant and equipment	0.76	1.73
Proceeds from sale of Investment	310.50	-
Interest received	0.40	3.49
<b>Net cash outflow from investing activities</b>	<b><u>288.47</u></b>	<b><u>(14.27)</u></b>

# SUNDARAM AUTO COMPONENTS LIMITED

## Statement of Cash Flow for the year ended 31<sup>st</sup> march 2024

Rupees in crores

Details	Year Ended March 31,2024	Year Ended March 31,2023
<b>Cash flows from financing activities</b>		
Interest paid	(11.39)	(12.36)
Dividends & Dividend Tax paid	(1.96)	(2.23)
Lease liability paid	(0.23)	(0.23)
Interest on Lease liability	(0.21)	(0.22)
Reduction of Share capital	(310.00)	-
Receipt / (repayment) of Short term loan	(5.67)	(16.73)
Receipt / (repayment) of Long term loan	(9.58)	(5.01)
<b>Net cash inflow (outflow) from financing activities</b>	<b>(339.04)</b>	<b>(36.78)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>6.29</b>	<b>12.90</b>
Cash and cash equivalents at the beginning of the financial year		
Cash and cash equivalents	1.14	0.70
Overdraft utilised	(2.99)	(15.45)
Cash and cash equivalents at end of the year		
Cash and cash equivalents	4.44	1.14
Overdraft utilised	-	(2.99)

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

Particulars	As at 01-04-2023	Cash flow	Amortization	Foreign exchange movement	As at 31-03-2024
Non current borrowings (including current maturities)	60.21	(9.58)	0.26	-	50.89
Current borrowings	42.88	(5.67)	-	-	37.21

Non Cash Investing Activities :	2023-24	2022-23
Acquisition of right-of-use assets	-	0.87

Venu Srinivasan  
Chairman

Rajesh Oommen  
Director & Chief Executive Officer

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

Place: Chennai  
Date: 02-05-2024

J Ashok Chakravarthi  
Chief Financial Officer

G Sathyan  
Company Secretary

S. Venkataraman  
Partner  
Membership No. 023116

# SUNDARAM AUTO COMPONENTS LIMITED

## Statement of Changes in Equity

Rupees in crores

A. EQUITY SHARE CAPITAL	Total
<b>Balance as at 01-04-2023</b>	<b>44.57</b>
Changes in equity share capital due to prior period items	-
Restated balance as at 01.04.2022	44.57
Changes in equity share capital	-
<b>Balance as at 31-03-2023</b>	<b>44.57</b>
Changes in equity share capital due to prior period items	-
Restated balance as at 01.04.2023	44.57
Changes in equity share capital	(32.63)
<b>As at 31-03-2024</b>	<b>11.94</b>

### 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	
<b>Balance as at April 1, 2022</b>	<b>8.05</b>	<b>294.32</b>	<b>79.05</b>	<b>0.14</b>	<b>(3.96)</b>	<b>377.60</b>
Adjustment towards Equity Instrument FV through OCI	-	-	-	-	-	-
Issue of equity shares	-	-	15.50	-	-	15.50
Profit for the period 2022-23	-	-	0.41	-	(0.41)	-
Other comprehensive income for the year 2022-23	-	-	(1.29)	0.17	4.37	3.25
<b>Sub-total A</b>	<b>8.05</b>	<b>294.32</b>	<b>93.67</b>	<b>0.31</b>	<b>-</b>	<b>396.35</b>
<b>Less : Distribution to shareholders</b>						
2022-23 first and final dividend paid	-	-	2.23	-	-	2.23
Dividend distribution tax paid	-	-	-	-	-	-
<b>Sub-total B</b>	<b>-</b>	<b>-</b>	<b>2.23</b>	<b>-</b>	<b>-</b>	<b>2.23</b>
<b>Balance as at March 31, 2023 C = (A - B)</b>	<b>8.05</b>	<b>294.32</b>	<b>91.44</b>	<b>0.31</b>	<b>-</b>	<b>394.12</b>
Issue of equity shares	-	-	-	-	-	-
Profit for the period 2023-24	-	-	19.25	-	-	19.25
Hedge reserve regrouped	-	-	-	-	-	-
Other comprehensive income for the year 2023-24	-	-	0.66	(0.52)	-	0.14
Reduction of Share premium	-	(277.38)	-	-	-	(277.38)
<b>Sub-total D</b>	<b>8.05</b>	<b>16.94</b>	<b>111.35</b>	<b>(0.21)</b>	<b>-</b>	<b>136.13</b>
<b>Less : Distribution to shareholders</b>						
2023-24 first and final dividend paid	-	-	1.96	-	-	1.96
<b>Sub-total E</b>	<b>-</b>	<b>-</b>	<b>1.96</b>	<b>-</b>	<b>-</b>	<b>1.96</b>
<b>Balance as at March 31, 2024 F = (D - E)</b>	<b>8.05</b>	<b>16.94</b>	<b>109.39</b>	<b>(0.21)</b>	<b>-</b>	<b>134.17</b>

#### 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.

**Retained Earnings:** This represents profit that the company has earned till date less any transfer to general reserves and dividend distributed to shareholders.

Venu Srinivasan  
Chairman

Rajesh Oommen  
Director & Chief Executive Officer

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

Place: Chennai  
Date: 02-05-2024

J Ashok Chakravarthi  
Chief Financial Officer

G Sathyan  
Company Secretary

S. Venkataraman  
Partner  
Membership No. 023116

# SUNDARAM AUTO COMPONENTS LIMITED

## 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 automobile industry. The Company has manufacturing plants located at Chennai and Hosur in Tamil Nadu, Mysore in Karnataka, Bhiwadi in Rajasthan and 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 Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] 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 31<sup>st</sup> March 2024 have been approved and authorized for issue by Board of Directors at its meeting held 2<sup>nd</sup> May 2024

#### 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 1<sup>st</sup> 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 1<sup>st</sup> April, 2018, and subsequent contracts with customers from that date.

##### i. Performance obligation:

The revenue is recognized on fulfilment of performance obligation.

##### ii. Sale of products:

Revenue from 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 terms of contract.

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

##### iii. Dividend income:

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

##### iv. Interest income:

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

##### v. Significant judgements:

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 to 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 upto the date the asset is ready for its intended use. However, cost excludes Goods and Services Tax to the extent of credit of tax is availed of.

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 profit or loss within other gains / (losses).

#### 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 double/triple shift) 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 amortised 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.

## iii) Internally-generated intangible assets:

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from development phase of internal project is recognised, if and only if, the conditions under the Ind AS 38 - Intangible Asset, are fulfilled. If the conditions are not fulfilled the same is recognised in profit and loss in the period in which it is incurred.

The intangible assets are amortised on straight line basis over its useful life, viz., 3 to 5 years in the case of Design, Development and Technical knowhow. The useful life of the Intangible assets are reviewed annually with respect to estimates and changes if any are, being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised as profit or loss with in other income /expenses.

## i) Transactions in foreign currencies

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

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 shareholder's 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 or 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 or 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) Cost of finished goods and work-in-process comprises of direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of 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 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 employee's 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 employee upto 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-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 employee benefit expense in the statement of profit and loss.

# SUNDARAM AUTO COMPONENTS LIMITED

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 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 recognises a 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 Company's 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 may, but probably will not require a cash outflow, the same is disclosed as contingent liability. 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 payment 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.

## SUNDARAM AUTO COMPONENTS LIMITED

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 recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

### u) Investments and Other financial assets

#### i) 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: -

Initially these are recognized at cost.

In addition to transaction cost attributable to such asset, corresponding effect on fair valuation is recognized in statement of profit and loss.

#### Debt Instruments:

Debt instruments are initially recognized at cost.

Debt instruments which are initially recognized at cost are subsequently measured based on the company's business model for managing the asset and 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 statement of profit and 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 statement of profit and 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 statement of profit and loss. A gain or loss on a debt investment that is subsequently measured at fair value through statement of profit and loss and is not part of a hedging relationship is recognised in statement of profit and 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.

#### 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.

### v) 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 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.

### w) 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

# SUNDARAM AUTO COMPONENTS LIMITED

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ready for its intended use. 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.

## x) 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.

## y) 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.

## z) 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 adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

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

## aa) 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. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

# SUNDARAM AUTO COMPONENTS LIMITED

## Notes to Financial Statements - (continued)

### 2.a. Property, Plant & Equipment

Rupees in crores

Description	Property, Plant & Equipment								Total
	Free hold Land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Computers	Vehicles	Right of Use Asset	
<b>Gross Carrying Amount</b>									
As at 01-04-2023	5.15	82.76	243.67	9.36	2.31	3.07	0.52	13.16	360.00
Additions	-	0.37	12.31	0.79	0.05	0.55	1.34	-	15.41
<b>Sub-total</b>	<b>5.15</b>	<b>83.13</b>	<b>255.98</b>	<b>10.15</b>	<b>2.36</b>	<b>3.62</b>	<b>1.86</b>	<b>13.16</b>	<b>375.41</b>
Sales / Deletion	-	-	5.44	-	0.01	0.07	0.16	-	5.68
<b>Closing Gross Carrying Amount</b>	<b>5.15</b>	<b>83.13</b>	<b>250.54</b>	<b>10.15</b>	<b>2.35</b>	<b>3.55</b>	<b>1.70</b>	<b>13.16</b>	<b>369.73</b>
<b>Accumulated Depreciation</b>									
Upto 31-03-2023	-	17.57	108.74	4.36	1.50	2.54	0.46	1.91	137.08
For the year FY 2023-24	-	3.03	17.15	0.89	0.16	0.22	0.32	0.33	22.10
<b>Sub-total</b>	<b>-</b>	<b>20.60</b>	<b>125.89</b>	<b>5.25</b>	<b>1.66</b>	<b>2.76</b>	<b>0.78</b>	<b>2.24</b>	<b>159.18</b>
Withdrawn on assets sold/deleted	-	-	4.83	-	-	0.06	0.16	-	5.05
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>20.60</b>	<b>121.06</b>	<b>5.25</b>	<b>1.66</b>	<b>2.70</b>	<b>0.62</b>	<b>2.24</b>	<b>154.13</b>
<b>Net Carrying Amount</b>									
<b>As at 31-03-2024</b>	<b>5.15</b>	<b>62.53</b>	<b>129.48</b>	<b>4.90</b>	<b>0.69</b>	<b>0.85</b>	<b>1.08</b>	<b>10.92</b>	<b>215.60</b>
<b>Gross Carrying Amount</b>									
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
<b>Sub-total</b>	<b>5.15</b>	<b>82.76</b>	<b>248.40</b>	<b>9.67</b>	<b>2.58</b>	<b>3.23</b>	<b>1.92</b>	<b>13.16</b>	<b>366.86</b>
Sales / deletion	-	-	4.73	0.31	0.27	0.16	1.40	-	6.87
IND AS 116 Transition	-	-	-	-	-	-	-	-	-
<b>Closing Gross Carrying Amount</b>	<b>5.15</b>	<b>82.76</b>	<b>243.67</b>	<b>9.36</b>	<b>2.31</b>	<b>3.07</b>	<b>0.52</b>	<b>13.16</b>	<b>359.99</b>
<b>Accumulated Depreciation</b>									
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
<b>Sub-total</b>	<b>-</b>	<b>17.57</b>	<b>112.86</b>	<b>4.58</b>	<b>1.72</b>	<b>2.70</b>	<b>0.85</b>	<b>1.90</b>	<b>142.18</b>
Withdrawn on assets sold/deleted	-	-	4.12	0.22	0.22	0.16	0.39	-	5.11
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>17.57</b>	<b>108.74</b>	<b>4.36</b>	<b>1.50</b>	<b>2.54</b>	<b>0.46</b>	<b>1.90</b>	<b>137.07</b>
<b>Net Carrying Amount</b>									
<b>As at 31-03-2023</b>	<b>5.15</b>	<b>65.19</b>	<b>134.93</b>	<b>5.00</b>	<b>0.81</b>	<b>0.53</b>	<b>0.06</b>	<b>10.73</b>	<b>222.92</b>

# SUNDARAM AUTO COMPONENTS LIMITED

## Notes to Financial Statements - (continued)

Rupees in crores

### 2.b. Right of use of assets

Particulars	Land	Building	Plant and Machinery	Vehicle	Total
<b>Gross Block- As at 01-04-2023</b>					
Opening/(On transition to Ind AS 116)	10.84	1.77	0.15	0.40	13.16
Additions during the year	-	-	-	-	-
Deletions during the year	-	-	-	-	-
<b>Closing Gross balance as on 31-03-2024</b>	<b>10.84</b>	<b>1.77</b>	<b>0.15</b>	<b>0.40</b>	<b>13.16</b>
<b>Accumulated amortisation</b>					
Up to 31.03.2023	0.63	1.00	0.15	0.12	1.91
Amortisation for the year FY 2023-24	0.15	0.10	-	0.08	0.33
<b>Sub-total</b>	<b>0.78</b>	<b>1.10</b>	<b>0.15</b>	<b>0.20</b>	<b>2.24</b>
Withdrawn on assets sold/deleted	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>0.78</b>	<b>1.10</b>	<b>0.15</b>	<b>0.20</b>	<b>2.24</b>
<b>Closing Net Balance as on 31-03-2024</b>	<b>10.06</b>	<b>0.67</b>	<b>-</b>	<b>0.20</b>	<b>10.93</b>
<b>Gross Block- As at 01-04-2022</b>					
Opening/(On transition to Ind AS 116)	10.84	0.90	0.15	0.40	12.29
Additions during the year	-	0.87	-	-	0.87
Deletions during the year	-	-	-	-	-
<b>Closing Gross balance as on 31-03-2023</b>	<b>10.84</b>	<b>1.77</b>	<b>0.15</b>	<b>0.40</b>	<b>13.16</b>
<b>Accumulated amortisation</b>					
Up to 31.03.2022	0.47	0.90	0.15	0.04	1.56
Amortisation for the year FY 2022-23	0.16	0.10	-	0.08	0.34
<b>Sub-total</b>	<b>0.63</b>	<b>1.00</b>	<b>0.15</b>	<b>0.12</b>	<b>1.90</b>
Withdrawn on assets sold/deleted	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>0.63</b>	<b>1.00</b>	<b>0.15</b>	<b>0.12</b>	<b>1.90</b>
<b>Closing Net Balance as on 31-03-2023</b>	<b>10.21</b>	<b>0.77</b>	<b>-</b>	<b>0.28</b>	<b>11.26</b>

The company has generally leased Land, warehouses, equipments, vehicles and guest houses across the country, the lease period, ranges from 2-99 years, lease terms included for workings is the non-cancellable period and expected lease term.

Company has exercised the option of short term leases and low value asset exemption.

#### Extension and termination options

Extension options has been included only in case of certain offices were it is certain, rest of the assets the term is limited to non-cancellable period

Short term lease payments- Rs. 0.92 crores (PY Rs.0.72 crores)

Payment towards low value asset leases - Nil

Loss on surrender of lease asset- Nil (PY Rs.1.04 crores)

# SUNDARAM AUTO COMPONENTS LIMITED

## Notes to Financial Statements - (continued)

Rupees in crores

### 3. Capital Work-In-Progress

Description	As at March 31, 2024	As at March 31, 2023
Capital work in progress ( At cost)		
(a) Building	2.01	1.05
(b) Plant & equipment	0.57	5.87
<b>Total</b>	<b>2.58</b>	<b>6.92</b>

Borrowing cost capitalised during the year is 0.37Cr (last year Nil )

Ageing for capital work-in-progress as at March 31, 2024 is as follows

Particulars	Amount in CWIP for a year ended on 31 March 2024				
	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1.53	1.05	-	-	2.58

There is no capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan

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

There is no capital work in progress whose completion is overdue or has exceeded its cost compared to its original plan

### 4a. Goodwill

Description	Total
<b>Gross Carrying Amount</b>	
As at 01-04-2023	2.20
Additions	-
<b>Sub-total</b>	<b>2.20</b>
Sales / deletion	-
<b>Closing Gross Carrying Amount</b>	<b>2.20</b>
<b>Accumulated amortisation</b>	
Upto 31-03-2023	-
For the year	-
<b>Sub-total</b>	<b>-</b>
Withdrawn on assets sold/deleted	-
<b>Closing accumulated amortization</b>	<b>-</b>
<b>Net Carrying Amount</b>	
<b>As at 31-03-2024</b>	<b>2.20</b>
<b>Gross Carrying Amount</b>	
As at 01-04-2022	2.20
Additions	-
<b>Sub-total</b>	<b>2.20</b>
Sales / deletion	-
<b>Closing Gross Carrying Amount</b>	<b>2.20</b>
<b>Accumulated amortisation</b>	
Upto 31-03-2022	-
For the year	-
<b>Sub-total</b>	<b>-</b>
Withdrawn on assets sold/deleted	-
<b>Closing accumulated amortisation</b>	<b>-</b>
<b>Net Carrying Amount</b>	
<b>As at 31-03-2023</b>	<b>2.20</b>

# SUNDARAM AUTO COMPONENTS LIMITED

## Notes to Financial Statements - (continued)

Rupees in crores

### 4.b Other Intangible Assets

Description	Software	Development Cost	Total
<b>Gross Carrying Amount</b>			
As at 01-04-2023	1.47	-	1.47
Additions	-	11.92	11.92
<b>Sub-total</b>	<b>1.47</b>	<b>11.92</b>	<b>13.39</b>
Sales / deletion	-	-	-
<b>Closing Gross Carrying Amount</b>	<b>1.47</b>	<b>11.92</b>	<b>13.39</b>
<b>Accumulated amortisation</b>			
Upto 31-03-2023	1.47	-	1.47
For the year	-	0.45	0.45
<b>Sub-total</b>	<b>1.47</b>	<b>0.45</b>	<b>1.92</b>
Withdrawn on assets sold/deleted	-	-	-
<b>Closing accumulated amortization</b>	<b>1.47</b>	<b>0.45</b>	<b>1.92</b>
<b>Net Carrying Amount</b>			
<b>As at 31-03-2024</b>	<b>-</b>	<b>11.47</b>	<b>11.47</b>
<b>Gross Carrying Amount</b>			
As at 01-04-2022	1.47	-	1.47
Additions	-	-	-
<b>Sub-total</b>	<b>1.47</b>	<b>-</b>	<b>1.47</b>
Sales / deletion	-	-	-
<b>Closing Gross Carrying Amount</b>	<b>1.47</b>	<b>-</b>	<b>1.47</b>
<b>Accumulated amortisation</b>			
Upto 31-03-2022	1.47	-	1.47
For the year	-	-	-
<b>Sub-total</b>	<b>1.47</b>	<b>-</b>	<b>1.47</b>
Withdrawn on assets sold/deleted	-	-	-
<b>Closing accumulated amortisation</b>	<b>1.47</b>	<b>-</b>	<b>1.47</b>
<b>Net Carrying Amount</b>			
<b>As at 31-03-2023</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 5 Investments

Sl. No.	Particulars	Holding / Subsidiary / Associate	No. of shares / units		Face Value	Currency	As at 31-03-2024	As at 31-03-2023
			As at 31-03-2024	As at 31-03-2023				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>(A)</b>	<b>Investment in Equity Instruments Fair valued through OCI:</b>							
	Unquoted:							
(i)	Green Infra Wind Energy Theni Limited		4,274,477	3,434,477	10	INR	2.14	1.86
(ii)	Atria wind power (chitradurga) P Ltd		80,948	80,948	100	INR	0.51	0.47
	<b>Total value of Equity Instruments (A)</b>						<b>2.65</b>	<b>2.33</b>
<b>(B)</b>	<b>Other non-current Investments valued at amortized cost:</b>							
	Unquoted:							
(i)	Life Insurance Corporation Pension Policy, Mumbai					INR	0.47	0.43
(ii)	Investment in Zero coupon bonds	Holding company	310.00	-	10,000,000	INR	-	310.00
	<b>Total value of other non-current investment (B)</b>						<b>0.47</b>	<b>310.43</b>
	<b>Total (A+B)</b>						<b>3.12</b>	<b>312.76</b>
	Aggregate amount of quoted investments and market value thereof						-	-
	Aggregate amount of unquoted investments						3.12	312.76
	Aggregate amount of impairment in value of investments						-	-
	<b>Total</b>						<b>3.12</b>	<b>312.76</b>

(All Investments are fully paid up)

# SUNDARAM AUTO COMPONENTS LIMITED

## Notes to Financial Statements - (continued)

Rupees in crores

	As at March 31, 2024	As at March 31, 2023
<b>6 Financial Assets - Others</b>		
<b>Others</b>		
Other deposits	0.32	0.33
Share application money paid (pending for allotment)	-	1.34
<b>Total other financial assets</b>	<b>0.32</b>	<b>1.67</b>
<b>7 Other non-current assets</b>		
Capital advances	0.48	0.28
<b>Advances other than capital advances:</b>		
Electricity Deposit	3.90	3.17
<b>Other Advances:</b>		
Prepaid Expenses (Refer note 36 (7))	0.22	0.96
IT Recoverable - (Advance income tax net of provision)	0.47	0.15
<b>Total other non-current assets</b>	<b>5.07</b>	<b>4.56</b>

	As at March 31, 2024	As at March 31, 2023
<b>8 Inventories</b>		
Raw materials and components	23.36	26.42
Goods in Transit - - Raw materials and components	3.17	0.44
Work-in-process	9.59	8.49
Finished goods	7.92	8.04
Stores and spares	0.92	0.87
<b>Total Inventories</b>	<b>44.96</b>	<b>44.26</b>

Refer note 1 for Inventory Valuation. The cost of inventories recognized as an expense during the year is disclosed in Note No.24 and it includes cost of inventories recognized as an expense/(gain) of Rs. (0.08) crore (previous year Rs (0.04) crore) in respect of write-downs of inventory to net realisable value, slow and non moving items

<b>9 Trade receivables</b>		
Secured, considered good	-	-
Unsecured, considered good	97.18	92.70
	97.18	92.70
Less: Loss allowance	(0.39)	(0.37)
<b>Total</b>	<b>96.79</b>	<b>92.33</b>

### Ageing for trade receivables - billed – non-current outstanding as at March 31, 2024 is as follows

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	80.94	7.88	0.03	-	-	-	88.85
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.18	0.09	0.08	0.04	0.39
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	80.94	7.88	0.21	0.09	0.08	0.04	89.24
Less: Loss allowance							(0.39)
Trade Receivables- Billed							88.85
Trade Receivables- Unbilled							7.94
<b>Total - Trade Receivables</b>							<b>96.79</b>

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

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(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
<b>Total - Trade Receivables</b>							<b>92.33</b>

Balances includes balance with related parties (refer note no.29(c)) for trade receivables

# SUNDARAM AUTO COMPONENTS LIMITED

## Notes to Financial Statements - (continued)

	As at March 31, 2024	As at March 31, 2023		As at March 31, 2024	Rupees in crores As at March 31, 2023
<b>10 Cash and cash equivalents</b>			<b>12 Other current assets</b>		
Balances with banks	4.43	1.08	GST/Sales tax / IT Receivables	2.55	5.79
Cash on hand	0.01	0.06	<b>Other Advances:</b>		
<b>Total cash and cash equivalents</b>	<b>4.44</b>	<b>1.14</b>	Prepaid expense (Refer note 36 (7))	2.00	2.36
			Advance to suppliers	8.26	6.32
<b>11 Other financial Assets</b>			<b>Others</b>		
Employee advances	0.16	0.16	Claims and other receivables	3.20	2.39
<b>Total other financial assets</b>	<b>0.16</b>	<b>0.16</b>	Less: Loss allowance	(1.78)	(0.60)
			Net Claims and other receivables	1.42	1.79
			Export Incentive Receivable	0.02	0.01
			<b>Total other current assets</b>	<b>14.24</b>	<b>16.27</b>

### 13 SHARE CAPITAL

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

Particulars	As at 31-03-2024		As at 31-03-2023	
	Number	Rs. In Crores	Number	Rs. In Crores
<b>Authorised:</b>				
Equity shares of Rs.10/- each	50,000,000	50.00	50,000,000	50.00
<b>Issued, subscribed and fully paid up:</b>				
Equity shares of Rs.10/- each	11,937,422	11.94	44,569,000	44.57
<b>Total</b>	<b>11,937,422</b>	<b>11.94</b>	<b>44,569,000</b>	<b>44.57</b>

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

Particulars	As at 31-03-2024		As at 31-03-2023	
	Number	Rs. In Crores	Number	Rs. In Crores
Shares outstanding at the beginning of the year	44,569,000	44.57	44,569,000	44.57
Shares issued during the year	-	-	-	-
Share reduction during the year	(32,631,578)	(32.63)	-	-
<b>Shares outstanding at the end of the year</b>	<b>11,937,422</b>	<b>11.94</b>	<b>44,569,000</b>	<b>44.57</b>

\* During the year, the National Company Law Tribunal (NCLT), Chennai vide its order dated 20th December 2023 approved the application of the Company towards reduction of its paid – up capital from Rs.44,56,90,000/- (Rupees Forty Four Crores Fifty Six Lakhs Ninety Thousand Only) divided into 4,45,69,000 (Four Crore forty five lakhs sixty nine thousand) Equity shares of Rs.10/- each to Rs.11,93,74,220/- (Rupees Eleven Crores Ninety Three Lakhs Seventy Four Thousand Two Hundred and Twenty Only) divided into 1,19,37,422 (One Crore Nineteen Lakhs Thirty Seven Thousand Four Hundred and Twenty Two) equity shares of Rs.10/- each by cancelling and extinguishing the paid-up equity share capital of Rs. 32,63,15,780/- (Rupees Thirty Two Crore Sixty Three Lakhs Fifteen Thousand Seven Hundred and Eighty Only) divided into 3,26,31,578 (Three Crore Twenty Six Lakhs Thirty One Thousand Five Hundred and Seventy Eight) Equity shares of Rs.10/- each.

#### (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 31-03-2024		As at 31-03-2023	
		No. of shares held	% of holding	No. of shares held	% of holding
TVS Motor Company Limited, Chennai and by its six nominees	Equity	11,937,422	100.00	44,569,000	100.00

# SUNDARAM AUTO COMPONENTS LIMITED

## Notes to Financial Statements - (continued)

Rupees in crores

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

Name of shareholder	Class of share	As at 31-03-2024	As at 31-03-2023
		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 31-03-2024		As at 31-03-2023		% Changes during the year
	No. of shares held	% of holding	No. of shares held	% of holding	
TVS Motor Company Limited	11,937,422	100.00	44,569,000	100.00	-

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		% Changes during the year
	No. of shares held	% of holding	No. of shares held	% of holding	
TVS Motor Company Limited	44,569,000	100.00	44,569,000	100.00	-

Venu Srinivasan  
Chairman

Rajesh Oommen  
Director & Chief Executive Officer

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

Place: Chennai  
Date: 02-05-2024

J Ashok Chakravarthi  
Chief Financial Officer

G Sathyan  
Company Secretary

S. Venkataraman  
Partner  
Membership No. 023116

# SUNDARAM AUTO COMPONENTS LIMITED

## Notes to Financial Statements - (continued)

Rupees in crores

14 Other Equity	As at	As at
	March 31, 2024	March 31, 2023
General reserve	8.05	8.05
Securities premium reserve	16.94	294.32
Retained earnings	109.18	91.75
<b>Total</b>	<b>134.17</b>	<b>394.12</b>

### 15.a Long Term Borrowings

Description	Frequency	No. of instalments due	Maturity	As at 31-03-2024	As at 31-03-2023
<b>Secured:</b>					
Term loan from bank	Repayable in 8 equal Quarterly instalments INR 1.25 Cr starting Sept 2021	-	27- June- 2023	-	1.25
Term loan from bank	Repayable in 12 equal Quarterly instalments INR 0.416 Cr starting June 2020	-	27- June- 2023	-	0.42
Term loan from bank	Repayable in 12 equal Quarterly instalments INR 2.916 Cr starting June 2020	-	27- June- 2023	-	2.92
Term loan from bank	Repayable in 4 equal Quarterly instalments INR 1.25 Cr starting Sep 2022	-	27- June- 2023	-	1.25
Term loan from bank	Repayable in 16 equal Quarterly instalments INR 0.937 Cr starting Dec 2021	10	21- Sep- 2026	-	9.38
Term loan from bank	Repayable in 12 equal Quarterly instalments INR 3.5 Cr starting Feb 2025	12	24- Nov- 2027	47.56	41.92
Term loan from SIPCOT	Repayable in single instalments INR 5.80Cr on April 2029	1	01- April- 2029	3.33	3.08
<b>Total Borrowings</b>				50.89	60.21
Less : Current Maturities of long-term borrowings (Refer Note No. 18)				7.25	9.58
<b>Total Long-term Borrowings</b>				<b>43.64</b>	<b>50.63</b>
<b>Details of securities created:</b>					
(i) Term loan from banks -Exclusive charge on land and building and paripasu charge on plant and equipment					
(ii) Term loan from banks -Equitable mortgage of immovable properties of the company					
(iii) Term loan from SIPCOT- First charge on the specific plant and equipment					
Description	Currency	Amount	Rate of Interest		
Term loan from bank	INR	15 Crores	8.95% (T-Bill 30 days +2.98)		
Term loan from bank	INR	42 Crores	9.25% ( MCLR 6 Month)		
Term loan from SIPCOT	INR	5.80 Crores	0.1% per Annum		

# SUNDARAM AUTO COMPONENTS LIMITED

## Notes to Financial Statements - (continued)

Rupees in crores

### 16. Provisions- Employee benefit obligations

Particulars	As at March 31, 2024			As at March 31, 2023		
	Current	Non-current	Total	Current	Non-current	Total
Pension	1.09	3.04	4.13	1.09	2.63	3.72
Leave Salary	0.28	1.89	2.17	0.17	1.70	1.87
Gratuity	-	0.47	0.47	-	2.66	2.66
<b>Total employee benefit obligations</b>	<b>1.37</b>	<b>5.40</b>	<b>6.77</b>	<b>1.26</b>	<b>6.99</b>	<b>8.25</b>

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
<b>April 1, 2023</b>									
Opening values	7.32	4.66	(2.66)	3.72	-	(3.72)	1.87	-	(1.87)
Current service cost	0.91	-	(0.91)	-	-	-	-	-	-
Interest expense/(income)	0.46	0.43	(0.03)	0.28	-	(0.28)	0.22	-	(0.22)
<b>Total amount recognised in profit or loss</b>	<b>1.37</b>	<b>0.43</b>	<b>(0.94)</b>	<b>0.28</b>	<b>-</b>	<b>(0.28)</b>	<b>0.22</b>	<b>-</b>	<b>(0.22)</b>
<i>Remeasurements</i>									
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-	-	-	-	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	0.17	-	(0.17)	0.20	-	(0.20)	0.04	-	(0.04)
Experience (gains)/losses	(1.48)	-	1.48	(0.08)	-	0.08	0.44	-	(0.44)
<b>Total amount recognised in other comprehensive income</b>	<b>(1.31)</b>	<b>-</b>	<b>1.31</b>	<b>0.12</b>	<b>-</b>	<b>(0.12)</b>	<b>0.48</b>	<b>-</b>	<b>(0.48)</b>
Employer contributions	-	1.81	1.81	-	-	-	-	-	-
Benefit payments	(0.22)	(0.22)	-	-	-	-	(0.40)	-	0.40
<b>March 31, 2024</b>	<b>7.16</b>	<b>6.69</b>	<b>(0.47)</b>	<b>4.13</b>	<b>-</b>	<b>(4.13)</b>	<b>2.17</b>	<b>-</b>	<b>(2.17)</b>

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
<b>April 1, 2022</b>									
Opening values	5.63	3.42	(2.20)	3.14	-	(4.13)	1.68	-	(2.17)
Current service cost	0.65	-	(0.65)	-	-	-	-	-	-
Interest expense/(income)	0.39	0.35	(0.04)	0.23	-	(0.23)	0.12	-	(0.12)
<b>Total amount recognised in profit or loss</b>	<b>1.04</b>	<b>0.35</b>	<b>(0.69)</b>	<b>0.23</b>	<b>-</b>	<b>(0.23)</b>	<b>0.12</b>	<b>-</b>	<b>(0.12)</b>
<i>Remeasurements</i>									
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)
<b>Total amount recognised in other comprehensive income</b>	<b>1.73</b>	<b>(0.48)</b>	<b>(2.21)</b>	<b>0.35</b>	<b>-</b>	<b>(0.35)</b>	<b>0.07</b>	<b>-</b>	<b>(0.07)</b>
Employer contributions	-	-	-	-	-	-	-	-	-
Benefit payments	(1.07)	1.36	2.43	-	-	-	-	-	-
<b>March 31, 2023</b>	<b>7.32</b>	<b>4.66</b>	<b>(2.66)</b>	<b>3.72</b>	<b>-</b>	<b>(4.71)</b>	<b>1.87</b>	<b>-</b>	<b>(2.36)</b>

# SUNDARAM AUTO COMPONENTS LIMITED

## 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, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Discount rate	6.97%	7.22%	6.97%	7.16%	6.97%	7.20%
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, 2024	1.82	2.22	2.72	2.31	2.25	11.94	23.26
As at March 31, 2023	1.96	2.37	2.11	2.75	2.24	11.45	22.90

### (ii) Sensitivity analysis

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

#### Gratuity

#### Impact on defined benefit obligation

Details	Change in assumption	Increase in assumption	Decrease in assumption
	March 31, 2024	March 31, 2024	March 31, 2024
Discount rate	0.50%	-4.87%	5.28%
Salary growth rate	0.50%	5.33%	-4.96%
Attrition growth rate	5.00%	0.20%	-0.20%
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, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Discount rate	1.00%	1.00%	-13.49%	-14.15%	16.37%	17.27%
Salary growth rate	1.00%	1.00%	17.06%	18.00%	-14.18%	-14.87%
Attrition growth rate	5.00%	5.00%	0.00%	0.00%	0.00%	0.00%
Life expectancy	5.00%	5.00%	-0.71%	-0.69%	0.74%	0.71%

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.

### (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 plan's 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.

# SUNDARAM AUTO COMPONENTS LIMITED

## Notes to Financial Statements - (continued)

Rupees in crores

### 17 Deferred tax Liability / (Asset)

The balance comprises temporary differences attributable to:

Details	As at March 31, 2024	As at March 31, 2023
Depreciation	26.74	25.71
Provision for employee benefits	(4.23)	(3.85)
Provision for doubtful debts	(0.14)	(0.13)
On Voluntary Retirement Scheme	(1.09)	(1.68)
Loss allowance	(0.20)	(0.20)
On Financial Instruments	0.10	0.51
Unused MAT credit entitlement	-	(3.51)
<b>Net deferred tax liability / (Asset)</b>	<b>21.18</b>	<b>16.86</b>

### 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, 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
<b>At March 31, 2023</b>	<b>25.71</b>	<b>(3.84)</b>	<b>(0.13)</b>	<b>0.52</b>	<b>(3.51)</b>	<b>(1.68)</b>	<b>(0.20)</b>	<b>(0.01)</b>	<b>16.86</b>
Charged/(credited):									
- to profit or loss	1.03	(0.79)	(0.01)	(0.53)	3.51	0.59	(0.00)	-	3.79
- to other comprehensive income	-	0.42	-	0.11	-	-	-	-	0.53
<b>At March 31, 2024</b>	<b>26.74</b>	<b>(4.22)</b>	<b>(0.14)</b>	<b>0.10</b>	<b>(0.00)</b>	<b>(1.09)</b>	<b>(0.20)</b>	<b>(0.01)</b>	<b>21.18</b>

As at                      As at  
March 31, 2024      March 31, 2023

### 18 Current Liabilities - Borrowings

#### Borrowings repayable on demand from banks

##### Unsecured:

- Bank 1 ( Interest @ 7.6%)	8.21	22.88
- Bank 2 ( Interest @ 8.0%)	19.00	-

##### Secured:

- Bank 3 ( Interest @ 7.8%)	10.00	20.00
Cash credit facility - (Interest @ 9.0%)	-	2.99
Current Maturities of long term borrowings	7.25	9.58
<b>Total Borrowings under Current Liabilities</b>	<b>44.46</b>	<b>55.45</b>

#### 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

# SUNDARAM AUTO COMPONENTS LIMITED

## Notes to Financial Statements - (continued)

Rupees in crores

19 Trade payables	As at March 31, 2024	As at March 31, 2023
Dues to Micro and Small Enterprises **	13.39	11.28
Dues to enterprises other than Micro and Small Enterprises	81.53	81.64
	<b>94.92</b>	<b>92.92</b>
Accrued Expenses	4.49	5.11
<b>Total</b>	<b>99.41</b>	<b>98.03</b>

\*\* 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, 2024 is as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	<1 Yr.	1-2 years	2-3 years	More than 3 years	
(i) MSME	13.12	0.27	-	-	-	13.39
(ii) Others	47.63	33.13	0.41	0.05	0.31	81.53
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
	<b>60.75</b>	<b>33.40</b>	<b>0.41</b>	<b>0.05</b>	<b>0.31</b>	<b>94.92</b>
Accrued Expenses						4.49
<b>Total - Trade payables</b>						<b>99.41</b>

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

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

Balances includes balance with related parties (refer note no.29(c)) for trade payables

	As at March 31, 2024	As at March 31, 2023
<b>20 Other financial liabilities</b>		
<b>Current</b>		
Interest accrued and due #	0.44	0.72
<b>Total other current financial liabilities</b>	<b>0.44</b>	<b>0.72</b>

# Funds are made available with banks which have been appropriated subsequently

	As at March 31, 2024	As at March 31, 2023
<b>21 Other current liabilities</b>		
Advance received from customers*	31.58	29.87
<b>Others:</b>		
Statutory dues	1.84	0.99
Employee related	3.16	3.18
<b>Total other current liabilities</b>	<b>36.58</b>	<b>34.04</b>

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

	Year ended March 31, 2024	Year ended March 31, 2023
<b>22 Revenue from operations</b>		
Sale of components and tools	732.28	754.39
Other operating revenue	31.51	28.82
<b>Total revenue</b>	<b>763.79</b>	<b>783.21</b>

	Year ended March 31, 2024	Year ended March 31, 2023
<b>23 Other income</b>		
Interest income	0.40	3.49
Profit on sale of Fixed assets (Net)	0.15	-
Other non-operating income	0.38	0.32
<b>Total other income</b>	<b>0.93</b>	<b>3.81</b>

Other non-operating income includes Government grants 0.31crores (PY 0.31 crores)

# SUNDARAM AUTO COMPONENTS LIMITED

## Notes to Financial Statements - (continued)

Rupees in crores

	Year ended March 31, 2024	Year ended March 31, 2023
<b>24 Cost of Materials consumed:</b>		
Opening stock of raw materials and components	26.42	32.12
Add: Purchases	531.35	545.28
	557.77	577.40
Less: Closing stock of raw materials and components	23.36	26.42
<b>Consumption of raw materials and components</b>	<b>534.41</b>	<b>550.98</b>

### Changes in inventories of finished goods, work-in-process and Stock-in-trade:

Opening stock:		
Work-in-process	8.49	11.15
Finished goods	8.04	7.18
(A)	<b>16.53</b>	<b>18.33</b>
Closing stock:		
Work-in-process	9.59	8.49
Finished goods	7.92	8.04
(B)	<b>17.51</b>	<b>16.53</b>
(A)-(B)	<b>(0.98)</b>	<b>1.80</b>

### 25 Employee benefits expense

Salaries, wages and bonus	74.57	74.28
Contribution to provident and other funds	3.31	2.61
Welfare expenses	10.50	10.10
<b>Total employee benefit expense</b>	<b>88.38</b>	<b>86.99</b>

### 26 Finance Costs

Interest	10.74	11.96
Other borrowing cost	0.38	0.74
Interest on lease liabilities	0.21	0.22
<b>Total finance costs</b>	<b>11.33</b>	<b>12.92</b>

### 27 Other expenses

(a) Consumption of stores, spares and tools	4.10	4.81
(b) Power and fuel	25.45	25.19
(c) Rent	1.50	0.92
(d) Repairs - buildings	1.97	2.43
(e) Repairs - plant and equipment	7.60	10.52
(f) Repairs - Other assets	0.12	0.20
(g) Insurance	1.64	1.54
(h) Rates and taxes	0.93	0.76
(i) Audit fees #	0.27	0.26
(j) Packing and freight charges	19.87	21.32
(k) Sitting fees	0.01	0.01
(l) Loss on sale of fixed assets (Net)	-	0.01
(m) Foreign exchange loss (Net)	0.21	6.44
(n) Amount Spent towards corporate social responsibility	0.15	-
(o) Miscellaneous expenses	16.38	12.91
(under this head there is no expenditure which is in excess of 1% of revenue from operations or Rs.10 lakhs, whichever is higher)		
<b>Total other expenses</b>	<b>80.20</b>	<b>87.32</b>

# 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	5.79	3.76
Adjustments for current tax of prior periods	-	(0.02)

#### Total current tax expense

<b>5.79</b>	<b>3.74</b>
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##### Deferred tax

Unused tax (credit) [MAT credit entitlement]	3.51	-
Adjustment of unused MAT credit of prior period	-	-
Decrease (increase) in deferred tax assets	(1.34)	(0.47)
(Decrease) increase in deferred tax liabilities	1.62	5.31

#### Total deferred tax expense/(benefit)

<b>3.79</b>	<b>4.84</b>
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#### Tax expense

<b>9.58</b>	<b>8.58</b>
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#### (b) Reconciliation of tax expense and the accounting profit multiplied by Indian tax rate:

Profit before income tax expense	28.83	24.08
Provision for bad debts	0.02	(0.00)
Amount of income to which provisions of section 10 or 11 or 12 apply, if any such amount is credited to profit and loss	-	-
Disallowance u.s 14A	-	-
Ind AS current year OCI adjustment	1.19	(2.56)
<b>Tax at Indian tax rate 34.944% of the Income Tax Act 1961</b>	<b>30.04</b>	<b>21.52</b>

#### Tax relating to prior periods

-	(0.02)
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#### Deferred tax liabilities / (Assets)

0.28	4.84
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#### MAT Credit entitlements

3.51	-
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#### Tax expense

<b>9.58</b>	<b>8.58</b>
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# SUNDARAM AUTO COMPONENTS LIMITED

## Notes to Financial Statements - (continued)

Rupees in crores

	As at year ended 31-03-2024	As at year ended 31-03-2023	As at year ended 31-03-2024	As at year ended 31-03-2023
<b>Related Party Disclosure</b>				
<b>29 (a) (i) Related parties and their relationship where control exists</b>				
<b>Ultimate holding company</b>				
TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited) - From 11th August 2023				
<b>Holding company</b>				
TVS Motor Company Limited, Chennai				
<b>(ii) Related parties and their relationship where transaction / control exists</b>				
<b>Fellow subsidiaries</b>				
TVS Digital Limited, Chennai [Name changed from 15th December 2023 - Formerly known as TVS Housing Limited]				
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)				
PT TVS Motor Company Indonesia, Jakarta				
Harita ARC Services Private Limited, Chennai				
Harita 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				
EGO Movement Stuttgart, GmbH, Germany (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, Switzerland				
Emerald Haven Realty Ltd, Chennai				
Emerald Haven Projects Private Limited, Chennai				
Emerald Haven Property Development Limited, Chennai				
Happiness Harmony Property Developers Private Limited, Chennai				
Emerald Haven Realty Developers (Paraniputhur) Private Limited, Chennai				
Emerald Haven Towers Limited, Chennai				
Emerald Haven Development Limited, Chennai				
Emerald Haven Life Spaces (Radial Road) Limited, Chennai				
Emerald Haven Town & Country Private Limited, Chennai				
Emerald Haven Residences Private Limited, Chennai (From 19.06.2023)				
Emerald Haven Properties Private Limited, Chennai (From 08.01.2024)				
Emerald Haven Builders Private Limited, Chennai (From 09.01.2024)				
Emerald Haven Housing Private Limited, Chennai (From 12.06.2023)				
<b>Associate of Holding companies:</b>				
Ultraviolette Automotive Private Limited, Bengaluru				
Tagbox Solutions Private Limited, Bengaluru [upto 30.03.2024]				
DriveX Mobility Private Limited, Coimbatore				
Indian Foundation for Quality Management, Bengaluru [From 15.02.2024]				
<b>Associate of Fellow companies:</b>				
Killwatt GmbH, Germany [From 14.04.2023]				
ION Mobility Pte. Ltd. [From 14.03.2024]				
Predictronic Corp, USA				
Tagbox Pte Ltd, Singapore				
Altizon Inc, USA				
Scienaptic Systems Inc., USA				
<b>Enterprises under Common control</b>				
Sundaram - Clayton Limited, Chennai (formerly known as Sundaram - Clayton DCD Limited) - From 11th August 2023				
<b>Key Managerial Personnel</b>				
<b>Non Independent Directors</b>				
Mr. Venu Srinivasan				
Dr. Lakshmi Venu				
Mr. SG Murai				
<b>Whole time Director</b>				
Mr. Rajesh Oommen				
<b>Relative of KMP</b>				
Dr. Malini Srinivasan				
<b>29 (b) Transactions with related parties:</b>				
<b>(i) Purchase of goods</b>				
- Holding company - TVS Motor Company Limited, Chennai			-	0.25
<b>(ii) Sale of Investment</b>				
- Ultimate holding company - TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited), Chennai			-	317.01
<b>(iii) Reduction of Shares (including premium) and payment to holding company</b>				
- Holding Company - TVS Motor Company Ltd, Chennai	310.00		-	
<b>(iv) Sale of goods</b>				
- Holding Company - TVS Motor Company Ltd, Chennai	406.07		364.38	
- Associate of Holding Company - Ultraviolette Automotive Private Limited	0.67		5.72	
<b>(v) Investment in Zero coupon bonds</b>				
- Holding Company - TVS Motor Company Ltd, Chennai			-	310.00

# SUNDARAM AUTO COMPONENTS LIMITED

## NOTES TO ACCOUNTS

Rupees in crores

	As at year ended 31-03-2024	As at year ended 31-03-2023		As at year ended 31-03-2024	As at year ended 31-03-2023
<b>(vi) Redemption of Zero coupon bonds</b>			<b>(x) Remuneration to Key Management Personnel</b>		
- Holding Company - TVS Motor Company Ltd, Chennai	310.00	-	Short Term Employee benefits	2.11	1.52
			Post- Employment Benefits	0.16	0.09
<b>(vii) Rendering of services</b>			<b>(xi) Commission To Key Managerial Person</b>	-	-
- Ultimate holding company - TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited), Chennai	2.27	6.79	<b>(xii) Dividend Paid to Holding Company</b>	1.96	2.23
- Enterprises under Common control - Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited), Chennai	5.40	-			
<b>(viii) Availing of services</b>			<b>29 (c) Balances with related parties:</b>		
- Holding company - TVS Motor Company Limited, Chennai	1.07	1.11	<b>(xiii) Trade receivables</b>		
- Ultimate holding company - TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited), Chennai	3.47	4.38	- Holding company - TVS Motor Company Limited, Chennai	10.95	(2.06)
- Enterprises under Common control - Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited), Chennai	1.15	-	- Enterprises under Common control - Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited), Chennai	1.25	2.93
- Fellow subsidiaries			- Associate of Holding Company		
TVS Credit Services Limited, Chennai	-	0.04	- Ultraviolette Automotive Private Limited	0.18	1.42
<b>(ix) Sale of Assets</b>			<b>(xiv) Trade payables</b>		
Key Managerial Personnel	-	0.12	- Holding company - TVS Motor Company Limited, Chennai	0.04	0.08
			- Ultimate holding company - TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited), Chennai	0.03	2.59
			- Enterprises under Common control - Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited), Chennai	0.10	-

### 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
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.

# SUNDARAM AUTO COMPONENTS LIMITED

## NOTES TO ACCOUNTS - (continued)

Rupees in crores

### (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.

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 2024:

(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	0.47	0%	-	0.47
		Other Financial Assets	1	0.48	0%	-	0.48
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

# SUNDARAM AUTO COMPONENTS LIMITED

## NOTES TO ACCOUNTS - (continued)

Rupees in crores

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

Ageing	Less than 180 days	More than 180 days	Total
Gross carrying amount	96.76	0.42	97.18
Expected loss rate	-	91%	-
Expected credit losses (Loss allowance provision)	-	(0.39)	(0.39)
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>96.76</b>	<b>0.03</b>	<b>96.79</b>

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	92.33	0.37	92.70
Expected loss rate	-	100%	-
Expected credit losses (Loss allowance provision)	-	(0.37)	(0.37)
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>92.33</b>	<b>-</b>	<b>92.33</b>

(iii) Reconciliation of loss allowance provision – Trade receivables

Details	Amount in Crs
Loss allowance on 1 April 2023	0.37
Changes in loss allowance (net)	0.02
<b>Loss allowance on 31 March 2024</b>	<b>0.39</b>

### (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 entity's 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.

# SUNDARAM AUTO COMPONENTS LIMITED

## NOTES TO ACCOUNTS - (continued)

Rupees in crores

### (i) Financing arrangements

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

Details	31 March, 2024	31 March, 2023
<b>Floating rate</b>		
- Expiring within one year (bank overdraft and other facilities)	30.00	27.01

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:

- All non-derivative financial liabilities, and
- 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-24	31-Mar-23
Term loan	> than 12 months	43.64	50.63
Short-term borrowings	< than 12 months	37.21	45.87
Trade payables	< than 12 months	99.41	98.03
Current maturities of term loan	< than 12 months	7.25	9.58
Interest accrued and due on loans	< than 12 months	0.44	0.72
Employee related	< than 12 months	3.16	3.18
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.

## (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 company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows

Details	31 March 2024			31 March 2023		
	USD	EURO	JPY	USD	EURO	JPY
<b>Financial liabilities</b>						
Foreign currency loan	-	-	-	-	-	-
ECB loan from bank	-	-	-	-	-	-
Trade payables	4.77	0.03	0.01	4.18	0.01	-
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>4.77</b>	<b>0.03</b>	<b>0.01</b>	<b>4.18</b>	<b>0.01</b>	<b>-</b>

### 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 2024	31 March 2023
<b>USD sensitivity</b>		
INR/USD Increases by 5%	0.24	0.21
INR/USD Decreases by 5%	(0.24)	(0.21)
<b>JPY sensitivity</b>		
INR/JPY Increases by 5%	0.00	-
INR/JPY Decreases by 5%	(0.00)	-
<b>Euro sensitivity</b>		
INR/Euro Increases by 5%	0.00	0.00
INR/Euro Decreases by 5%	(0.00)	(0.00)

\* Holding all other variables constant

# SUNDARAM AUTO COMPONENTS LIMITED

## NOTES TO ACCOUNTS - (continued)

Rupees in crores

### (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 2024	31 March 2023
Variable rate borrowings	88.10	106.08

#### Sensitivity analysis

Details	Impact on profit	
	31 March 2024	31 March 2023
<i>Interest rate</i>		
Increases by 5%	0.39	0.40
Decreases by 5%	(0.39)	(0.40)

### (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
<b>31st March 2024</b>						
Forward Contracts	8.48	8.46	April 2024 to June 2024	1:1	INR/USD Rs.83.40	0.02
<b>31st March 2023</b>						
Forward Contracts	4.18	4.14	April 2023 to June 2023	1:1	INR/USD Rs.82.17	0.04

### 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 an optimum gearing ratio. The gearing ratios were as follows:

Details	March 31, 2024	March 31, 2023
Net debt	83.66	104.94
Total equity	146.11	438.69
<b>Net debt to equity ratio (in times)</b>	<b>0.57</b>	<b>0.24</b>

#### (b) Dividends

Details	March 31, 2024	March 31, 2023
<i>(i) Equity shares</i>		
First and final dividend for the year ended 31 March 2024 as Rs 1.64 (31st March 2023 Rs 0.5) per fully paid share	1.96	2.23
<i>(ii) Dividends not recognised at the end of the reporting period</i>	-	-

# SUNDARAM AUTO COMPONENTS LIMITED

## NOTES TO ACCOUNTS - (continued)

Rupees in crores

### 32 Fair Value Measurements

#### Financial instruments by category

Particulars	March 31, 2024			March 31, 2023		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments						
- Equity instruments	-	2.65	-	-	2.33	-
- Others						
Life Insurance Corporation Pension Policy	-	-	0.47	-	-	0.43
Zero coupon bonds	-	-	-	-	-	310.00
Deposits	-	-	0.32	-	-	0.33
Share allotment money	-	-	-	-	-	1.34
Trade receivables	-	-	96.79	-	-	92.33
Cash and cash equivalents	-	-	4.44	-	-	1.14
Employee advance	-	-	0.16	-	-	0.16
Receivable under hedge instruments	-	-	-	-	-	-
<b>Total financial assets</b>	-	<b>2.65</b>	<b>102.18</b>	-	<b>2.33</b>	<b>405.73</b>
<b>Financial liabilities</b>						
Trade payables	-	-	99.41	-	-	98.03
Borrowings	3.33	-	77.52	3.08	-	93.42
Others						
- Current Maturities of long term borrowings	-	-	7.25	-	-	9.58
- Interest accrued	-	-	0.44	-	-	0.72
- Employee related	-	-	3.16	-	-	3.18
Payable under hedged instruments	-	-	-	-	-	-
<b>Total financial liabilities</b>	<b>3.33</b>	-	<b>187.78</b>	<b>3.08</b>	-	<b>204.93</b>

#### (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 2024	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<i>Financial Investments at FVTPL:</i>		-	-	-	-
<i>Financial Investments at FVOCI:</i>					
Green Infra Wind Energy Theni Limited	5	-	-	2.14	2.14
Atria wind power (chitradurga) P Ltd	5	-	-	0.51	0.51
<b>Total financial assets</b>		-	-	<b>2.65</b>	<b>2.65</b>
<b>Financial liabilities</b>					
<i>Financial liabilities at FVTPL:</i>					
Borrowings	15.a	-	-	3.33	3.33
<i>Financial liabilities at FVOCI:</i>					
Payable under hedge instruments		-	-	-	-
<b>Total financial liabilities</b>		-	-	<b>3.33</b>	<b>3.33</b>

# SUNDARAM AUTO COMPONENTS LIMITED

## 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 2024	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<b><u>Investments</u></b>					
Life Insurance corporation pension policy	5	-	-	0.47	0.47
<b>Total financial assets</b>		-	-	<b>0.47</b>	<b>0.47</b>
<b>Financial Liabilities</b>	-	-	-	-	-
<b>Total financial liabilities</b>		-	-	-	-

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

At 31 March 2023	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
<i>Financial Investments at FVTPL:</i>		-	-	-	-
<i>Financial Investments at FVOCI:</i>					
Green Infra Wind Energy Theni Limited	5	-	-	1.86	1.86
Atria wind power (chitradurga) P Ltd	5	-	-	0.47	0.47
<b>Total financial assets</b>		-	-	<b>2.33</b>	<b>2.33</b>
<b>Financial liabilities</b>					
<i>Financial liabilities at FVTPL:</i>					
Borrowings	15.a	-	-	3.08	3.08
<b>Total financial liabilities</b>		-	-	<b>3.08</b>	<b>3.08</b>

### 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
<b>Financial assets</b>					
<b><u>Investments</u></b>					
Life Insurance corporation pension policy	5	-	-	0.43	0.43
<b>Total financial assets</b>		-	-	<b>0.43</b>	<b>0.43</b>
<b>Financial Liabilities</b>		-	-	-	-
<b>Total financial liabilities</b>		-	-	-	-

**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.

# SUNDARAM AUTO COMPONENTS LIMITED

## NOTES TO ACCOUNTS - (continued)

Rupees in Crores

**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.

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)

Particulars	Unlisted Securities
As at 1 April 2022	2.16
Acquisition/(Disposal)	-
Gains/losses recognised in profit or loss	-
Gains/losses recognised in OCI	0.17
31-Mar-23	<b>2.33</b>
Acquisition/(Disposal)	0.84
Gains/losses recognised in profit or loss	-
Gains/losses recognised in OCI	(0.52)
31-Mar-24	<b>2.65</b>

Valuation inputs and relationships to fair value						
Particulars	Fair value as at			Probability-weighted range		
	31-Mar-24	31-Mar-23	Significant unobservable inputs	31-Mar-24	31-Mar-23	Sensitivity
Unquoted Equity Shares	2.65	2.33	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

# SUNDARAM AUTO COMPONENTS LIMITED

## NOTES TO ACCOUNTS - (continued)

### 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 technical 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
<b>Sub total (1)</b>	<b>10.40</b>
Current Liabilities (2)	(3.60)
<b>Sub total (3)=(1)+(2)</b>	<b>6.80</b>
Consideration Paid (4)	9.00
<b>Goodwill (5)=(4)-(3)</b>	<b>2.20</b>
<b>Note:</b>	
(i) Goodwill is monitored by the management taking in to account the cash generated 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	No.of Yrs 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	

### 34 Earnings per share

	31 March, 2024	31 March, 2023
<b>(a) Basic and diluted earnings per share</b>		
Basic and diluted earnings per share attributable to the equity holders of the Company (in Rs)	5.34	3.48
<b>(b) Earnings used in calculating earnings per share</b>		
<i>Basic and diluted earnings per share</i>		
Profit attributable to equity holders of the company used in calculating basis earnings per share (Rs in crores)	19.25	15.50
<b>(c) Weighted average number of equity shares used as the denominator in calculating basic earnings per share</b>	36,075,850	44,569,000

### 35 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006.

Rupees in Crores

	Year ended 31-03-2024	Year ended 31-03-2023
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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)	13.39	11.28
(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

### 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 :

Particulars	For the year ended 31-03-2024	For the year ended 31-03-2023
<b>A. Type of goods or service</b>		
1. Components and tools	732.28	754.39
2. Other operating revenue	31.51	28.82
	763.79	783.21
<b>B. Timing of recognition of revenue</b>		
1. At a point in time	763.79	783.21
2. Over time	-	-
	763.79	783.21

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.

# SUNDARAM AUTO COMPONENTS LIMITED

## NOTES TO ACCOUNTS - (continued)

Rupees in Crores

### 3 Reconciliation of contracts with customers

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

Particulars		For the year ended 31-03-2024	For the year ended 31-03-2023
A.	Contract liabilities at the beginning of the period	6.20	13.29
	Add / (Less) :		
	Consideration received during the year as advance	9.22	6.20
	Revenue recognized from contract liability	(6.20)	(13.29)
	Contract liabilities at the end of the period	9.22	6.20

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

Particulars	For the year ended 31-03-2024	For the year ended 31-03-2023
1. Contract price	763.79	783.21
2. Adjustments :		
Discounts	-	-
3. Revenue from operations as per Statement of Profit and loss	763.79	783.21

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.

Category of Asset	Design and development expenses of Mould
Opening balance as on 01-04-2023	4.31
Addition during the year 2023-24	-
Closing balance as on 31-03-2024	4.31
Accumulated amortization 31-03-2023	2.61
Amortization for the year 2023-24	0.74
Impairment Loss	-
Closing accumulated amortization balance as on 31-03-2024	3.35
Balance as on 31-03-2024	0.96
Current Asset	0.74
Non-Current Asset	0.22

### 37 Other Disclosures

#### (i) Contingent liabilities

Details	31st March 2024	31st March 2023
(a) Claims against the company not acknowledged as debt		
(i) Income Tax	3.46	3.46
(ii) Goods and Service Tax **	6.70	2.82
(iii) Sales Tax	-	0.74
(iv) Customs	-	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	2.38	2.33
(ii) Estimated Indemnity amount on account of tax paid due to interpretational difference in GST tax rate	15.94	-
(iii) On Investments	-	-
<b>Total</b>	<b>28.48</b>	<b>9.75</b>

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.

\*\*Includes the refund of Input Tax Credit amounting to Rs. 4.53 crores claimed by the Company for the unexpired period of a lease, which was denied by the Commissioner and Appellate Authority. The Company decided to take this matter to the Tribunal by filing appeal. However, due to the Tribunal under GST is not being established yet, the appeal cannot be filed, at this time.

#### (ii) Payment to Auditor (excluding GST)

Details	31st March 2024	31st March 2023
Audit fee	0.20	0.20
Taxation matters	0.04	0.04
Certification matters	0.02	0.02
<b>Total</b>	<b>0.26</b>	<b>0.26</b>
Miscellaneous expenses include travel and stay expenses of auditors	0.04	0.04

#### (iii) Expenditure incurred on Corporate Social Responsibility activities:

Particulars	31st March 2024	31st March 2023
1 Amount required to be spent by the Company during the year	0.06	-
2 Amount of expenditure incurred	0.15	-
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.

# SUNDARAM AUTO COMPONENTS LIMITED

## NOTES TO ACCOUNTS - (continued)

### 38 Additional Regulatory Information

#### (i) Ratio Analysis

S No	Ratio	Numerator	Denominator	Current Year 31.03.2024	Current Year 31.03.2023	% Variance	Reasons
a	Current Ratio (in times)	Current Assets	Current Liabilities	0.88	0.83	6%	Reflects better operational performance
b	Debt Equity Ratio (in times)	Total Debt	Total Shareholders Equity	0.57	0.24	139%	Reduction of share capital
c	Debt Service Coverage Ratio (in times)	Earnings available for debt services	Total Interest and principal repayments	3.00	1.10	172%	Increase in profit before tax and repayment of borrowings
d	Return on Equity Ratio (%)	Net Profit after Tax	Average Shareholder's Equity	6.58%	3.60%	83%	Return on Investment improved due to better earnings in the current year
e	Inventory Turnover Ratio (in times)	Net Sales	Average Inventory	17.22	16.46	5%	
f	Trade Receivable Turnover Ratio (in times)	Net Credit Sales	Average Trade Receivables	8.12	8.48	-4%	
g	Trade Payable Turnover Ratio (in times)	Net Credit Purchases	Average Trade Payables	5.32	5.54	-4%	
h	Net Capital Turnover Ratio (in times)	Net Sales	Working Capital	(35.44)	(22.28)	59%	Increase was primarily on account of improvement in working capital
i	Net Profit Ratio (%)	Net Profit	Net Sales	2.51%	1.97%	27%	Net profit % improved due to better operational performance
j	Return on Capital Employed (%)	Earnings before interest and taxes	Capital Employed	19.24%	7.71%	149%	The ROCE higher in current year due to higher earnings in the current year
k	Return on Investment (%)	Profit after Tax	Average Networth	13.18%	3.53%	273%	Return on Investment improved due to better earnings in the current year

# SUNDARAM AUTO COMPONENTS LIMITED

## 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 2024.
- 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 2024.
- 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

Venu Srinivasan  
Chairman

Rajesh Oommen  
Director & Chief Executive Officer

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

Place: Chennai  
Date: 02-05-2024

J Ashok Chakravarthi  
Chief Financial Officer

G Sathyan  
Company Secretary

S. Venkataraman  
Partner  
Membership No. 023116

# TVS DIGITAL LIMITED (Formerly known as TVS Housing Limited)

## Directors' Report to the Shareholders

The directors present the Fourteenth Annual Report and the Audited Financial Statements for the year ended 31<sup>st</sup> March 2024.

### Financial Highlights

(Rs. In Lakhs)

Details	Year ended	Year ended
	31.03.2024	31.03.2023
Sales and other income	385.15	7.21
Less: Expenses	348.41	3.81
Profit before tax	36.74	3.40
Provision for taxation (including deferred tax)	9.55	0.89
Profit after tax	27.19	2.51

### TRANSFER TO RESERVES

During the year, the Company has not transferred any amounts to General Reserve or any other specific reserve.

### CHANGE IN NAME AND OBJECT CLAUSE OF THE COMPANY

Pursuant to the approval of the Board of Directors and the Shareholders at their respective meetings held on 4<sup>th</sup> December 2023, the name of the Company got changed to TVS Digital Limited and the same was approved by the Registrar of Companies on 5<sup>th</sup> December 2023.

TVS Digital Limited (TVSD) (Formerly known as TVS Housing Limited) was carrying on the business of infrastructure development and real estate activities.

Consequent to the Board & shareholders' approval, the main object of the Company was changed to 'technology and computer service activities, Other information technology and computer service activities n.e.c' and the same was approved by the Registrar of Companies on 3<sup>rd</sup> January 2024.

### DIVIDEND

The Directors had not declared any dividend for the year under review.

### SHARE CAPITAL

The Company's Paid-up equity share Capital as on 31<sup>st</sup> March 2024 was Rs. 3,05,00,000.

During the year, the Rs. 5,00,000 (Rupees Five Lakhs only) to Rs. 3,05,00,000 (Rupees Three Crores and Fifty Lakhs only) to meet the incremental capital requirements and the Memorandum and Articles of Association of the Company was amended accordingly to give effect to the increase.

The Holding Company, TVS Motor Company Limited had additionally subscribed to the Capital of the Company through rights issue by subscribing to 30,00,000 equity shares of Rs. 10/- each and the allotment was completed on 1<sup>st</sup> March 2024.

### PERFORMANCE OVERVIEW

TVS Digital Limited (formerly known as TVS Housing Limited) is a wholly owned subsidiary of TVS Motor Company Limited.

The name and the main objects of the Company was changed during FY 2023-24 from TVS Housing Limited to TVS Digital Limited to reflect its new objects and carry on the business activities relating to Digital Information Technology and other related services.

### 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, to the extent required and commensurate with its size and activities.

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 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:

- in the preparation of the annual accounts for the year ended 31<sup>st</sup> March 2024, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;
- 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;
- the directors had prepared the accounts for the financial year ended 31<sup>st</sup> March 2024 on a 'going concern basis'; and
- 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

During the year, there was no change in the composition of Board of Directors.

As on 31<sup>st</sup> March 2024, the following are the directors of the Company:

- Mr S G Murali, Non- Executive Director
- Mr Sriram Subramanian Iyer, Non- Executive Director; and
- Mr V R Karunakar Reddy, Non- Executive Director

Directors liable to retire by rotation

In terms of the Articles of Association of the Company and in terms of the provisions of sub-section (6) read with explanation to Section 152 of the Act, 2013, two-thirds of the total number of Directors are liable to retire by rotation and out of them, one-third is liable to retire by rotation at every Annual General Meeting (AGM), being eligible, offer themselves for re-appointment.

Accordingly, Mr S G Murali is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The Directors have recommended the above for the approval of shareholders.

### BOARD MEETINGS

During the year under review, the board met 6 times on 25<sup>th</sup> April 2023, 20<sup>th</sup> July 2023, 25<sup>th</sup> October 2023, 4<sup>th</sup> December 2023, 22<sup>nd</sup> January 2024 and 1<sup>st</sup> March 2024 and the gap between two meetings did not exceed one hundred and twenty days.

### GENERAL MEETING

During the last three years, namely 2020-21 to 2022-23, no special resolution was passed by obtaining the approval of the shareholders except for the two special resolutions passed at the Extra-Ordinary General Meeting held on 4<sup>th</sup> December 2023 for change in Object Clause of the Memorandum of Association of the Company and Change in the name of the Company and consequent alteration in Memorandum of Association and Articles of Association of the Company.

### Statutory AUDITORS

The Company at its ninth Annual General Meeting held on 28<sup>th</sup> June 2019, 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.

In terms of the above provisions, M/s V Sankar Aiyar & Co., Chartered Accountants shall be completing their current term of five consecutive years with this AGM.

It is therefore proposed to re-appoint them as Statutory Auditors for a subsequent term of five years from the conclusion of the 14<sup>th</sup> Annual General Meeting till the conclusion of the 19<sup>th</sup> Annual General Meeting of the Company to be held in 2029.

The Company has obtained necessary certificate under Section 141 of the Act 2013 read with the Companies (Audit and Auditors) Rules, 2014, conveying their eligibility and consent for being appointed as statutory auditors of the Company for a further period of 5 years from the conclusion of the ensuing Annual General Meeting.

The Auditors' Report for the financial year 2023-24 does not contain any qualification, reservation or adverse remark and the same is attached as part of the annual financial statements.



# TVS DIGITAL LIMITED (Formerly known as TVS Housing Limited)

## INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

To the Members of TVS Digital Limited

### Report on the Audit of the financial statements

#### Opinion

We have audited the financial statements of TVS Digital Limited ("the Company"), which comprise the Balance sheet as at 31<sup>st</sup> March 2024, 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 material 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, 2024, 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 Board's Report including Annexures to Board's Report 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 with reference to financial statements 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 31<sup>st</sup> March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to financial statements 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:

## TVS DIGITAL LIMITED (Formerly known as TVS Housing Limited)

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- a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. 24 to the financial 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, as disclosed in the notes to the accounts (refer Note no.29(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, as disclosed in the notes to the accounts (refer Note no.28(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. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

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.

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

UDIN 24224922BKFYDL8566

Place : Chennai  
Date : 29<sup>th</sup> April, 2024

V BALAJI  
Partner  
Membership No. 224922

# TVS DIGITAL LIMITED (Formerly known as TVS Housing Limited)

## Annexure A to Independent Auditor's Report - 31 March 2024 (Referred to in our report of even date)

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.

- 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 Rupees five crores in aggregate from banks and Financial Institutions during any point of time of 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.

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 the fellow subsidiary of its 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. Therefore, clause (iii)(a)(A) of para 3 of the order is not applicable to the Company.
  - B. The aggregate amount of security by way of collateral provided to the fellow subsidiary of its Holding Company during the year is Rs. 510 Lakhs and the balance outstanding as on 31<sup>st</sup> March 2024 is Rs. 1,550 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 fellow subsidiary of its Holding Company is not prejudicial to the interest of the Company. According to the information and explanation given to us and the records of the Company examined by us, the Company has not made investment in, not 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 during the year and in earlier years. Therefore, clause (iii)(c), (d), (e) & (f) of para 3 of the Order is not applicable to the Company.

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 fellow subsidiary of its Holding Company. The Company has not made any investment, not provided any loan and not provided any guarantee.

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.

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.

- 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, Cess and other material statutory dues were in arrears as at 31<sup>st</sup> March 2024 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, Goods and Services Tax (GST), and Cess which have not been deposited other than the following on account of dispute, as given below.

(Rs. in Lakhs)

Name of the statute/ (Nature of dues)	Period of Due/Dispute	Demand	Amount paid under protest/ Deposit against appeal	Forum where dispute is pending
GST	April to June 2017	114.17	10.38	Appellate Authority, Chennai

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.

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.

- 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 made preferential allotment (rights issue) of equity shares, the requirements of section 62 of the Act have been duly complied with by the Company and the funds raised have been used for the purposes for which the funds were raised. The Company has not made any private placement, hence section 42 of the Act is not applicable.
- 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, the Company does not have a secretarial auditor and 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.

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

In our opinion and according to the information and explanations given to us, based on verification of the records of the Company, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.

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

## TVS DIGITAL LIMITED (Formerly known as TVS Housing Limited)

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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.

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) The Group does not have more than one CIC as part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

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.

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.

According to the information and explanations given to us and on the basis of the financial ratios disclosed in note 22 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.

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 Regd. No.109208W

UDIN 24224922BKFYDL8566

Place : Chennai  
Date : 29<sup>th</sup> April, 2024

V BALAJI  
Partner  
Membership No. 224922

# TVS DIGITAL LIMITED (Formerly known as TVS Housing Limited)

## Annexure "B" to Independent Auditors' Report 31<sup>st</sup> March 2024

(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 with reference to financial statements of TVS Digital Limited ("the Company") as of March 31, 2024 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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

### Meaning of Internal Financial Controls with reference to Financial Statements

6. A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to financial statements 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 Regd. No.109208W

UDIN	24224922BKFYDL8566
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Place : Chennai  
Date : 29<sup>th</sup> April, 2024

V BALAJI  
Partner  
Membership No. 224922

## TVS DIGITAL LIMITED (Formerly known as TVS Housing Limited)

### Balance Sheet as at 31<sup>st</sup> March 2024

(Rs. in Lakhs)

	Note No.	As at March 31, 2024	As at March 31, 2023
<b>Assets</b>			
<b>Current assets</b>			
Inventories	2	-	127.82
Financial assets			
i. Trade Receivables	3	128.14	-
ii. Cash and cash equivalents	4	301.06	0.61
Current tax assets (Net)	5	8.34	1.31
Other current assets	6	145.90	109.70
<b>Total current assets</b>		<b>583.44</b>	<b>239.44</b>
<b>Total Assets</b>		<b>583.44</b>	<b>239.44</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity share capital	7	305.00	5.00
Other equity	8	109.16	85.37
<b>Total equity</b>		<b>414.16</b>	<b>90.37</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Trade payables	9	-	-
-total outstanding dues of micro enterprises and small enterprises (MSME)			
- total outstanding dues of creditors other than micro enterprises and small enterprises		117.97	1.60
ii. Other financial liabilities	10	6.45	147.29
Other current liabilities	11	44.85	0.18
<b>Total current liabilities</b>		<b>169.27</b>	<b>149.07</b>
<b>Total liabilities</b>		<b>169.27</b>	<b>149.07</b>
<b>Total equity and liabilities</b>		<b>583.43</b>	<b>239.44</b>

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

V.BALAJI  
Partner  
Membership No.: 224922

Chennai  
Dated: 29<sup>th</sup> April, 2024

For and on behalf of the Board of Directors

SG MURALI  
Director  
DIN 00348902

SRIRAM S IYER  
Director  
DIN 06967858

## TVS DIGITAL LIMITED (Formerly known as TVS Housing Limited)

### Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2024

(Rs. in Lakhs)

	Note No.	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>Income</b>			
Revenue from operations	12	385.15	7.20
Other Income	13	-	0.01
<b>Total income</b>		<b>385.15</b>	<b>7.21</b>
<b>Expenses</b>			
Operating Expenses	14	335.70	-
Other expenses	15	12.71	3.81
<b>Total expenses</b>		<b>348.41</b>	<b>3.81</b>
<b>Profit before tax</b>		<b>36.74</b>	<b>3.40</b>
Income tax expense			
Current tax	16	9.55	0.89
Deferred tax		-	-
<b>Total tax expense</b>		<b>9.55</b>	<b>0.89</b>
<b>Profit for the year</b>		<b>27.19</b>	<b>2.51</b>
<i>Items that will not be reclassified to profit or loss</i>			
		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>27.19</b>	<b>2.51</b>
Earnings per equity share			
Basic & Diluted earnings per share	17	9.06	5.02
Material Accounting Policies	1		

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

V.BALAJI  
Partner  
Membership No.: 224922

Chennai  
Dated: 29<sup>th</sup> April, 2024

For and on behalf of the Board of Directors

SG MURALI  
Director  
DIN 00348902

SRIRAM S IYER  
Director  
DIN 06967858

# TVS DIGITAL LIMITED (Formerly known as TVS Housing Limited)

## Cash Flow Statement for the year ended 31<sup>st</sup> March 2024

(Rs. in Lakhs)

	Year ended March 31, 2024	Year ended March 31, 2023
<b>A. Cash flow from operating activities:</b>		
Net profit/(Loss) before tax	36.74	3.40
Add:		
Interest income	-	(0.01)
	<u>36.74</u>	<u>3.39</u>
<b>Operating profit before working capital changes</b>		
<b>Adjustments for:</b>		
Inventories	127.82	-
Trade receivables	(128.14)	-
Other Current Assets	(36.20)	1.86
Trade payables	116.37	(1.40)
Other current liabilities	44.67	(2.45)
Other financial liabilities	(140.85)	(2.93)
	<u>20.41</u>	<u>(1.53)</u>
<b>Cash generated from operations</b>		
Income taxes (paid)/Net of refund	(16.58)	0.28
<b>Net cash from operating activities</b>	<u>3.83</u>	<u>(1.25)</u>
<b>B. Cash flow from investing activities:</b>	-	-
<b>Net cash from / (used in) investing activities</b>	<u>-</u>	<u>-</u>
<b>C. Cash flow from financing activities :</b>		
Interest Income	-	0.01
proceed from issue of shares (right issue)	300.00	-
Cost for Issue of Equity Shares	(3.38)	-
	<u>296.62</u>	<u>0.01</u>
<b>Net cash from / (used in) financing activities</b>	<u>296.62</u>	<u>0.01</u>
<b>Total (A+B+C) Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<u>300.45</u>	<u>(1.24)</u>
Cash and cash equivalents at the beginning of the year	0.61	1.85
Cash and cash equivalents at the end of the year	301.06	0.61
<b>D. Net increase/(decrease) in cash and cash equivalents</b>	<u>300.45</u>	<u>(1.24)</u>

Note : The above Statement of Cash flow is prepared using indirect method

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

**V.BALAJI**  
Partner  
Membership No.: 224922

Chennai  
Dated: 29<sup>th</sup> April, 2024

For and on behalf of the Board of Directors

**SG MURALI**  
Director  
DIN 00348902

**SRIRAM S IYER**  
Director  
DIN 06967858

## TVS DIGITAL LIMITED (Formerly known as TVS Housing Limited)

### Statement of Changes in Equity

#### I) Equity Share Capital

Rs. in Lakhs

<b>Balance as at March 31, 2022</b>	<b>5.00</b>
Changes in Equity Share capital due to prior period errors	-
Restated balance as at 01-04-2022	-
Changes in Equity Share Capital during the year	-
<b>Balance as at March 31, 2023</b>	<b>5.00</b>
Changes in Equity Share capital due to prior period errors	-
Restated balance as at 01-04-2023	-
Changes in Equity Share Capital during the year	300.00
<b>Balance as at March 31, 2024</b>	<b>305.00</b>

#### II) Other equity

Particulars	Reserves & Surplus	Total
	Retained earnings	
<b>Balance as at March 31, 2022</b>	<b>82.86</b>	<b>82.86</b>
Profit/(Loss) for the period	2.51	2.51
<b>Balance as at March 31, 2023</b>	<b>85.37</b>	<b>85.37</b>
Profit/(Loss) for the period	27.19	27.18
Cost for Issue of Equity Shares	(3.39)	(3.40)
<b>Balance as at March 31, 2024</b>	<b>109.18</b>	<b>109.16</b>

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

**V.BALAJI**  
Partner  
Membership No.: 211765

Chennai  
Dated: 25<sup>th</sup> April, 2023

For and on behalf of the Board of Directors

**SG MURALI**  
Director

**SRIRAM S IYER**  
Director

# TVS DIGITAL LIMITED (Formerly known as TVS Housing Limited)

## 1. SIGNIFICANT ACCOUNTING POLICIES

### a) Brief description of the Company

TVS Housing Limited ('the Company') is a public limited company incorporated in the year 2010 and domiciled in India. The registered office is located at "Ispahani Centre, 4<sup>th</sup> Floor, Door No. 123, 124, Nungambakkam High Road, Chennai, Tamil Nadu - 600034".

These financial statements have been approved for issue by the Board of Directors at its meeting held on 29 April 2024.

### b) Basis of preparation

#### i) Compliance with Ind AS

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.

#### ii) Historical Cost Convention

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

- certain financial assets and liabilities is measured at fair value;
- 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 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) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

The company recognizes revenue on completion of performance obligations as per the customer specifications as specified in the agreement and when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria for recognition have been met. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

#### Income from maintenance services

Income from maintenance services is recognized as and when the services are rendered as per the terms of the contract.

### e) Property, Plant and Equipment (PPE)

Property plant and equipment are stated at historic cost less depreciation and impairment, if any. Cost includes purchase price, taxes and duties, labor cost and directly attributable overhead expenditure incurred up to the date the asset is ready for its intended use. However, cost excludes all duties and taxes wherever credit of the same is availed.

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 other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

### f) Depreciation and amortization

The company depreciates the carrying amount of the assets over the remaining useful life of the assets as per schedule II of the Companies Act, 2013 under straight line method, except in the case of Computers, Mobile phones, Vehicles, and Plant and Machinery which are charged over 3.33 years, 2 years, 5.56 years and 6.67 years respectively which are different from the useful life

given under the said schedule, based on internal technical valuation of useful life being shorter than specified in schedule. Improvement on leased property is depreciated over the primary lease period. Depreciation on PPE added or disposed off during the year is calculated on pro-rata basis with reference to the date of addition/disposal.

### g) Intangible assets

Intangible assets are stated at original cost net of tax / duty credits availed, if any, less accumulated amortization and cumulative impairment. Intangible assets are recognized when it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets being Software cost is amortized at 50% per annum on straight line method.

### h) Inventories

#### i) Stock-In-Trade

Land is valued at the lower of cost and net realizable value. Cost includes cost of acquisition and all related costs.

#### ii) Work-In-Progress

Work in Progress is valued at cost. Cost includes cost of construction and services, employee cost, other overheads related to project under construction and borrowing cost.

### i) 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 up to the end of the reporting period and are measured 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 as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### iii) Post-employment obligation:

The Company operates the following post-employment schemes:  
Defined benefit plans such as gratuity and pension for its eligible employees, and

a) Defined contribution plans such as provident fund.

#### iv) Pension and Gratuity obligation:

The liability or asset recognized 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 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 recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in

## TVS DIGITAL LIMITED (Formerly known as TVS Housing Limited)

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 profit or loss as past service cost.

v) Provident fund:

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The provident fund contributions are made to Provident Fund authority.

vi) Bonus plans:

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

### J) Income Tax

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. 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 consolidated financial statements. However, deferred tax liabilities are not recognized 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 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 realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize 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 realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

### K) Provisions and contingent liabilities

i) Provision:

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

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 recognized as interest expenses.

ii) 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.

### L) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

### M) 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 recognized 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.

### N) 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 financial institutions, 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.

### O) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Company holds the trade receivables with the intention to collect the contractual cash flows and therefore measures them subsequently at amortized cost using effective interest method, less loss allowance.

### P) Investments and Other financial assets

i) Classification

The Company classifies its financial assets in the following categories:

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

ii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus (in the case of a financial asset not a fair value through profit or loss) transaction cost 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.

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.

Amortized 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 amortized cost. A gain or loss on debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized 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 amortized 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 recognized 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.

## TVS DIGITAL LIMITED (Formerly known as TVS Housing Limited)

### Equity instruments-Investment in subsidiaries / associates:

Investment in subsidiaries/ associates are measured at cost.

#### iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been 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 recognized from initial recognition of the receivables.

#### iv) Derecognition of financial assets

A financial asset is derecognized 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 derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

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 recognized to the extent of continuing involvement in the financial asset.

#### v) Income recognition

### Interest Income:

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

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.

### Dividends:

Dividends are recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be reliably measured.

### **Q) Functional Currency:**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is functional and presentation currency.

Transactions and balances:

- Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing on the date of transaction.
- Exchange differences arising on settlement of transactions are recognized as income or expense in the year in which they arise.

### **R) 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. These amounts are usually unsecured and paid within the credit periods. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using effective interest method.

### **S) Borrowings:**

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognized in profit or loss over the period of the borrowings, using

the effective interest method. Fees paid on the established loan facilities are recognized 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 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.

### **T) Leases**

#### As a lessee

From 1 April 2019, 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, the has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Payments associated with short-term leases 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.

### **U) 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

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 or

All other liabilities are classified as non-current.

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

### Operating Cycle:

The normal operating cycle in respect of operation relating to real estate project depends on signing of agreement, size of the project, phasing of the project, type of development, project complexities, approvals needed & realization of project into cash & cash equivalents and range from 3 to 7 years. Accordingly, assets & liabilities have been classified into current & non-current based on operating cycle.

### **V) 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 No.16)

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

## TVS DIGITAL LIMITED (Formerly known as TVS Housing Limited)

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- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### W) 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, 2024, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

- i) 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, 2024. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

- ii) 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, 2024. The Company has evaluated the amendment and there is no impact on its standalone 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, 2024. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

# TVS DIGITAL LIMITED (Formerly known as TVS Housing Limited)

## Notes to balance Sheet

(Rs. in Lakhs)

	As at March 31, 2024	As at March 31, 2023		As at March 31, 2024	As at March 31, 2023
<b>2 Inventories</b>			<b>3 Trade Receivables</b>		
Land held for Development*	-	127.82	Trade Receivables considered good - Unsecured	128.14	-
<b>Total Inventories</b>	<u>-</u>	<u>127.82</u>	Less: Loss allowance	-	-
			<b>Total Trade Receivables</b>	<u>128.14</u>	<u>-</u>

\*Land owned by the Company at Nedungundram is given as security for loan taken by Emerald Haven Realty Limited till January 2, 2024 (Fellow subsidiary of Holding Company [2023: Associate of Holding Company]). Post January 2, 2024 the business of the Company changed from Realty development to Information Technology Services.

### FY23-24

Particulars	Not Due	Outstanding for following periods from due date of payment						Total
		Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 yrs		
(i) Undisputed trade receivables - considered good	-	128.14	-	-	-	-	128.14	
(ii) Undisputed trade receivables - considered doubtful (having significant increase in risk)	-	-	-	-	-	-	-	
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-	
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-	
(v) Undisputed trade receivables - considered doubtful (having significant increase in credit risk)	-	-	-	-	-	-	-	
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	
(vii) Allowance for Unsecured, Credit Impaired	-	-	-	-	-	-	-	
	-	<b>128.14</b>	-	-	-	-	<b>128.14</b>	

### 4 Cash and cash equivalents

Balances with banks	301.06	0.61
<b>Total cash and cash equivalents</b>	<u>301.06</u>	<u>0.61</u>

### 5 Current tax assets (Net)

Advance Tax and TDS receivable net off Provision for Tax	8.34	1.31
<b>Total Current tax assets (Net)</b>	<u>8.34</u>	<u>1.31</u>

### 6 Other current assets

GST Receivable	135.42	109.60
Advance given to vendor	0.10	0.10
Security Deposit with Government Authorities	10.38	-
<b>Total other current assets</b>	<u>145.90</u>	<u>109.70</u>

## TVS DIGITAL LIMITED (Formerly known as TVS Housing Limited)

### Notes to Balance Sheet (Contd.)

Rs. in Lakhs

#### 7 Equity share capital

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	Rs. in Lakhs	Number	Rs. in Lakhs
<b>Authorised:</b>				
Equity shares of Rs.10/- each	3,050,000	305.00	50,000	5.00
<b>Issued, subscribed and fully paid up:</b>				
Equity shares of Rs.10/- each	3,050,000	305.00	50,000	5.00
	3,050,000	305.00	50,000	5.00

During the year ended March 31, 2024, the Company has issued 30,00,000 equity shares of Rs 10 each to TVS Motor Company Limited (Holding Company) for cash by way of right issue in compliance with Section 62 of the Companies Act, 2013.

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	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	3,000,000	300.00	-	-
Shares outstanding at the end of the year	3,050,000	305.00	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	As at March 31, 2024		As at March 31, 2023	
	No. of shares held	% of holding	No. of shares held	% of holding
TVS Motor Company Limited with nominees	3,050,000	100%	50,000	100%

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

Name of Promoter	As at March 31, 2023		% Change during the year	
	No. of shares held	% of holding	As at March 31, 2024	As at March 31, 2023
TVS Motor Company Limited with nominees	50,000	100%	Nil	Nil

#### 8 Other Equity

	As at March 31, 2024	As at March 31, 2023
<b>a) Retained earnings</b>		
Opening balance	85.37	82.86
Net profit / (Loss) for the year	27.18	2.51
Cost for Issue of Equity Shares	(3.39)	-
<b>Total reserves and surplus</b>	<b>109.17</b>	<b>85.37</b>

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

#### DISCLOSURE UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006

#(all are within agreed credit period and not due for payment) - -

(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 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; - -

(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. - -

#### 9 Trade payables

	As at March 31, 2024	As at March 31, 2023
Dues to Micro and Small Enterprises **	-	-
Dues to enterprises other than Micro and Small Enterprises	117.97	1.60
<b>Total trade payables</b>	<b>117.97</b>	<b>1.60</b>

\*\*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.

## TVS DIGITAL LIMITED (Formerly known as TVS Housing Limited)

### Notes to Statement of Profit or Loss (Contd.)

Ageing schedules of Trade Payable as at 31 March, 2024

Rs. in Lakhs

Particulars		Unbilled dues	Not due	Outstanding for following periods from due date of payment				Total
				Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i)	MSME	-	-	-	-	-	-	-
(ii)	Other than MSME	-	-	47.24	0.01	-	-	47.25
(iii)	Disputed dues - MSME	-	-	-	-	-	-	-
(iv)	Disputed dues - Other than MSME	-	-	-	-	-	-	-
<b>Total</b>								<b>47.25</b>
(v)	Accrued Expenses							70.72
<b>Net Total</b>								<b>117.97</b>

Ageing schedules of Trade Payable as at 31 March, 2023

Particulars		Unbilled dues	Not due	Outstanding for following periods from due date of payment				Total
				Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i)	MSME	-	-	-	-	-	-	-
(ii)	Other than MSME	-	-	1.55	-	0.05	-	1.60
(iii)	Disputed dues - MSME	-	-	-	-	-	-	-
(iv)	Disputed dues - Other than MSME	-	-	-	-	-	-	-
<b>Total</b>								<b>1.60</b>
(v)	Accrued Expenses							-
<b>Net Total</b>								<b>1.60</b>

	As at March 31, 2024	As at March 31, 2023
<b>10 Other financial liabilities</b>		
Payable to related parties (Net of Security Deposit)	6.45	147.29
<b>Total Other financial liabilities</b>	<u>6.45</u>	<u>147.29</u>
<b>11 Other current liabilities</b>		
Statutory Dues	44.85	0.18
<b>Total other current liabilities</b>	<u>44.85</u>	<u>0.18</u>

## TVS DIGITAL LIMITED (Formerly known as TVS Housing Limited)

### Notes to Statement of Profit or Loss

			Rs. in Lakhs	
	Year Ended March 31, 2024	Year Ended March 31, 2023	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>12 Revenue from operations</b>				
Sale of Land	258.11	-		
Rental Incomes	5.40	7.20		
Sale of Services	121.64	-		
<b>Total revenue</b>	<b>385.15</b>	<b>7.20</b>		
<b>13 Other Income</b>				
Interest on IT Refund	-	0.01		
<b>Total Other Income</b>	<b>-</b>	<b>0.01</b>		
<b>14 Operating Expenses</b>				
Inventories at the beginning of the year:				
Land held for development	127.82	127.82		
Add: Incurred during the year:	-	-		
	<b>127.82</b>	<b>127.82</b>		
Less: Inventories at the end of the year:	-	127.82		
Inventory Charged off (A)	127.82	-		
Software Consultancy Charges (B)	207.88	-		
<b>Operating Expenses (A+B)</b>	<b>335.70</b>	<b>-</b>		
<b>15 Other expenses</b>				
Rent	0.60	0.78		
Audit Fees #	1.50	1.50		
Consultancy and Professional Charges	10.50	1.22		
Rates & Taxes	0.10	0.30		
Miscellaneous Expenses	0.02	0.01		
<b>Total other expenses</b>	<b>12.71</b>	<b>3.81</b>		
# Refer Note No.27 for details				
<b>16 Income tax expense</b>				
<b>(a) Income tax expense</b>				
<i>Current tax</i>			9.55	0.89
Current tax on profits for the year				
<b>Total current tax expense</b>			<b>9.55</b>	<b>0.89</b>
<b>(b) Deferred tax</b>				
Decrease (increase) in deferred tax assets			-	-
(Decrease) increase in deferred tax liabilities			-	-
<b>Total deferred tax expense/(benefit)</b>			<b>-</b>	<b>-</b>
<b>Income tax expense</b>			<b>9.55</b>	<b>0.89</b>
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by Income tax rate:</b>				
Profit before income tax expense			36.74	3.40
<b>Tax at the Income tax rate of 26% (PY : 26.00%)</b>			<b>9.55</b>	<b>0.87</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Others			-	-
<b>Income tax expense</b>			<b>9.55</b>	<b>0.87</b>
<b>17 Earnings per share</b>				
<b>(a) Basic and diluted earnings per share</b>				
Basic/Diluted earnings per share attributable to the equity holders of the Company			9.06	5.02
<b>(b) Reconciliations of earnings used in calculating earnings per share</b>				
Profit attributable to equity shareholders of the company used in calculating basic/diluted earnings per share (Rs.)			27.19	2.51
<b>(c) Weighted average number of equity shares used as the denominator in calculating basic/diluted earnings per share</b>			<b>300,000</b>	<b>50,000</b>

# TVS DIGITAL LIMITED (Formerly known as TVS Housing Limited)

## Financial instruments and risk management

Rs. in Lakhs

### 18 Fair value measurements

#### Financial instruments by category

	As at March 31, 2024	As at March 31, 2023
	Amortised cost	Amortised cost
<b>Financial assets</b>		
Cash and cash equivalents	301.06	0.61
Trade Receivables	128.14	-
<b>Total Financial Assets</b>	<b>429.20</b>	<b>0.61</b>
<b>Financial liabilities</b>		
Trade payables	117.97	1.60
Payable to related parties	6.45	147.29
<b>Total Financial Liabilities</b>	<b>124.42</b>	<b>148.89</b>

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.

#### Contractual maturities of financial liabilities:

Particulars	Maturity	March 31, 2024	March 31, 2023
Trade payables	< than 12 months	117.97	1.60
Other financial liabilities	< than 12 months	6.45	147.29

### 20 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.

### 19 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
Credit risk	Trade Receivables	Significant number of company's customers take a loan from bank/ financial institution where credit risk is negligent.

#### (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.

# TVS DIGITAL LIMITED (Formerly known as TVS Housing Limited)

## IND AS 115 disclosures

Rs. in Lakhs

### 21 Revenue from contracts with customers

1 The Company has adopted Ind AS 115 from April 1, 2018 and had 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.

#### 2 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 :

S No	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	Sale of Land	258.11	-
2	Rental Incomes	5.40	7.20
3	Sale of Services	121.64	-
		<b>385.15</b>	<b>7.20</b>

3 The operations of the Company relate to only one segment viz., information technology , software designing and development. Thus, the information on the relationship between disaggregated revenue under Ind AS 115 and for reportable segment under Ind AS 108 is not required.

### 22 Ratio Analysis

S No	Ratio	Numerator CY PY	Denominator CY PY	Current Year 31.03.2024	Previous Year 31.03.2023	% Variance
a	Current Ratio= Current assets / Current Liabilities	583.44	169.27	3.45	1.62	113%
		239.44	149.07			
b	Debt equity ratio= total debt / total shareholder's equity	-	414.16	NA	NA	NA
		-	90.37			
c	Debt service coverage ratio= earnings available for debt services / total interest and principal repayments	27.19	-	NA	NA	NA
		2.51	-			
d	Return on equity ratio/ return on investment ratio= Net profit after tax / Average shareholder's equity	27.19	252.26	0.11	0.03	272%
		2.51	86.57			
e	Inventory turnover ratio= Net sales / average Inventory	385.15	63.91	6.03	0.06	10599%
		7.20	127.82			
f	Trade receivables turnover ratio= Net sales / average trade receivables	385.15	-	NA	NA	NA
		7.20	-			
g	Trade Payables turnover ratio= Net Purchases / average trade Payables	-	59.78	NA	NA	NA
		-	2.10			
h	Net capital turnover ratio= Net sales / working capital	385.15	414.17	0.93	0.08	1067%
		7.20	90.37			
i	Net profit turnover ratio= Net profit after tax / Net sales	27.19	385.15	0.07	0.35	-80%
		2.51	7.20			
j	Return on Capital employed = Earnings before interest and taxes(EBIT) / Capital Employed	36.74	414.16	0.09	0.04	136%
		3.40	90.37			
k	Return on investment=Net profit after tax / Avg Shareholders Equity	27.19	252.26	NA	NA	NA
		2.51	87.86			

# TVS DIGITAL LIMITED (Formerly known as TVS Housing Limited)

## Other disclosures

Rs. in Lakhs

### 23 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 till January 2, 2024. Post January 2, 2024 the Company is engaged in rendering of Information Technology Services. 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 till January 2, 2024 and post that Information Technology Services
- ii) Company is domiciled and operates within India
- iii) There is no major reliance on a single customer.

### 24 Contingent liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Goods & Service Tax Due (dispute is pending with Appellate Authority for FY 2017-18)	103.79	Nil

Company has gone into an Appeal and paid a pre-deposit of Rs.10.38 lacs to the authority.

### 25 Commitments

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(a) Capital commitments</b>		
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities	Nil	Nil
<b>(b) Other commitments</b>		
Expenditure related contractual commitments apart from Capital Commitments	Nil	Nil

### 26 Related Party Disclosure

	As on year ended March 31, 2024	As on year ended March 31, 2023
<b>(a) Related parties and their relationship for the financial year 2023-24</b>		
<u>Ultimate Holding company</u>		
TVS Holdings Private Limited (upto 15th June 2023)		
TVS Holding Limited (with effect from 16th June 2023)		
<u>Holding company</u>		
TVS Motor Company Limited		
<u>Fellow Subsidiary of Holding Co.</u>		
Emerald Haven Realty Limited		
<u>Key Managerial Personnel (KMP)</u>		
Mr. S G Murali		
Mr. Sriram Subramanian Iyer		
Mr. V R Karunakarareddy		
<b>(b) Transactions with related parties:</b>		
-Holding Company		
TVS Motor Company Limited		
(i) Technical Consultancy Services	140.00	-
- Fellow subsidiary of Holding Company (2023: Associate of Holding Co.)		
Emerald Haven Realty Limited		
(i) Sale of Land	258.11	-
(ii) Rent Expense - Corporate Office	0.60	0.78
(iii) Rental Income	5.40	7.20
(iv) Repayment of dues	140.84	-
<b>(c) Balances with related parties: (Payable) / Receivable</b>		
(i) Other payables (Net of Security Deposit)		
- Fellow subsidiary of Holding Company (2023: Associate of Holding Co.)		
Emerald Haven Realty Limited		
	(6.45)	(147.29)
-Holding Company (2023: Associate of Holding Co.)		
TVS Motor Company Limited		
	128.14	-

### 27 Auditors' remuneration (Included under Other Expenses) (Exclusive of GST)

Particulars	As at 31st March 2024	As at 31st March 2023
Payments to Auditors as		
a. Statutory Auditor	1.50	1.50

## TVS DIGITAL LIMITED (Formerly known as TVS Housing Limited)

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### Other disclosures

- 28 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.
- 29 **Additional Regulatory Information**
- i Title deeds of immovable properties held in the name of the Company, which was held as stock in trade, were sold before January 2, 2024
  - 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 2024.
  - xii 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 end of financial year ended 31 March 2024.
  - 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.
- 30 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.
- 31 The Company does not meet the thresholds prescribed under Section 135 of the Companies Act. Therefore, spending under Corporate Social Responsibility is not applicable.
- 32 The Company has not operated in any crypto currency Transactions.

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

**V.BALAJI**  
Partner  
Membership No.: 224922

Chennai  
Dated: 29<sup>th</sup> April, 2024

For and on behalf of the Board of Directors

**SG MURALI**  
Director  
DIN 00348902

**SRIRAM S IYER**  
Director  
DIN 06967858

# TVS MOTOR SERVICES LIMITED

## Directors' Report to the Shareholders of the Company

The Directors have pleasure in presenting the Fifteenth Annual Report on the progress of the Company together with the audited statement of accounts for the year ended 31<sup>st</sup> March 2024.

### 1. Financial Results

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

(Rs. in lakhs)

Particulars	Year ended 31-03-2024	Year ended 31-03-2023
Revenue from Operations		-
Other Income	341.21	38.54
<b>Total</b>	<b>341.21</b>	<b>38.54</b>
Purchases of Stock-in trade	-	-
Finance Cost	333.16	327.46
Administrative & other expenses	68.38	18.52
Profit / (Loss) before tax	(60.33)	(345.98)
Less:		
- Provision for tax	-	-
Add:		
- Deferred Tax Asset	-	(81.49)
Profit / (Loss) after tax	(60.33)	(255.95)

### 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 31<sup>st</sup> March 2024.

### 3. Share Capital

During the year under review, the Company had not issued any shares.

The paid-up capital of the company is Rs. 199,63,38,140 comprising of 14,96,33,814 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.

### 6. 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.

### 7. 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, during the year there were no related party transaction during the year and hence Form AOC 2 is not applicable

### 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:

- in the preparation of the annual accounts for the year ended 31<sup>st</sup> March 2024, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- 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;
- 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;
- the directors had prepared the accounts for the financial year ended 31<sup>st</sup> March 2024 on a going concern basis; and
- 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 Directors of the Company at the Annual General Meeting dated 24<sup>th</sup> July 2023.

#### 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, as per Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014.

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, Mr Aravind Balaji, Mr V Gopalakrishnan and Ms Sasikala Varadachari 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**

#### Directors:

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.

#### 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 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**

#### Directors:

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 Five times on 29<sup>th</sup> April 2023, 9<sup>th</sup> August 2023, 20<sup>th</sup> September 2023, 12<sup>th</sup> December 2023, 21<sup>st</sup> March 2024 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 resigned as Company Secretary on 08<sup>th</sup> August 2023 with immediate effect and Mr K S Srinivasan was appointed as Company Secretary of the Company on 20<sup>th</sup> September 2023.

In terms of Section 203 of the Companies Act, 2013, M/s. V Karuanakara Reddy, Chief Executive Officer, S Sridhar, Chief Financial Officer and K S Srinivasan, Company Secretary are the Key Managerial Personnel of the Company as on 31<sup>st</sup> March 2024.

### **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 31<sup>st</sup> March 2023.

## **12. Auditors**

### Statutory Auditors

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 10<sup>th</sup> Annual General Meeting of the Company for a term of 5 consecutive years i.e. till the conclusion of 15<sup>th</sup> 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 5<sup>th</sup> 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 2023-24.

Please refer note no. 4 to Notes on accounts for the financial year 2023-23, 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: 07<sup>th</sup> May 2024

K N Radhakrishnan  
Director  
DIN: 02599393

V Goopalakrishnan  
Director  
DIN: 03291640

**FORM NO.MR-3**  
**SECRETARIAL AUDIT REPORT OF TVS MOTOR SERVICES LIMITED**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2024**  
*[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 31<sup>st</sup> March, 2024 complied with the statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31<sup>st</sup> March, 2024 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 accepted any Foreign Direct Investment/made any Overseas Direct Investment or availed any External Commercial Borrowings, the provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent the same are applicable for Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings were 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  
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 generally 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 with proper balance of Executive Directors, 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.
- 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 or audit committee meetings, it was observed that there was no dissenting note made by any of the member.

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

- i) Previously constituted Nomination and Remuneration Committee of Directors and has formulated "Nomination and Remuneration Policy" in terms of Section 178 of the Companies Act, 2013 and the Rules made there;
- ii) Previously constituted the Audit Committee of directors in terms of Section 177 of the Companies Act, 2013;
- iii) Previously Constituted Corporate Social Responsibility Committee (CSR) to formulate and recommend to the board a Corporate Social Responsibility Policy, prepare and recommend a list of CSR projects/ programs, which the company plans to undertake. However, since the Company has incurred loss during the preceding three financial years, the company is 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.

## TVS MOTOR SERVICES LIMITED

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However, since pursuant to provision of Section 149(4), 177, 178 of the Companies Act, 2013 read with MCA Notification dated 5<sup>th</sup> July, 2017 and 13<sup>th</sup> 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, it was exempted from the requirement of 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. Accordingly, the board of directors in its meeting held on 20<sup>th</sup> August, 2021 has passed resolution for dissolution of the Audit Committee, Nomination and Remuneration Committee with effect from 20<sup>th</sup> August, 2021 and the CSR Committee was dissolved with effect from 3<sup>rd</sup> 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) Considered and approved the "Code of Business Conduct and Ethics" of the Company framed in terms of Section 149 read with Schedule IV of the Companies Act, 2013;
- vi) has changed the designation of Ms.Sasikala Varadachari from Additional Director to Director on 24/07/2023 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 change in designation 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 not issued any shares;

No Foreign technical collaborations have been entered into during the year under review.

Place: Chennai  
Date: 07<sup>th</sup> May 2024

T.N.SRIDHARAN  
Company Secretary  
Membership No. FCS 3797  
C.P.No.4191  
UDIN: F003797F000350858

- 
- To  
The Members  
TVS MOTOR 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.
- CIN: U50404TN2009PLC071075  
Authorised Capital:Rs.875,00,00,000/-  
Paid up Capital: Rs.199,63,38,140/-
- 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.
  - 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.
  - I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
  - Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
  - 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.
  - 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.
- Place: Chennai  
Date: 07<sup>th</sup> May 2024
- T.N.SRIDHARAN  
Company Secretary  
Membership No. FCS 3797  
C.P.No.4191  
UDIN: F003797F000350858

# TVS MOTOR SERVICES LIMITED

## INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

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 31<sup>st</sup> March 2024, 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 Material accounting policy 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 31<sup>st</sup> March 2024, 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 31<sup>st</sup> March, 2024 from being appointed as a director in terms of section 164(2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
  - (g) With respect to the 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 2024
    - (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) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software Further, during our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For RAGHAVAN, CHAUDHURI & NARAYANAN

Chartered Accountants

FRN: 007761S

V. SATHYANARAYANAN

Partner

Membership No. 027716

UDIN	24027716BKCNN8934
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Place : Bangalore  
Date : 07<sup>th</sup> May 2024

# TVS MOTOR SERVICES LIMITED

## Annexure "A" to Independent Auditors' Report 31<sup>st</sup> March 2024 (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, 2024 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 not entered any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable;
- 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 by the 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 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  
(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 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 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 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 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	24027716BKCNT8934
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Place : Bangalore  
Date : 07<sup>th</sup> May 2024

# TVS MOTOR SERVICES LIMITED

Annexure 'B' to the Independent Auditors' Report for the year ended 31<sup>st</sup> March 2024

(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, 2024 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, 2024, 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

UDIN 24027716BKCNT8934

Place : Bangalore  
Date : 07<sup>th</sup> May 2024

V. SATHYANARAYANAN  
Partner  
Membership No. 027716

# TVS MOTOR SERVICES LIMITED

## BALANCE SHEET AS AT 31<sup>st</sup> March 2024

(All amounts in Lakhs, unless otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
<b>Assets</b>			
<b>Non-current assets</b>			
Capital work in progress	3	202.01	569.75
Investment property	2	9,397.35	9,029.61
Financial assets			
i. Investments	4	3,497.06	2,352.43
ii Loans	5	156.25	150.18
Income Tax Assets (Net)	6	74.75	72.89
Other non current assets	7	6.32	1.32
Deferred Tax assets	12	914.46	1,202.54
<b>Total non-current assets</b>		<b>14,248.20</b>	<b>13,378.72</b>
<b>Current assets</b>			
Inventories			
Financial assets			
i. Trade Receivables	8	743.45	797.36
ii. Cash and cash equivalents	9	78.87	680.28
iii. Bank balance other than Cash and Cash equivalents	9a	350.35	-
iv. Other financial assets	10	6,643.34	6,555.18
Other current assets	11	704.42	701.59
<b>Total current assets</b>		<b>8,520.43</b>	<b>8,734.41</b>
<b>Total Assets</b>		<b>22,768.63</b>	<b>22,113.13</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	13	14,963.38	14,963.38
Other Equity			
Reserves and surplus	14	2,208.91	1,412.69
<b>Total equity</b>		<b>17,172.29</b>	<b>16,376.07</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings			
i. Borrowings	15	4,252.12	3,919.45
<b>Total non-current liabilities</b>		<b>4,252.12</b>	<b>3,919.45</b>
<b>Current liabilities</b>			
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)		176.28	174.85
iii. Other financial liabilities	17	134.34	454.83
Current Tax Liabilities (Net)			
Other current liabilities	18	1,033.60	1,187.9343
<b>Total current liabilities</b>		<b>1,344.22</b>	<b>1,817.61</b>
<b>Total liabilities</b>		<b>5,596.34</b>	<b>5,737.06</b>
<b>Total equity and liabilities</b>		<b>22,768.63</b>	<b>22,113.13</b>
Material accounting policies	1		

As per our report of even date  
For Raghavan, Chaudhuri & Narayanan  
Chartered Accountants  
ICAI Regn No. FRN 007761S

K N Radhakrishnan  
Director  
02599393

V Gopalakrishnan  
Director  
03291640

V R Karuanakara Reddy  
Chief Executive Officer

Place: Chennai  
Date:02-05-2024  
UDIN: 23027716BGYLRZ9326

V. Sathyanarayanan  
Partner  
Membership No. 027716

S Sridhar  
Chief Financial Officer

KS Srinivasan  
Company Secretary

# TVS MOTOR SERVICES LIMITED

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

(All amounts in Lakhs, unless otherwise stated)

	Notes	Year Ended 31 March 24	Year Ended 31 March 23
<b>Income</b>			
Revenue from operations		-	-
Other income	19	341.21	38.54
<b>Total income</b>		<b>341.21</b>	<b>38.54</b>
<b>Expenses</b>			
Finance costs	20	333.16	327.46
Other expenses	21	68.38	18.52
<b>Total expenses</b>		<b>401.54</b>	<b>345.98</b>
<b>Profit/(loss) before tax</b>		<b>(60.33)</b>	<b>(307.44)</b>
<b>Tax Expense</b>			
Current tax	22	-	-
Deferred tax		-	(81.49)
<b>Profit/(loss) for the year</b>		<b>(60.33)</b>	<b>(225.95)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Changes in fair value of FVOCI equity instruments		1,144.63	250.73
Income taxes on the above		(288.08)	(63.10)
<b>Other comprehensive income for the year, net of tax</b>		<b>856.55</b>	<b>187.63</b>
<b>Total comprehensive Profit/ (loss) for the year</b>		<b>796.22</b>	<b>(38.32)</b>
<b>Material accounting policies</b>	1		
<b>Earnings per equity share (Basic/ diluted earnings per share) (in Rs)</b>	23	<b>(0.04)</b>	<b>(0.15)</b>

As per our report of even date  
For Raghavan, Chaudhuri & Narayanan  
Chartered Accountants  
ICAI Regn No. FRN 007761S

K N Radhakrishnan  
Director  
02599393

V Gopalakrishnan  
Director  
03291640

V R Karuanakara Reddy  
Chief Executive Officer

Place: Chennai  
Date:02-05-2024  
UDIN: 23027716BGYLRZ9326

V. Sathyanarayanan  
Partner  
Membership No. 027716

S Sridhar  
Chief Financial Officer

KS Srinivasan  
Company Secretary

# TVS MOTOR SERVICES LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2024

(All amounts in Lakhs, unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
<b>Cash flow from operating activities</b>		
Profit before income tax	(60.33)	(307.44)
<b>Adjustments for</b>		
Interest income accrued reversed	(6.75)	(6.75)
Unwinding of discount on security deposits	-	323.81
Interest expense	333.16	-
<b>Operating Profit Before Working Capital Changes</b>	<b>266.08</b>	<b>9.62</b>
<b>Change in operating assets and liabilities</b>		
(Increase)/decrease in Trade receivable	53.91	-
(Increase)/decrease in other current assets	(9.69)	(258.48)
Increase/(decrease) in other financial liabilities	(94.23)	(4,133.93)
Increase/(decrease) in Trade payables	1.43	-
Increase/(decrease) in other current liabilities	(154.32)	(20.92)
Increase/(decrease) in other financial liabilities	(320.50)	-
<b>Cash generated from operations</b>	<b>(257.31)</b>	<b>(4,403.71)</b>
Income taxes paid	-	-
<b>Net Cash used in operating activities</b>	<b>(257.31)</b>	<b>(4,403.71)</b>
<b>Cash flows from investing activities</b>		
Fixed Deposit	(350.35)	-
Interest Income	6.75	3.64
<b>Net generated from/(used in) investing activities</b>	<b>(343.60)</b>	<b>3.64</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of Share capital	-	-
Proceeds(Repayment) of Borrowings	-	5,000.00
Interest paid on borrowings	(0.50)	-
<b>Net cash generated from financing activities</b>	<b>(0.50)</b>	<b>5,000.00</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(601.41)</b>	<b>599.92</b>
Cash and cash equivalents at the beginning of the financial year	680.28	80.35
<b>Cash and cash equivalents at the end of the year</b>	<b>78.87</b>	<b>680.28</b>

As per our report of even date  
For Raghavan, Chaudhuri & Narayanan  
Chartered Accountants  
ICAI Regn No. FRN 007761S

K N Radhakrishnan  
Director  
02599393

V Gopalakrishnan  
Director  
03291640

For and on behalf of the Board

V R Karuanakara Reddy  
Chief Executive Officer

Place: Chennai  
Date:02-05-2024  
UDIN: 23027716BGYLRZ9326

V. Sathyanarayanan  
Partner  
Membership No. 027716

S Sridhar  
Chief Financial Officer

KS Srinivasan  
Company Secretary

# TVS MOTOR SERVICES LIMITED

## Statement of Changes in Equity

(All amounts in Lakhs, unless otherwise stated)

### I) Equity Share Capital

Particulars	Notes	Amounts
Balance as at 1st Apr, 2022		14,963.38
Changes in equity share capital during the year	13	-
Balance as at 1st Apr, 2023		14,963.38
Changes in equity share capital during the year	13	
Balance as at March 31, 2024		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, 2022		(56.20)	(24.09)	447.12	-	366.83
Loss for the period	14 (a)	(225.95)				(225.95)
Other Comprehensive income (net of tax)	14 (b)			187.63		187.63
Fair valuation of Preference shares					1,084.18	1,084.18
Balance as at March 31, 2023		(282.15)	(24.09)	634.75	1,084.18	1,412.69
Loss for the period	14 (a)	(60.33)				(60.33)
Other Comprehensive income (net of tax)	14 (b)			856.55		856.55
Fair valuation of Preference shares	14 (a)					-
Balance as at March 31, 2024		(342.48)	(24.09)	1,491.30	1,084.18	2,208.91

\* Reserve created for the equity component arising in fair valuation of Optionally Convertible Redeemable Preference shares.

As per our report of even date  
For Raghavan, Chaudhuri & Narayanan  
Chartered Accountants  
ICAI Regn No. FRN 007761S

K N Radhakrishnan  
Director  
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Partner  
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S Sridhar  
Chief Financial Officer

KS Srinivasan  
Company Secretary

## 1. Material 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.

### MATERIAL 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. Use of 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. 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.

#### f. 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 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.

## 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.

## g. 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.

## h. 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.

## i. 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.

## j. Borrowings cost:

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

## k. 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.

## l. 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.

## m. 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.

## n. 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.

## o. 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.

## p. 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 atleast twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realised 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 atleast 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. In Company's considered view, twelve months is its operating cycle.

## q. 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.

## r. 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.

# TVS MOTOR SERVICES LIMITED

## Notes to Balance Sheet

(All amounts in Lakhs, unless otherwise stated)

### 2 Investment Property

Particulars	Gross Value				
	As at 1st April 2023	Additions during the year due to business combination	Additions during the year	Deletions during the year	As at 31st Mar 2024
Land*	9,029.61	367.75	-	-	9,397.35
<b>Total</b>	<b>9,029.61</b>	<b>367.75</b>	<b>-</b>	<b>-</b>	<b>9,397.35</b>

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 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
<b>Total</b>	<b>9,029.61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,029.61</b>

Fair Value of the land as at 31/03/2019 Rs.44,601.00 Lakhs (31/03/2018 Rs.44,601.00 Lakhs )

(0.01)

\*1. A part land is given as security for term loan borrowing of fellow 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, 2024	March 31, 2023
Capital work in progress	202.01	569.75
<b>Total Capital work in progress</b>	<b>202.01</b>	<b>569.75</b>

#### Ageing of Capital work-in- progress as on 31st March 2024

Particulars	Amount in CWIP for following periods as on 31-Mar-2024	
	<1 Yr.	1-2 years
Projects in progress		
Projects temporarily suspended		

#### 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
Projects in progress		
Projects temporarily suspended		

4 Investments	March 31, 2024	March 31, 2023
<b>Unquoted</b>		
<b>Investment in equity shares carried at FVOCI</b>		
TVS Credit Services Limited		
10,90,125 equity shares of Rs.10 each fully paid up	3,161.36	2,016.73
Phi Research Private Ltd	300.70	300.70
<b>Investment Carried at FVTPL</b>		
Investment in CIG Reality Fund (5,00,000 (PY 5,00,000) units of Rs 10 each)	35.00	35.00
<b>Total Investments</b>	<b>3,497.06</b>	<b>2,352.43</b>
Agregate amount of quoted investments and market value thereof		
Agregate amount of unquoted investments	3,497.06	2,352.43
<b>Total</b>	<b>3,497.06</b>	<b>2,352.43</b>

5 Loans	March 31, 2024	March 31, 2023
Loans	156.25	150.18
<b>Total</b>	<b>156.25</b>	<b>150.18</b>

Unsecured Loan of Rs.135 lakhs given to South Asia Electronics Limited @5%p.a

6 Income Tax Assets (Net)	March 31, 2024	March 31, 2023
Income Tax Assets (Net)	74.75	72.89
<b>Total Other- Income Tax Assets</b>	<b>74.75</b>	<b>72.89</b>

# TVS MOTOR SERVICES LIMITED

## Notes to Balance Sheet

(All amounts in Lakhs, unless otherwise stated)

7	Other non current assets	March 31, 2024	March 31, 2023
	Security Deposit	1.32	1.32
	Advances	5.00	-
	<b>Total Other non current assets</b>	<b>6.32</b>	<b>1.32</b>

8	Trade Receivables	March 31, 2024	March 31, 2023
	Trade Receivables considered good - unsecured (Refer Note 30(A))	743.45	797.36
	<b>Total Trade Receivables</b>	<b>743.45</b>	<b>797.36</b>

### Ageing for trade receivables as on 31.03.2024

Particulars	Outstanding for following periods from due date of payment as on 31-Mar-2024					
	#VALUE!	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	-	-	-	743.45	743.45
(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 31.03.2023

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.

9	Cash and cash equivalents	March 31, 2024	March 31, 2023
	Balances with banks	22.38	617.60
	Cash on Hand	56.49	62.68
	<b>Total cash and cash equivalents</b>	<b>78.87</b>	<b>680.28</b>

9a	Bank balance other than Cash and Cash equivalents	March 31, 2024	March 31, 2023
	Fixed Deposit	350.35	-
	<b>Total cash and cash equivalents</b>	<b>350.35</b>	<b>-</b>

10	Other financial assets	March 31, 2024	March 31, 2023
	<b>Secured</b>		
	Receivable towards sale of property and other assets	6,640.91	6,555.18
	Interest accrued on FD	2.43	-
	<b>Total Other financial assets</b>	<b>6,643.34</b>	<b>6,555.18</b>

11	Other Current assets	March 31, 2024	March 31, 2023
	Balance with GST/ Service Tax Department	704.42	701.59
	<b>Total Other Current assets</b>	<b>704.42</b>	<b>701.59</b>

# TVS MOTOR SERVICES LIMITED

## 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, 2024	March 31, 2023
Depreciation		
Fair valuation of financial liabilities	-	-
Fair valuation of financial asset	558.01	269.93
Investment Property	(1,472.47)	(1,472.47)
<b>Net deferred tax Liabilities/(asset)</b>	<b>(914.46)</b>	<b>(1,202.54)</b>

Movement in deferred tax assets/(liabilities)	Investment Property	Fair valuation of financial asset	Fair valuation of financial liabilities	Total
<b>At Mar 31, 2023</b>	<b>(1,472.47)</b>	<b>269.93</b>	-	<b>(1,202.54)</b>
- to profit or loss			-	-
- to other comprehensive income		288.08		288.08
<b>At Mar 31, 2024</b>	<b>(1,472.47)</b>	<b>558.01</b>	-	<b>(914.46)</b>

**Note:-**

1) Deferred Tax assets been recognised on certain losses. The company 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 31-03-2024		As at 31-03-2023	
	Number	Rs in Lakhs	Number	Rs in Lakhs
<u>Authorised Capital</u>				
Equity Shares of Rs.10/- each	260,000,000	26,000.00	260,000,000	26,000.00
<u>Issued, Subscribed &amp; Paid up Capital</u>				
Equity Shares of Rs.10/- each fully paid	149,633,814	14,963.38	149,633,814	14,963.38
	<b>149,633,814</b>	<b>14,963.38</b>	<b>149,633,814</b>	<b>14,963.38</b>

##### b) Preference Share Capital

Particulars	As at 31-03-2024		As at 31-03-2023	
	Number	Rs in Lakhs	Number	Rs in Lakhs
<u>Authorised Preference share Capital</u>				
Non cumulative Optionally Convertible Redeemable Preference Shares of Rs.10/- each fully paid	615,000,000	61,500.00	615,000,000	61,500.00
<u>Issued, Subscribed &amp; Paid up Capital</u>				
Non cumulative Optionally Convertible Redeemable Preference Shares of Rs.10/- each fully paid	50,000,000	5,000.00	50,000,000	5,000.00
	<b>50,000,000</b>	<b>5,000.00</b>	<b>50,000,000</b>	<b>5,000.00</b>

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)

# TVS MOTOR SERVICES LIMITED

## Notes to Balance Sheet

(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 31-03-2024		As at 31-03-2023	
	Number	Rs in Lakhs	Number	Rs in Lakhs
Shares outstanding at the beginning of the year	149,633,814	14,963.38	149,633,814	14,963.38
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	149,633,814	14,963.38	149,633,814	14,963.38

#### b) Preference Share Capital

Particulars	As at 31-03-2024		As at 31-03-2023	
	Number	Rs in Lakhs	Number	Rs in Lakhs
Shares outstanding at the beginning of the year	50,000,000	5,000.00	-	-
Shares Issued during the year	-	-	50,000,000	5,000.00
Shares outstanding at the end of the year	50,000,000	5,000	50,000,000	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-24		31-Mar-23	
			Share holding %	No. of Shares held	Share holding %	Number of shares
TVS Motor Company Limited	Holding company	Equity	100%	149,633,814	100%	149,633,814

\* 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-24		31-Mar-23	
			Share holding %	No. of Shares held	Share holding %	Number of shares
TVS Motor Company Limited	Holding company	Preference	100%	50,000,000	100%	50,000,000

(0.01)

### v) Details of other shareholders holding more than 5% shares in the company

Name of Shareholder	Class of Share	31-Mar-24		31-Mar-23	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
TVS Motor Company Limited	Equity	149,633,814	100%	149,633,814	100%

Name of Shareholder	Class of Share	31-Mar-24		31-Mar-23	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
TVS Motor Company Limited	Preference	50,000,000	100%	50,000,000	100%

### vi) Details of shares held by promoters as at 31st March 2024

Name of Shareholder	Class of Share	31-Mar-24		31-Mar-23		% Change during the year
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	
TVS Motor Company Limited	Equity	149,633,814	100%	149,633,814	100%	0%

Name of Shareholder	Class of Share	31-Mar-24		31-Mar-23		% Change during the year
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	
TVS Motor Company Limited	Preference	50,000,000	100%	50,000,000	100%	0%

# TVS MOTOR SERVICES LIMITED

## Notes to Balance Sheet

(All amounts in Lakhs, unless otherwise stated)

14 Reserves and surplus	March 31, 2024	March 31, 2023
Retained earnings	(342.48)	(282.15)
Capital reserves	(24.09)	(24.09)
FVOCI-Equity Instruments	1,491.30	634.75
Fair valuation of preference share issued	1,084.18	1,084.18
<b>Total reserves and surplus</b>	<b>2,208.91</b>	<b>1,412.69</b>

<b>a) Retained earnings</b>		
Opening balance	(282.15)	(56.20)
Net Loss for the period	(60.33)	(225.95)
<b>Closing balance</b>	<b>(342.48)</b>	<b>(282.15)</b>
<b>b) Capital reserve</b>		
Opening balance	(24.09)	(24.09)
<b>Closing balance</b>	<b>(24.09)</b>	<b>(24.09)</b>
<b>c) FVOCI-Equity Instruments</b>		
Opening balance	634.75	447.12
Other Comprehensive income (net of tax)	856.55	187.63
<b>Closing Balance</b>	<b>1,491.30</b>	<b>634.75</b>

<b>d) Fair valuation of preference share issued</b>		
Opening balance	1,084.18	-
Fair valuation of preference share issued	-	1,084.18
<b>Closing Balance</b>	<b>1,084.18</b>	<b>1,084.18</b>

### 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

15 Borrowings	March 31, 2024	March 31, 2023
Non Cumulative optionally Convertible Redeemable Preference shares	4,252.12	3,919.45
<b>Total borrowings</b>	<b>4,252.12</b>	<b>3,919.45</b>

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, 2024	March 31, 2023
<b>Current</b>		
Total Outstanding dues of Micro Enterprises and Small Enterprises *		
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises (Refer Note 30(B))	176.28	174.85
<b>Total trade payables</b>	<b>176.28</b>	<b>174.85</b>

\* 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.

### Ageing for Trade Payables as on 31.03.2024

Particulars	Outstanding for following periods from due date of payment as on 31-Mar-2024				
	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Others	1.37	-	-	174.91	176.28
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-

### 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	-	-	-	-	-

## TVS MOTOR SERVICES LIMITED

### Notes to Balance Sheet

(All amounts in Lakhs, unless otherwise stated)

17	Financial liabilities	March 31, 2024	March 31, 2023
	<b>Current</b>		
	Bond Redemption money payable		
	Payable for purchase of investments and investment property*	-	267.16
	Payable to Holding company	0.45	
	Stale Cheques	-	54.03
	Payable Others	133.89	133.64
	<b>Total other current financial liabilities</b>	<b>134.34</b>	<b>454.83</b>

\*Refer Note 29(f)

18	Other current liabilities	March 31, 2024	March 31, 2023
	Statutory Dues	893.13	893.18
	Advance from customers	-	67.11
	- Advance received Chennai business consulting Pvt Ltd.	140.47	227.64
	<b>Total other current liabilities</b>	<b>1,033.60</b>	<b>1,187.9343</b>

19	Other income	March 31, 2024	March 31, 2023
	<b>a) Other income</b>		
	Other Non Operating Income	334.46	31.79
	Interest income on loan to SAEL	6.75	6.75
	<b>Total other income</b>	<b>341.21</b>	<b>38.54</b>

20	Finance Cost	March 31, 2024	March 31, 2023
	Other Borrowing Cost (Refer Note 29(e))	333.16	327.46
	<b>Total finance cost</b>	<b>333.16</b>	<b>327.46</b>

21	Other expenses	March 31, 2024	March 31, 2023
	Rates and Taxes	11.33	0.14
	Payment to Auditor* (Refer below note)	6.00	6.00
	Consultancy Fees	27.15	8.19
	Provision created against assets	-	
	Other expenses	23.90	4.19
	<b>Total other expenses</b>	<b>68.38</b>	<b>18.52</b>
	<b>Details of payment to auditors</b>		
	<b>Payment to auditors</b>		
	As Statutory auditors	6.00	6.00
	<b>Total payment to auditors</b>	<b>6.00</b>	<b>6.00</b>

22	Income tax expense	March 31, 2024	March 31, 2023
	<b>(a) Income tax expense</b>		
	Current tax	-	-
	Current tax on profits for the year	-	-
	<b>Total current tax expense</b>	<b>-</b>	<b>-</b>
	Deferred tax		
	Decrease (increase) in deferred tax assets	288.08	(18.39)
	(Decrease) increase in deferred tax liabilities	-	-
	<b>Total deferred tax expense/(benefit)</b>	<b>288.08</b>	<b>(18.39)</b>
	<b>Income tax expense</b>	<b>288.08</b>	<b>(18.39)</b>

23	Earnings per share	March 31, 2024	March 31, 2023
	<b>(a) Basic and diluted earnings per share</b>		
	Basic and diluted earnings per share attributable to the equity holders of the company (in rupees)	(0.04)	(0.15)
	<b>(b) Reconciliations of earnings used in calculating earnings per share</b>		
	<i>Basic and diluted earnings per share</i>		
	Profit attributable to equity holders of the company used in calculating basis earnings per share (Rs in lakhs)	(60.33)	(225.95)
	<b>(c) Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (in numbers)</b>	<b>149,633,814</b>	<b>149,633,814</b>

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

# TVS MOTOR SERVICES LIMITED

## Notes to Balance Sheet

(All amounts in Lakhs, unless otherwise stated)

### 24 Fair value measurements

#### Financial instruments by category

	March 31, 2024			March 31, 2024		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments						
- Equity instruments	-	300.70	-	-	300.70	-
- Other funds	35.00	-	-	35.00	-	-
- Equity share of TVS Credit Services to be retained		3,161.36			2,016.73	
Loan			156.25			150.18
Trade receivable			743.45			797.36
Cash and cash equivalents	-	-	78.87	-	-	680.28
Other Bank Balances			350.35			-
Other Financial Assets	-	-	6,643.34	-	-	6,555.18
<b>Total financial assets</b>	<b>35.00</b>	<b>3,462.06</b>	<b>7,972.26</b>	<b>35.00</b>	<b>2,317.43</b>	<b>8,182.99</b>
<b>Financial liabilities</b>						
Borrowings	4,252.12	-	-	3,919.45	-	-
Trade payables	-	-	176.28	-	-	174.85
Payable towards purchase of Investments	-	-	-	-	-	267.16
Other financial liability	-	-	134.34	-	-	187.67
<b>Total financial liabilities</b>	<b>4,252.12</b>	<b>-</b>	<b>310.61</b>	<b>3,919.45</b>	<b>-</b>	<b>629.68</b>

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.

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

Particulars	Notes	At 31 March 2024	At 31 March 2023
<b>Level 3 Measurements</b>			
<b>Financial Assets</b>			
Investments	4	3,497.06	2,352.43
<b>Total financial Assets</b>		<b>3,497.06</b>	<b>2,352.43</b>
<b>Financial liabilities</b>			
Borrowings	13	4,252.12	3,919.45
<b>Total financial liabilities</b>		<b>4,252.12</b>	<b>3,919.45</b>

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

Particulars	Notes	At 31 March 2024	At 31 March 2023
<b>Level 3 Measurements</b>			
<b>Financial assets</b>			
Loan	5	156.25	150.18
Trade receivable	8	743.45	797.36
Cash and cash equivalents	9	78.87	680.28
Other Bank Balances	9a	350.35	-
Other Financial Assets	10	6,643.34	6,555.18
<b>Total financial assets</b>		<b>7,972.26</b>	<b>8,182.99</b>

Particulars	Notes	At 31 March 2024	At 31 March 2023
<b>Financial liabilities</b>			
Payable towards purchase of Investments	17	-	267.16
Trade payables	16	176.28	174.85
Other financial liability	17	134.34	187.67
<b>Total financial liabilities</b>		<b>310.61</b>	<b>629.68</b>

**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

# TVS MOTOR SERVICES LIMITED

## Notes to Balance Sheet

(All amounts in Lakhs, unless otherwise stated)

### (iii) Fair value measurements using significant unobservable inputs (level 3)

	Preference shares
<b>As at 1 April 2022</b>	<b>3,919.45</b>
Issue/ (redemption)	5,000.00
Fair value recognised through reserves	(1,080.55)
Fair value recognised in profit or loss	-
Fair value recognised in OCI	-
<b>As at 31st Mar 23</b>	<b>7,838.91</b>

	Preference shares
<b>As at 1 April 2023</b>	<b>7,838.91</b>
Issue/ (redemption)	-
Fair value recognised through reserves	-
Fair value recognised in profit or loss	332.66
Fair value recognised in OCI	-
<b>As at 31st Mar 24</b>	<b>8,171.57</b>

### (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 derived based on the market risk premium adjusted for companies relevered financial data

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

	March 31, 2024		March 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Loan	156.25	156.25	150.18	150.18
Trade receivable	743.45	743.45	797.36	797.36
Cash and cash equivalents	78.87	78.87	680.28	680.28
Other Bank balances	350.35	350.35	-	-
Receivable towards sale of property	6,643.34	6,643.34	6,555.18	6,555.18
<b>Total financial assets</b>	<b>7,972.27</b>	<b>7,972.27</b>	<b>8,182.99</b>	<b>8,182.99</b>
<b>Financial Liabilities</b>				
Borrowings	-	-	-	-
Trade payables	176.28	176.28	174.85	174.85
Payable towards purchase of Investments	-	-	267.16	267.16
Other financial liability	134.34	134.34	187.67	187.67
<b>Total financial liabilities</b>	<b>310.61</b>	<b>310.61</b>	<b>629.68</b>	<b>629.68</b>

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:

- all non-derivative financial liabilities, and
- 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.

# TVS MOTOR SERVICES LIMITED

## Notes to Balance Sheet

(All amounts in Lakhs, unless otherwise stated)

### Contractual maturities of financial liabilities:

31 March 2024	Less than 3 months	Between 3 Month and 1 year	Between 1 and 2 years	Greater than 2 years	Total
<b>Non-derivatives</b>					
Convertible Preference Shares	-		5,000.00		5,000.00
Payable towards purchase of Investments	-	-	-	-	-
Trade payables	176.28	-	-	-	176.28
Other financial liabilities	134.34	-	-	-	134.34
<b>Total non-derivative liabilities</b>	<b>310.61</b>	<b>-</b>	<b>5,000.00</b>	<b>-</b>	<b>5,310.61</b>

31 March 2023	Less than 3 months	Between 3 Month and 1 year	Between 1 and 2 years	Greater than 2 years	Total
<b>Non-derivatives</b>					
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
<b>Total non-derivative liabilities</b>	<b>629.68</b>	<b>-</b>	<b>-</b>	<b>5,000.00</b>	<b>5,629.68</b>

## 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, 2024	March 31, 2023
Net debt	3,822.90	3,239.18
Total equity	17,172.29	16,376.07
<b>Net debt to equity ratio</b>	<b>0.22</b>	<b>0.20</b>

## 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, 2024.

## 28 Contingent Liabilities not provided for

Particulars	March 31, 2024	March 31, 2023
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

TVS Holdings Limited

### (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, 2024	March 31, 2023
<b>TVS Credit Services Ltd</b>		
Repayment towards purchase of investment	-	4,133.33
Interest on payable towards purchase of Investment	-	323.81
<b>TVS Motor Company</b>		
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, 2024	March 31, 2023
Payables:		
TVS Credit Services Limited	-	267.16

# TVS MOTOR SERVICES LIMITED

## 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 31.03.2024	Ratio 31.03.2023	Variance	Reasons for variance
(a) Current ratio	Current Assets	Current Liabilities	6.34	4.81	31.90%	Repayment of current liabilities
(b) Debt-equity ratio	Borrowings net of cash and cash equivalents	Shareholders' fund	0.22	0.20	12.55%	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%	0.00%	0.00%	NA
(d) Return on equity ratio	Profit after tax	Equity share capital	0.00	-0.01	-74.54%	Increase in non operating income
(e) Inventory turnover ratio	Cost of goods sold	Average Inventory	NA	NA	NA	NA
(f) Trade receivables turnover ratio	Net Credit Sales	Average accounts receivable	NA	NA	NA	NA
(g) Trade payables turnover ratio	Net Credit Purchase	Average accounts payable	NA	NA	NA	NA
(h) Net capital turnover ratio	Revenue from Operations	Working Capital	NA	NA	NA	NA
(i) Net profit ratio	Profit after tax	Revenue from operations	NA	NA	NA	NA
(j) Return on capital employed	EBIT	Shareholders' fund+ Long term borrowings	1.27%	0.10%	-1191.29%	Increase in non operating income
(k) Return on investment	Profit after tax	Equity shareholders' Fund	-0.35%	-1.38%	74.54%	Increase in non operating income

As per our report of even date  
For Raghavan, Chaudhuri & Narayanan  
Chartered Accountants  
ICAI Regn No. FRN 007761S

Place: Chennai  
Date:02-05-2024  
UDIN: 23027716BGYLRZ9326

K N Radhakrishnan  
Director  
02599393

V. Sathyanarayanan  
Partner  
Membership No. 027716

V Gopalakrishnan  
Director  
03291640

S Sridhar  
Chief Financial Officer

For and on behalf of the Board

V R Karuanakara Reddy  
Chief Executive Officer

KS Srinivasan  
Company Secretary

## Directors' Report to the Shareholders

The Directors are pleased to present the Third annual report and the audited financial statements for the year ended 31<sup>st</sup> March 2024.

### Financial Highlights

The Company is yet to commence its business.

### Preparation of financial statements under Indian Accounting Standards

Pursuant to the notification issued by the Ministry of Corporate Affairs dated 16<sup>th</sup> 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 31<sup>st</sup> March 2024 have been prepared in compliance with the said rules.

### Dividend

The Directors of the Company do not recommend any dividend for the period ended 31<sup>st</sup> March 2024.

### 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 ("the Act") with respect to Director's Responsibility Statement, it is hereby stated that:

- i. in the preparation of the annual accounts for the year ended 31<sup>st</sup> March 2024, 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 31<sup>st</sup> March 2024 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 Venu Srinivasan 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, there were no change in the Board.

As on 31<sup>st</sup> March 2024, Mr Venu Srinivasan, Mr Sudarshan Venu, Prof. Sir Ralf Dieter Speth and Mr Kuok Meng Xiong are the Directors of the Company.

Mr Kuok Meng Xiong, Independent Director has expressed his inability to continue as a Director on the Board due to his increasing business commitments & personal reasons and would resign from the Board effective close of the business hours of the ensuing Annual General Meeting 2024.

### Board Meetings

During the period under review, the Board met 4 times on 4<sup>th</sup> May 2023, 24<sup>th</sup> July 2023, 30<sup>th</sup> October 2023 and 24<sup>th</sup> January 2024. 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 third year in the first term of five consecutive years, from the conclusion of this Annual General Meeting.

The Auditors' Report for the financial year 2023-24 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.

### 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.

## TVS ELECTRIC MOBILITY LIMITED

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### **Employee's remuneration:**

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.

### **Details of loans / guarantees / investments made:**

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 2023-24, 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**

During the year under review, there were no related party transactions.

### **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  
Date : 08<sup>th</sup> May 2024

VENU SRINIVASAN  
Director  
DIN: 00051523

SUDARSHAN VENU  
Director  
DIN: 03601690

## INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

To the Members of TVS Electric Mobility Limited

### Report on the Audit of the financial statements

#### Opinion

We have audited the financial statements of TVS Electric Mobility Limited ("the Company"), which comprise the Balance sheet as at 31<sup>st</sup> March 2024, 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, 2024, and Loss, 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 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 31<sup>st</sup> March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statement 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 does not have any pending litigations which would impact its financial position.
  - b. The Company did not have any long-term contracts including derivative contracts.
  - 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.15 (viii)), 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.15(ix)), 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. No dividend has been declared or paid during the year by the Company.
- f. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

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 Sec 197 of the Act does not arise. The Ministry of Corporate Affairs has not prescribed other details under Sec 197(6) which are required to be commented upon by us..

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

UDIN	24224922BKFYDO6398
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Place : Chennai  
Date : 08<sup>th</sup> May, 2024

K BALAJI  
Partner  
Membership No. 224922

# TVS ELECTRIC MOBILITY LIMITED

## Annexure A to Independent Auditor's Report - 31 March 2024

(Referred to in our report of even date)

The Company was incorporated on 13<sup>th</sup> December 2021 and has not commenced its operation as on 31 March 2024. Further, During the year, the Company

- has not acquired Property, Plant and Equipment, intangible assets and inventory.
- has not made any investments, given any loans, advances in the nature of loan, guarantee and security.
- has not received any loans and deposits.
- has not raised any money during the year by way of initial public offer or further public offer (including debt instruments).
- has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures.

Therefore, the clauses 3 - (i), (ii), (iii), (iv), (v), (vi), (viii), (ix), (x), (xi), (xiv), (xvi), (xix), (xx) and (xxi) of the Order, are not applicable. Hence, reporting requirements under these clauses do not arise. Other clauses are reported hereunder.

- (vii) According to the information and explanations given to us and based on the records of the Company examined by us, in our opinion, the Company is yet to commence its operations and hence statutory dues namely Employees' Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Customs duty and Cess and other material statutory dues have not been recovered or liability created as at year end, in the books of accounts. Hence, requirement to report under clauses 3 (vii) (a) and (b) of the order is not applicable to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3 (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.

(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.

(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 incurred cash losses in the current year and in the immediately preceding financial year respectively as below.

Financial year	Cash Loss (Rs)
2023 – 2024	10,000.00
2022 – 2023	10,000.00

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

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

UDIN	24224922BKFYDO6398
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Place : Chennai  
Date : 08<sup>th</sup> May, 2024

K BALAJI  
Partner  
Membership No. 224922

# TVS ELECTRIC MOBILITY LIMITED

## Annexure "B" to Independent Auditors' Report 31<sup>st</sup> March 2024

(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 with reference to financial statements of TVS Electric Mobility Limited ("the Company") as of March 31, 2024, 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 with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements, 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 reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statement.

### Meaning of Internal Financial Controls with reference to Financial Statements

6. A company's internal financial control with reference to financial statements 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 with reference financial statement 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 with reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial Statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial Statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control with reference to financial statements 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 Regd. No.109208W

UDIN	24224922BKFYD06398
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Place : Chennai  
Date : 08<sup>th</sup> May, 2024

K BALAJI  
Partner  
Membership No. 224922

# TVS ELECTRIC MOBILITY LIMITED

## Balance Sheet as at 31<sup>st</sup> March 2024

(in Rs.)

Particulars	Note No	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>ASSETS</b>			
<b>Current Assets</b>			
Financial Assets			
Cash and Cash Equivalents	2	10,000,000	10,000,000
<b>TOTAL ASSETS</b>		<b>10,000,000</b>	<b>10,000,000</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	3	10,000,000	10,000,000
Other Equity	4	(30,000)	(20,000)
<b>TOTAL EQUITY</b>		<b>9,970,000</b>	<b>9,980,000</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Financial Liabilities			
Trade Payables			
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (a) above	5	30,000	20,000
<b>TOTAL LIABILITIES</b>		<b>30,000</b>	<b>20,000</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,000,000</b>	<b>10,000,000</b>
Significant Accounting Policies forming part of financial statements			
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

**K. BALAJI**  
Partner  
Membership No.: 224922

Chennai  
Dated: 08<sup>th</sup> May, 2024

For and on behalf of the Board of Directors

**venu srinivasan**  
Director  
DIN:00051523

**SUDARSHAN VENU**  
Director  
DIN: 03601690

# TVS ELECTRIC MOBILITY LIMITED

## Statement of Profit and Loss for the period ended 31<sup>st</sup> March 2024

(In Rs.)

Particulars	Note No	For the period 1 <sup>st</sup> Apr 2023 to 31 <sup>st</sup> Mar 2024	For the period 1 <sup>st</sup> Apr 2022 to 31 <sup>st</sup> Mar 2023
<b>REVENUE</b>			
Revenue from operations		-	-
TOTAL INCOME		-	-
<b>EXPENSES</b>			
Other expenses	6	10,000	10,000
TOTAL EXPENSE		10,000	10,000
<b>Loss before tax</b>		<b>(10,000)</b>	<b>(10,000)</b>
Tax expense		-	-
<b>Loss after tax for the year</b>		<b>(10,000)</b>	<b>(10,000)</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<b>(10,000)</b>	<b>(10,000)</b>
<b>Earning per equity share:</b>			
Basic & Diluted earnings per share	7	(0.00)	(0.00)
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

For and on behalf of the Board of Directors

**K. BALAJI**  
Partner  
Membership No.: 224922

**venu srinivasan**  
Director  
DIN:00051523

**SUDARSHAN VENU**  
Director  
DIN: 03601690

Chennai  
Dated: 08<sup>th</sup> May, 2024

# TVS ELECTRIC MOBILITY LIMITED

## Cash Flow Statement for the year ended 31<sup>st</sup> March 2024

(In Rs.)

	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>A. Cash Flow from Operating Activities</b>		
Loss Before Tax	(10,000)	(10,000)
<b>B. Operating loss before Working Capital Changes</b>	(10,000)	(10,000)
<b>C. Adjustments for changes in Working Capital</b>		
Trade payables	10,000	10,000
<b>D. Net Cash from Operating Activities</b>	-	-
<b>E. Net Cash from Investing Activities</b>	-	-
<b>F. Net Cash Flow from Financing Activities</b>		
Proceeds from Issue of Equity Shares	-	-
Net Cash from Financing Activities	-	-
<b>G. Net change in Cash and Cash Equivalents (D+E+F)</b>	-	-
<b>H. Cash and Cash Equivalents as at End</b>	1,00,00,000	1,00,00,000
<b>I. Less: Cash and Cash Equivalents as at Beginning</b>	10,00,000	10,00,000
<b>NET CHANGE IN CASH &amp; CASH EQUIVALENTS (H-I)</b>	-	-
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

**K. BALAJI**  
Partner  
Membership No.: 224922

Chennai  
Dated: 08<sup>th</sup> May, 2024

For and on behalf of the Board of Directors

**venu srinivasan**  
Director  
DIN:00051523

**SUDARSHAN VENU**  
Director  
DIN: 03601690

# TVS ELECTRIC MOBILITY LIMITED

## Statement of Changes in Equity

### A Equity Share Capital

	Rs.
As at 31-03-2022	10,000,000
Changes in equity share capital due to prior period errors	-
	10,000,000
Change in equity share capital during the year	-
As at 31-03-2023	10,000,000
Changes in equity share capital due to prior period errors	-
	10,000,000
Change in equity share capital during the year	-
As at 31-03-2024	10,000,000

### B Other equity

Particulars	Retained earnings	Other reserves	Total
<b>Balance as at 01-04-2022</b>	<b>(10,000)</b>	-	<b>(10,000)</b>
Add : Profit for the year 2022-23	(10,000)	-	(10,000)
Add : Other comprehensive income for the year 2022-23	-	-	-
<b>Balance as at 31-03-2023</b>	<b>(20,000)</b>	-	<b>(20,000)</b>
Add : Profit for the year 2023-24	(10,000)	-	(10,000)
Add : Other comprehensive income for the year 2023-24	-	-	-
<b>Balance as at 31-03-2024</b>	<b>(30,000)</b>	-	<b>(30,000)</b>

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

For and on behalf of the Board of Directors

**K. BALAJI**  
Partner  
Membership No.: 224922

**venu srinivasan**  
Director  
DIN:00051523

**SUDARSHAN VENU**  
Director  
DIN: 03601690

Chennai  
Dated: 08<sup>th</sup> May, 2024

# TVS ELECTRIC MOBILITY LIMITED

## 1. SIGNIFICANT ACCOUNTING POLICIES

### a) Brief description of the Company

TVS Electric Mobility Limited ('the Company') is a public limited company incorporated on 13<sup>th</sup> December 2021 and domiciled in India. The registered office is located at "Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai – 600006, Tamil Nadu, India.

These financial statements have been approved for issue by the Board of Directors at its meeting held on 8<sup>th</sup> May 2024.

### b) Basis of preparation

#### i) Compliance with Ind AS

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.

#### ii) Historical Cost Convention

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

- certain financial assets and liabilities is measured at fair value;
- 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 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) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

The Company recognizes revenue on completion of performance obligations as per the customer specifications as specified in the agreement and when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria for recognition have been met. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

### e) Property, Plant and Equipment (PPE)

Property plant and equipment are stated at historic cost less depreciation and impairment, if any. Cost includes purchase price, taxes and duties, labor cost and directly attributable overhead expenditure incurred up to the date the asset is ready for its intended use. However, cost excludes all duties and taxes wherever credit of the same is availed.

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 other repairs and maintenance are charged to Profit or Loss during the reporting period in which they are incurred.

### f) Depreciation and amortization

The company depreciates the carrying amount of the assets over the remaining useful life of the assets as per schedule II of the Companies Act, 2013 under straight line method, except in the case of Computers, Mobile phones, Vehicles, and Plant and Machinery which are charged over 3.33 years, 2 years, 5.56 years and 6.67 years respectively which are different from the useful life given under the said schedule, based on internal technical valuation of useful life being shorter than specified in schedule. Improvement on leased property is depreciated over the primary lease period. Depreciation on PPE added or disposed off during the year is calculated on pro-rata basis with reference to the date of addition/disposal.

### g) Intangible assets

Intangible assets are stated at original cost net of tax / duty credits availed, if any, less accumulated amortization and cumulative impairment. Intangible assets are recognized when it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets being Software cost is amortized at 50% per annum on straight line method.

### h) Inventories

#### i) Stock-In-Trade

Land is valued at the lower of cost and net realizable value. Cost includes cost of acquisition and all related costs.

#### ii) Work-In-Progress

Work in Progress is valued at cost. Cost includes cost of construction and services, employee cost, other overheads related to project under construction and borrowing cost.

### i) 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 up to the end of the reporting period and are measured 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 as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### (iii) Post-employment obligation:

The Company operates the following post-employment schemes:

- a) Defined benefit plans such as gratuity and pension for its eligible employees, and
- b) Defined contribution plans such as provident fund.
- iv) Pension and Gratuity obligation:

The liability or asset recognized 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 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.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized 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 profit or loss as past service cost.

- v) Provident fund:

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The provident fund contributions are made to Provident Fund authority.

- vi) Bonus plans:

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

### **j) Income Tax**

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. 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 consolidated financial statements. However, deferred tax liabilities are not recognized 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 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 realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize 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 realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

### **k) Provisions and contingent liabilities**

- i) Provision:

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

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 recognized as interest expenses.

- ii) 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.

### **l) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

### **m) 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 recognized 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.

### **n) 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 financial institutions, 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.

### **o) Trade receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are

recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Company holds the trade receivables with the intention to collect the contractual cash flows and therefore measures them subsequently at amortized cost using effective interest method, less loss allowance.

### p) Investments and Other financial assets

#### i) Classification

The Company classifies its financial assets in the following categories:

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

#### ii) Measurement

At Initial recognition, the Company measures a financial asset at its fair value plus (in the case of a financial asset not a fair value through profit or loss) transaction cost 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.

#### 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.

#### *Amortized 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 amortized cost. A gain or loss on debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized 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 amortized 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 recognized 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.

#### *Equity instruments-Investment in subsidiaries / associates:*

Investment in subsidiaries/ associates are measured at cost.

#### iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been 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 recognized from initial recognition of the receivables.

#### iv) Derecognition of financial assets

A financial asset is derecognized 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 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 derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

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 recognized to the extent of continuing involvement in the financial asset.

#### v) Income recognition

#### Interest Income:

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

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.

#### Dividends:

Dividends are recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be reliably measured.

### q) Functional Currency:

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is functional and presentation currency.

#### Transactions and balances:

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing on the date of transaction.

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

### r) 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. These amounts are usually unsecured and paid within the credit periods. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using effective interest method.

### s) Borrowings:

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognized in profit or loss over the period of the borrowings, using the effective interest method. Fees paid on the established loan facilities are recognized 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 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.

### t) Leases

#### As a lessee

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, the has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.*

Payments associated with short-term leases 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.

### u) 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

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 or

All other liabilities are classified as non-current.

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

#### Operating Cycle:

The normal operating cycle in respect of operation relating to real estate project depends on signing of agreement, size of the project, phasing of the project, type of development, project complexities, approvals needed & realization of project into cash & cash equivalents and range from 3 to 7 years. Accordingly, assets & liabilities have been classified into current & non-current based on operating cycle.

### v) 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 No.6)

- (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

# TVS ELECTRIC MOBILITY LIMITED

Notes to the Financial Statements - (Continued)

## Notes to Balance Sheet

(In Rs.)

	Amount as at 31-Mar-24	Amount as at 31-Mar-23
2 CASH AND CASH EQUIVALENTS		
Balances with banks	10,000,000	10,000,000
Total	<u>10,000,000</u>	<u>10,000,000</u>

### 3 EQUITY SHARE CAPITAL

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

Particulars	As at 31-03-2024		As at 31-03-2023	
	Number	Rupees in crores	Number	Rupees in crores
Authorised:				
Equity shares of Re.1/- each	10,000,000	1.00	10,000,000	1.00
Issued, subscribed and fully paid up:				
Equity shares of Re.1/- each	10,000,000	1.00	10,000,000	1.00
	<u>10,000,000</u>	<u>1.00</u>	<u>10,000,000</u>	<u>1.00</u>

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

Particulars	As at 31-03-2024		As at 31-03-2023	
	Number	Rupees in crores	Number	Rupees in crores
Shares outstanding at the beginning of the year	10,000,000	1.00	10,000,000	1.00
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	<u>10,000,000</u>	<u>1.00</u>	<u>10,000,000</u>	<u>1.00</u>

#### (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 31-03-2024		As at 31-03-2023	
		No. of shares held	% of holding	No. of shares held	% of holding
TVS Motor Company Limited (Holding Company)	Equity	10,000,000	100.00	10,000,000	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 31-03-2024		As at 31-03-2023	
		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 31-03-2024		As at 31-03-2023	
		No. of shares held	% of holding	No. of shares held	% of holding
TVS Motor Company Limited (Holding Company)	Equity	10,000,000	100.00	10,000,000	100.00

### 4 OTHER EQUITY

Particulars	As at 31-03-2024	As at 31-03-2023
Retained earnings	(30,000)	(20,000)
Other Reserves	-	-
	<u>(30,000)</u>	<u>(20,000)</u>

### 5 TRADE PAYABLES

Dues to Micro and Small Enterprises **	-	-
Dues to enterprises other than Micro and Small Enterprises	30,000	20,000
	<u>30,000</u>	<u>20,000</u>

\*\* There are no transactions with Micro Small and Medium enterprises during the year

# TVS ELECTRIC MOBILITY LIMITED

Notes to the Financial Statements - (Continued)

(In Rs.)

		For the period 1 <sup>st</sup> Apr 2023 to 31 <sup>st</sup> Mar 2024	For the period 1 <sup>st</sup> Apr 2022 to 31 <sup>st</sup> Mar 2023
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	10,000,000	10,000,000
	Earnings per Share	(0.00)	(0.00)

## 8 Fair Value Measurements

Particulars	As at 31-03-2024			As at 31-03-2023		
	FVTPL <sup>§</sup>	FVOCI *	Amortised cost	FVTPL <sup>§</sup>	FVOCI *	Amortised cost
<b>Financial assets</b>						
Cash and cash equivalents	-	-	10,000,000	-	-	10,000,000
	-	-	-	-	-	-
	-	-	10,000,000	-	-	10,000,000
<b>Financial liabilities</b>						
Trade payables	-	-	30,000	-	-	20,000
	-	-	-	-	-	-
	-	-	30,000	-	-	20,000

\* FVOCI - Fair Valued Through Other Comprehensive Income § FVTPL- Fair Value Through Profit or Loss

# TVS ELECTRIC MOBILITY LIMITED

## Notes to the Financial Statements - (Continued)

- 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 Benefit Obligation - 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 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  
Mr Kuok Meng Xiong, 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 31<sup>st</sup> March 2024.
- (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 recognised 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 Sixteenth Annual Report and the audited accounts of the Company for the year ended 31<sup>st</sup> March 2024.

**1. BUSINESS AND FINANCIAL PERFORMANCE**

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

₹ in Crore

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

**Company's Performance**

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

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

### Key Product-wise Performance during the Financial Year

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

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

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

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

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

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

## 2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

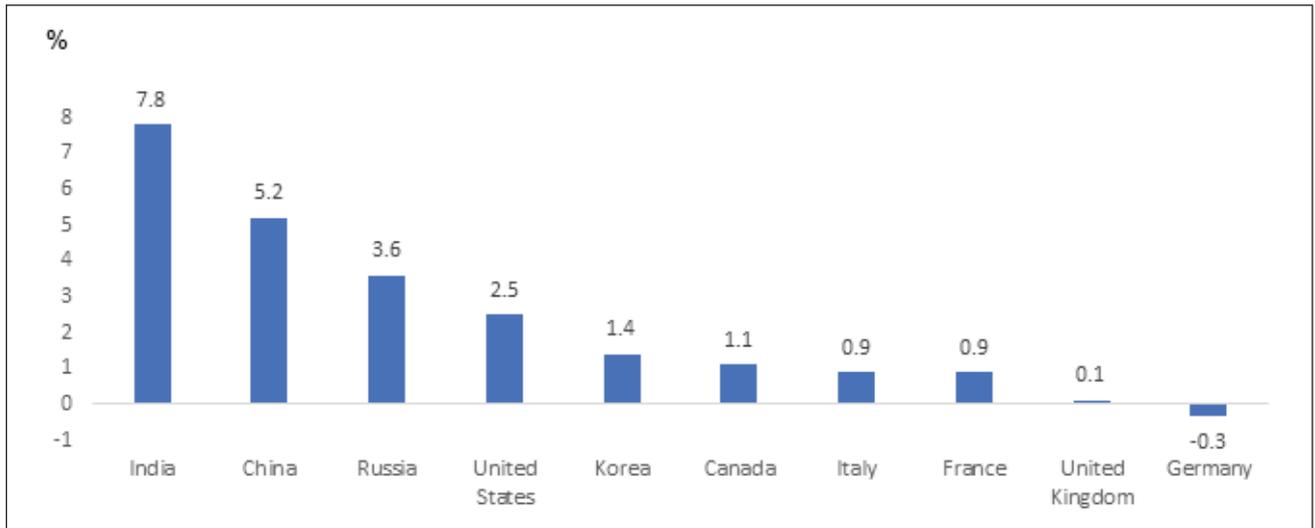
### India witnesses strong growth in fiscal 2024

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

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

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

**Real GDP growth for major global economies (CY2024)**



Source: IMF, CRISIL MI&A

**Rapid growth in digital infrastructure supported economic growth**

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

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

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

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

**Rural demand experienced degrowth in fiscal 2024**

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

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

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

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

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

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

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

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

### **Rural demand to increase in fiscal 2025**

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

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

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

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

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

Rising middle India population and growth in disposable incomes have led to an increase in the consumption of consumer goods. Private consumption accounts for the largest share of GDP at 57% as of fiscal 2024. It helped India stay resilient in periods of slowing global growth. The combined

mix of greater purchasing power and willingness to spend has resulted in a change in consumption patterns. From a medium to long-term perspective, rising working age population and higher per capital incomes are expected to raise the share of discretionary spends (such as consumer durables and automobiles) in private consumption. Growth in consumption of discretionary products would witness contribution from rural India as well owing to favourable inflation, better agriculture output and increased Government spending towards rural India in this fiscal.

### **India's focus on financial inclusion is increasing**

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

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

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

### **Risks and concerns**

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

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

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

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

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

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

Over past five years, NBFC credit has grown at a faster pace than overall systemic credit, growing at a CAGR of 11%. In fiscal 2024, NBFC credit witnessed highest year-on-year growth of 18%, led by higher

consumer demand and continued focus on retail segment which has resulted in an increase in the share of retail credit in overall NBFC credit and is expected to further strengthen in fiscal 2025.

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

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

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

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

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

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

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

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

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

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

The acceleration in unsecured lending has outpaced growth in overall bank credit. The rapid expansion of unsecured lending in India has raised concerns over increasing leverage of the borrowers

in the financial ecosystem especially in an environment of economic uncertainty. Overleveraging of households could pose systemic risks if widespread defaults occur, underscoring the need for prudent credit underwriting and monitoring by financial institutions.

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

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

### **Robust disbursements growth at 16% year-on-year**

During FY 2024, the Company registered a strong 16% year-on-year growth in disbursements. The assets under management of the Company grew by 26% to ₹ 25,900 crore as of 31<sup>st</sup> March 2024 as compared to ₹ 20,602 crore as of end of previous financial year. The Company had around 13 million customers as at the end of March 2024. The loan portfolio of the Company is well-diversified with various products grouped under Retail Finance, Consumer Finance, and Commercial Finance business as of March 2024.

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

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

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

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

In respect of Used Tractor Loans business, the Company witnessed growth in direct business and empanelled new channel partners. Further, the Company has created a content-rich digital platform that is expected to increase customer experience and generate digital leads for the Company. This platform enables prospective customers to research and compare tractors online. Going forward, the Company would be focussing on getting onboard more strategic channel partners for Used Tractor Loans.

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

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

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

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

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

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

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

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

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

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

### **Digital Sourcing**

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

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

### **Increased use of Data and Analytics across the Business Segments**

Building upon the successes of Data & Analytics over the last few years, the Company expanded the use of analytics and AI/ML models in decision making. In FY 2024, the Company successfully deployed the first deep-learning model as part of cross-sell underwriting processes. As such, evaluation of deep-learning models as part of model development has become the norm for all new model builds and model refreshes. In addition, the breadth of ML model usage has expanded with propensity models

driving customer outreach efforts, attrition models driving retention efforts for the Company's field force and price estimation models driving residual management. There were also other initiatives like Data enrichment based on Bureau data, risk, and fraud analytics to identify potential theft. Channel segmentation and advanced technologies like deep-learning and computer vision were also leveraged for targeted sales and improved customer engagement.

### **Investment in strengthening the Digital Infrastructure for sustainable growth**

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

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

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

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

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

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

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

### **Innovative marketing and branding initiatives increased brand visibility and customer reach**

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

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

The Company has also launched a direct-to-consumer horizontalisation initiative known as 'Pragati Parv' that offers TVS Credit's product portfolio under a single umbrella. The programme is focussed on boosting brand awareness, creating sales opportunities, and nurturing long-term relationships with customers and channel partners. Through a mix of online and offline marketing efforts, Pragati Parv

reached ~13 lakh individuals across 21 locations in Uttar Pradesh, generating substantial business opportunities while enhancing brand reach and visibility.

### **Annual Campus Engagement Programme**

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

### **Human Resources**

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

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

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

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

### **Process Excellence**

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

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

The Company carries out periodic assessments of gaps and takes immediate actions to address such identified gaps, which has resulted in strengthening the process across the Company. The Company obtained ISO Quality ISO 9001/2015 and ISO/IEC 27000:2013 recertification for management systems from Bureau Veritas for all processing hubs and central operations.

### **Awards and Recognitions**

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

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

### **Community Support Initiatives**

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

### **Funding**

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

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

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

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

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

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

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

With equity infusion, participation from NBFCs, banks and financial institutions, mutual funds and insurance companies in the form of Tier I (Perpetual Debt Instrument) and Tier II capital (Subordinated Debt), the Company has an adequate Capital Adequacy Ratio (CAR). The CAR as on 31<sup>st</sup> March 2024 stood at 18.59%.

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

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

### 3. SHARE CAPITAL

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

#### Non-Convertible Debentures

During the year under review, the Company issued Non-Convertible Debentures (NCDs) of ₹ 725 crore on a private placement basis. The NCDs have been listed on the Wholesale Debt Market segment of the National Stock Exchange of India Ltd (NSE).

### 4. DIVIDEND

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

### 5. TRANSFER TO RESERVES

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

**6. PUBLIC DEPOSITS**

The Company is a Non-Deposit taking Non-Banking Financial Company and has not accepted any deposits during the year under review. The Board has also passed a resolution for non-acceptance of deposits from the public.

**7. CONSOLIDATED FINANCIAL STATEMENTS**

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

The audited financial statements of the subsidiary companies will be made available to the shareholders on receipt of a request from any shareholder, and it has also been placed on the website of the Company, which will also be available for inspection by the shareholders at the registered office during business hours, as mentioned in the notice of AGM.

The consolidated Profit Before Tax of the Company and its subsidiaries amounted to ₹ 762 crore for the year ended 31<sup>st</sup> March 2024 as compared to ₹ 512 crore in the previous year.

**Subsidiary Companies**

The following companies are the subsidiaries of the Company as on 31<sup>st</sup> March 2024, and these subsidiaries have not commenced operations yet.

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

**Performance of Subsidiaries**

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

All the subsidiaries are yet to commence their operations.

**Holding Company**

TVS Motor Company Limited is the holding Company and holds 85.63% equity shares as on the date of this report and 80.53% on a fully diluted basis.

**8. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**Directors' Appointment / Re-appointment / Cessation**

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

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

**Directors Liable to Retire by Rotation**

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

Mr. K N Radhakrishnan, Non-Executive Director, who is liable to retire at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee, at their meeting held on 8<sup>th</sup> May 2024 recommended his re-appointment after evaluating his track record, integrity, and other fit and proper criteria as laid down under RBI guidelines.

### **Woman Director**

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

### **Independent Directors**

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

The detailed terms of appointment of IDs are disclosed on the Company's website in the following link [www.tvscredit.com](http://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 11<sup>th</sup> March 2024. All IDs were present, and they were enlightened about the objectives and process involved in evaluating the performance of the Board, Non-IDs, Chairman, and timeliness of the flow of information from management.

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

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

IDs used various criteria prescribed by the Nomination and Remuneration Committee (NRC) of non-IDs, namely, Mr. Venu Srinivasan, Mr. Sudarshan Venu, and Mr. K N Radhakrishnan.

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

#### **b) Chairman**

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

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

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

c) **Board**

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

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

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

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

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

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

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

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

e) **Performance Evaluation of the Board**

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

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

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

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

Qualitative comments and suggestions of the Directors were taken into consideration by the Board. The Directors have expressed their satisfaction with the evaluation process.

Based on the report of performance evaluation of directors, the Board noted and recorded that all the directors should extend and continue their term of appointment as Directors / Independent Directors, as the case may be.

### **Key Managerial Personnel**

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

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

## **9. STATUTORY AUDITORS**

Pursuant to the Reserve Bank of India ("RBI") Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), Urban Co-operative Banks (UCBs) and NBFCs (including HFCs) dated 27<sup>th</sup> April 2021, and Frequently Asked Questions dated 11<sup>th</sup> 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 25<sup>th</sup> 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 12<sup>th</sup> November, 2021, appointed M/s. Sundaram & Srinivasan Chartered Accountants, Chennai having Firm Registration No.004207S allotted by the Institute of Chartered Accountants of India as Statutory Auditors of the Company for a term of 3 consecutive years pursuant to Section 139 of the Act, 2013, at such remuneration in addition to applicable taxes, reimbursement of travelling and other expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors.

M/s. CNGSN & Associates LLP, Chartered Accountants, and M/s. Sundaram & Srinivasan, Chartered Accountants have jointly conducted the statutory audit for the year ended 31<sup>st</sup> March 2024.

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

The Auditors' Reports for the financial year 2023-24 do not contain any qualifications, reservations, or adverse remarks, and the same is attached with the annual financial statements.

## **10. SECRETARIAL AUDITORS**

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

As required under Section 204 of the Act, 2013, the Secretarial Audit Report for the year 2023-24, given by them, is attached as Annexure VI to this report. The Secretarial Audit Report does not contain any qualifications, observations, or other remarks.

### **Secretarial Standards**

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

## **11. DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

- a. In the preparation of the annual accounts for the year ended 31<sup>st</sup> March 2024 the applicable accounting standards had been followed along with proper explanation relating to material departures, if any.
- b. The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The Directors had prepared the accounts for the financial year ended 31<sup>st</sup> March 2024 on a going concern basis.
- e. That the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **12. ANNUAL RETURN**

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

## **13. CORPORATE GOVERNANCE**

Good corporate governance, acting in accordance with the principles of responsible management aimed at increasing enterprise value on a sustainable basis, is an essential requirement for the TVS Group. The Company has a strong legacy of fair, transparent, and ethical governance practices. The Company's philosophy on corporate governance is founded on the fundamental ideologies of the Group viz., Trust, Value, Exactness, and Passion for Customers.

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

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

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

### **Board Meetings**

During the year under review, the Board met seven times on 6<sup>th</sup> April 2023, 3<sup>rd</sup> May 2023, 21<sup>st</sup> July 2023, 20<sup>th</sup> September 2023, 27<sup>th</sup> October 2023, 23<sup>rd</sup> January 2024, and 21<sup>st</sup> March 2024, and the gap between the two meetings did not exceed one hundred and twenty days.

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

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

Committee, Senior Management Committee (SMC), Credit Sanction Committee and Stakeholders Relationship Committee (SRC).

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

### **Nomination and Remuneration Policy**

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

#### **Directors**

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

The Board has approved the payment of remuneration by way of profit-related commission to the Non-Executive Independent Directors, for the financial year 2023-24, based on the recommendation of the Nomination and Remuneration Committee. The approval of the Shareholders by way of a special resolution was obtained at the Twelfth Annual General Meeting held on 27<sup>th</sup> July 2020 in terms of Sections 197 and 198 and any other applicable provisions of the Act, 2013.

#### **Commission**

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

As approved by the Shareholders at the Annual General Meeting of the Company held on 27<sup>th</sup> July 2020, Non-Executive and Independent Directors are being paid commission, subject to a maximum, as determined by the Board, for each such Director from the financial year 2023-24.

#### **Key Managerial Personnel**

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

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

#### **Criteria for Board Membership**

##### **Directors**

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

##### **Independent Directors**

Independent Director shall meet all criteria specified in Section 149 of the Act, 2013, and the rules made thereunder.

### **Related Party Transactions**

All contracts/arrangements entered by the Company during the period ended 31<sup>st</sup> March 2024 with related parties were in the ordinary course of business and at arm's length price in terms of Section 188 of the Act, 2013 read with the Companies (Meetings of Board and its powers) Rules, 2014.

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

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

## **14. RISK MANAGEMENT**

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

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

Operational risks arising from inadequate or failed internal processes, people, and systems or from external events are adequately addressed by the internal control systems and are continuously reviewed and monitored. Operational Risk Register with all operational risks, control and residual risk is maintained with key risk indicators defined to measure, mitigate and report. Standard Operating Procedures are well documented to ensure enhanced control over processes and regulatory compliance.

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

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

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

## **15. INTERNAL CONTROL SYSTEMS**

The Company's comprehensive and effective internal control system ensures smooth business operations, meticulously recording all transaction details and ensuring regulatory compliance, and protecting the Company's assets from loss or misuse. The Board is accountable for evaluating and approving the effectiveness of the internal controls, including financial, operational, and compliance controls.

The internal control system is subject to continuous improvement, with system effectiveness assessed regularly. The internal control system is supported by an internal audit process for reviewing the adequacy and efficacy of the internal controls, including its system and processes and compliance

with regulations and procedures. Information provided to management is reliable and timely. The Company ensures the reliability of financial reporting and compliance with laws and regulations.

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

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

## **16. INTERNAL AUDIT**

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

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

## **17. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

CSR activities have already been textured into the Company's value system through Srinivasan Services Trust (SST), established in 1996 with the vision of building self-reliant rural community. Over 28 years of service, SST has played a pivotal role in changing lives of people in rural India by creating self-reliant communities that are models of sustainable development.

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

Based on the recommendation of the CSR Committee, the Board has approved the projects/ programmes carried out as CSR for an amount of ₹ 10 crore for undertaking similar programmes / projects constituting more than 2% of the average net profits of the Company, made during the three immediately preceding financial years, towards CSR spending for the financial year 2023-24 and the Company has met the CSR spending through SST. The CFO of the Company has also ensured the spending through SST for FY 2023-24.

The work, SST has been doing, has matured into a model centred on community participation in all its projects. SST's focus is to bring about sustainable development in villages. The key focus areas are women empowerment, repairing and renovating the village government infrastructure like the balwadis, primary schools, health centres and veterinary centres, creation of water conservation structures, desilting of water bodies and preserving the environment. SST encourages the community to alter their attitudes and take ownership of changes that bring about lasting development. To bring in expertise in specific intervention areas like education, health and hygiene and livelihoods through livestock, SST is working in collaboration with organisations like Agastya International Foundation, Villmart, Navsahyog Foundation, Sankara Eye Foundation, Gramalaya and Shreeja Mahila Milk Producers Company Limited.

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

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

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

As required under Section 135 of the Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Annual Report on CSR, containing the particulars of the projects / programmes approved and recommended by the CSR Committee and approved by the Board for

the financial year 2023-24 are given by way of Annexure IV attached to this Report. It may also be noted that the CSR Committee has approved the projects or programmes to be undertaken by the SST and other eligible trusts for the year 2024-25, preferably in local areas including the manner of execution, modalities of utilisation of funds and implementation schedules and also monitoring and reporting mechanism for the projects or programmes, as required under the Companies Amendment Act, 2020.

#### **18. POLICY ON VIGIL MECHANISM**

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

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

#### **19. SEXUAL HARASSMENT POLICY**

The Company has in place a Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) (POSH) Act, 2013. The Company has an Internal Complaints Committee as required under POSH. The number of Complaints received, disposed off, and pending during FY 2024 is given in the Corporate Governance Report.

#### **20. GENERAL DISCLOSURES**

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

- (a) There are no significant and material orders passed by the regulators or courts or tribunals which would impact the going concern status of the Company and its future operations.
- (b) issue of equity shares with differential rights as to dividend, voting or otherwise.
- (c) issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- (d) pendency of any proceeding under the Insolvency and Bankruptcy Code, 2016 and
- (e) instance of one-time settlement with any bank or financial institution.

#### **21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS, AND OUTGO**

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

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

#### **22. MATERIAL CHANGES AND COMMITMENTS**

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

#### **23. EMPLOYEES' REMUNERATION**

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

**24. DETAILS OF LOANS / GUARANTEES / INVESTMENTS MADE**

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

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

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

**25. REPORTING OF FRAUD**

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

**26. MAINTENANCE OF COST RECORDS**

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

**27. ADHERENCE TO RBI NORMS AND GUIDELINES**

The Company has fulfilled the prudential norms and standards as laid down by RBI in respect of income recognition, provisioning of non-performing assets and capital adequacy. The capital adequacy ratio of the Company is 18.59% which is well above the prescribed minimum of 15% by RBI.

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

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

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

**28. ACKNOWLEDGEMENT**

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

The Directors wish to place on record their special appreciation of the employees of the Company for their dedication and commitment in delivering the highest quality of service to every one of our valued customers.

For and on behalf of the Board of Directors

Place : Chennai  
Date : 8<sup>th</sup> May 2024

**Sudarshan Venu**  
Chairman  
DIN: 03601690

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

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

1. Brief outline on CSR Policy of the Company:

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

2. Composition of CSR Committee:

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

3.	Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company.	<a href="https://www.tvscredit.com/investors">https://www.tvscredit.com/investors</a>
4.	Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable	Not Applicable
5.	(a) Average net profit of the Company as per section 135(5)	₹ 256.76 crore
	(b) Two percent of average net profit of the Company as per section 135(5) of the Companies Act, 2013	₹ 5.14 crore
	(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
	(d) Amount required to be set off for the financial year, if any	Nil
	(e) Total CSR obligation for the financial year (5b+5c-5d)	₹ 5.14 crore
6.	(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	₹ 10.00 crore
	(b) Amount spent in Administrative Over-heads	Nil
	(c) Amount spent on Impact Assessment, if applicable	Not Applicable
	(d) Total amount spent for the Financial Year [(a)+(b)+(c)]	₹ 10.00 crore

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

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

(f) Excess amount for set off, if any

S.No.	Particulars	Amount (₹ in crore)
i.	Two percent of average net profit of the Company as per Section 135(5)	5.14
ii.	Total amount spent for the financial year	10.00
iii.	Excess amount spent for the financial year [(ii)-(i)]	4.86
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	4.86

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

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

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

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

For and on behalf of the Board of Directors

**Venu Srinivasan**

Chairman of the CSR Committee  
DIN: 00051523

Place : Chennai  
Date : 8<sup>th</sup> May 2024

**Annexure-IV to Directors' Report to the Shareholders**  
**Form AOC-I**

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

**Part "A"**

**Subsidiaries - Statement containing salient features of the financial statement of subsidiaries:-**  
(Information in respect of each subsidiary to be presented with amounts ₹ in lakhs)

S.No.	Particulars	Name of the Company	
1.	Name of the subsidiary	Harita Two Wheeler Mall Private Limited	TVS Housing Finance Private Limited
2.	Reporting period for the subsidiary concerned, if different from the Holding Company's reporting period	01.04.2023 to 31.03.2024	
3.	Reporting Currency and Exchange Rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	₹	₹
4.	Share Capital / Contribution	0.25	1,200.00
5.	Reserves & Surplus	(1.69)	348.66
6.	Total Assets	0.24	1,572.36
7.	Total Liabilities	1.67	23.70
8.	Investments	-	-
9.	Turnover	-	96.10
10.	Profit/(Loss) before taxation	(0.31)	95.64
11.	Provision for taxation / Current Year Taxes	-	23.47
12.	Profit/(Loss) after taxation	(0.31)	72.17
13.	Proposed Dividend	-	-
14.	% of shareholding	100%	100%

**Part "B"**

**Associates and Joint Ventures- Not Applicable**

As per our report annexed

As per our report annexed

**For Sundaram & Srinivasan**  
Chartered Accountants  
Firm Regn No.: 0042075

**For CNGSN & Associates LLP**  
Chartered Accountants  
Firm Regn No.: 0049155

**S. Usha**  
Partner  
Membership No.: 211785  
8<sup>th</sup> May, 2024

**C.N. Gangadaran**  
Partner  
Membership No.: 011205  
8<sup>th</sup> May, 2024

For and on behalf of the Board

**Sreejith Raj P**  
Company Secretary

**Roopa Sampath Kumar**  
Chief Financial Officer

**Ashish Sapra**  
Chief Executive Officer

**Sudarshan Venu**  
Chairman

Place : Chennai  
Date : 8<sup>th</sup> May 2024

**Annexure-V to Directors' Report to the Shareholders**

**Company's Philosophy on Corporate Governance**

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

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

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

**Board of Directors**

- i) The Board of Directors along with its Committees provide leadership and guidance to the Company's management and directs, supervises and controls the activities of the Company.
- ii) The size of the Board is commensurate with the size and business of the Company. As on 31<sup>st</sup> March 2024, the Board comprises six Directors, viz.,

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

NED : Non Executive Director      ID : Independent Director

<sup>#</sup>includes private companies and companies incorporated outside India

\*Held as nominee of TVS Motor Services Limited

Mr V Srinivasa Rangan resigned from the Board on 30<sup>th</sup> October 2023.

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

**Meetings of the Board**

The meetings of the Board of Directors shall be held at least four times a year, with a maximum time-gap of four months between any two consecutive meetings. During the year, the Board met 8 (Eight) times on the following dates:

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

The necessary quorum was present at the meetings. In compliance with the applicable provisions of the Companies Act, 2013 (the Act) and the Rules made thereunder, the Company facilitates the participation of the Directors in Board/Committee meetings through video conferencing. The agenda for the meetings were circulated through a Digital application installed on iPads as an eco-friendly

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

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

Name of the Director (M/s.)	Name of the Company	Category of Directorship
Sudarshan Venu	TVS Holdings Limited	Executive Director
	Coromandel International Limited	Independent Director
	TVS Motor Company Limited	Executive Director
Venu Srinivasan	TVS Holdings Limited	Non-Executive Director – Chairman
	Sundaram-Clayton Limited	Executive Director
	TVS Motor Company Limited	Executive Director
K N Radhakrishnan	TVS Motor Company Limited	Executive Director
R Gopalan	TVS Holdings Limited	Non-Executive Director
	Sundaram-Clayton Limited	Independent Director
	Zee Entertainment Enterprises Limited	Independent Director – Chairman
B Sriram	ICICI Bank Limited	Independent Director
	Nippon Life India Asset Management Limited	Independent Director
	TVS Motor Company Limited	Independent Director
	TVS Supply Chain Solutions Limited	Independent Director
Kalpana Unadkat	Avenue Supermarts Limited	Independent Director
	Eris Lifesciences Limited	Independent Director

**Meetings of Independent Directors**

As stipulated by the Code of Independent Directors under the Act and Rules made thereunder and SEBI Listing Regulations as amended from time to time, one meeting of Independent Directors was held during the year. The meeting was conducted on 11<sup>th</sup> March 2024 to enable Independent Directors, discuss matters relating to Company’s affairs and put forth their views without the presence of Non-Independent Directors and members of the Management.

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

**Familiarisation programme**

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

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

The familiarisation of Independent Directors majorly covered their roles, rights, responsibilities in the Company under Company Law and Economic Laws as well as under Listing Regulations, overall governance framework of the Company and specific governance requirements of NBFCs. The details of familiarisation programmes for the Financial Year 2023-24, in terms of the requirements of SEBI Listing Regulations are available on the website of the Company and can be accessed at [www.tvscredit.com](http://www.tvscredit.com).

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

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

Name of the Directors	Brief description of special skills
Mr Sudarshan Venu	Leadership, Industry Knowledge, Risk Management Business and Strategic Planning, Financial Sector experience, Governance, Ethics and Regulatory Oversight, Information Technology, Human Resource
Mr Venu Srinivasan	Leadership, Industry Knowledge, Risk Management Business and Strategic Planning, Financial Sector experience, Governance, Ethics and Regulatory Oversight, Information Technology, Human Resource
Mr K N Radhakrishnan	Leadership, Industry Knowledge, Risk Management Business and Strategic Planning, Governance, Ethics and Regulatory Oversight, Information Technology, Human Resource
Mr R Gopalan	Leadership, Industry Knowledge, Risk Management Business and Strategic Planning, Financial Sector experience, Governance, Ethics and Regulatory Oversight, Information Technology, Human Resource
Mr B Sriram	Leadership, Industry Knowledge, Risk Management Business and Strategic Planning, Financial Sector experience, Governance, Ethics and Regulatory Oversight, Information Technology, Human Resource
Ms Kalpana Vasanthraji Unadkat	Leadership, Industry Knowledge, Risk Management Business and Strategic Planning, Legal, Governance, Ethics and Regulatory Oversight, Information Technology, Human Resource

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

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

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

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

The Code has also been displayed on the Company's website and the link to the same is [www.tvscredit.com](http://www.tvscredit.com).

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

#### Committees of the Board

The Board has constituted Committees with specific terms of reference to focus on specific issues and ensure expedient resolution of diverse matters. These are the Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee, Risk Management Committee, Asset Liability Management Committee, Information Technology (IT) Strategy Committee, Credit Sanction Committee, Senior Management Committee and Stakeholders Relationship Committee.

## Composition of Committees

Name of Committee	Name of Committee Members (M/s.)	Category	Chairperson/ Membership	Date of Appointment
Audit Committee	R Gopalan	Independent Director	Chairperson	20-Jul-2019
	B Sriram	Independent Director	Member	11-Jan-2024
	Kalpana Unadkat	Independent Director	Member	27-Oct-2023
Nomination & Remuneration Committee	Kalpana Unadkat	Independent Director	Chairperson	04-Feb-2022
	Sudarshan Venu	Non-executive Director	Member	04-Feb-2022
	B Sriram	Independent Director	Member	04-Feb-2022
Risk Management Committee	K N Radhakrishnan	Non-executive Director	Chairperson	22-Oct-2018
	R Gopalan	Independent Director	Member	11-Jan-2024
	Kalpana Unadkat	Independent Director	Member	28-Jul-2021
Stakeholders Relationship Committee	K N Radhakrishnan	Non-executive Director	Chairperson	04-Feb-2022
	R Gopalan	Independent Director	Member	04-Feb-2022
	Kalpana Unadkat	Independent Director	Member	04-Feb-2022
Corporate Social Responsibility Committee	Venu Srinivasan	Non-executive Director	Chairperson	27-Mar-2015
	K N Radhakrishnan	Non-executive Director	Member	27-Mar-2015
	R Gopalan	Independent Director	Member	20-Jul-2019
IT Strategy Committee	B Sriram	Independent Director	Chairperson	28-Jul-2021
	Sudarshan Venu	Non-executive Director	Member	04-Jan-2018
	K N Radhakrishnan	Non-executive Director	Member	04-Jan-2018
Asset Liability Committee	Ashish Sapra	Chief Executive Officer	Chairperson	01-Sep-2022
	Sudarshan Venu	Non-executive Director	Member	31-Jan-2013
	B Sriram	Independent Director	Member	12-Oct-2019
Credit Sanction Committee	B Sriram	Independent Director	Chairperson	10-Mar-2020
	Sudarshan Venu	Non-executive Director	Member	10-Mar-2020
	K Gopala Desikan	Group Chief Financial Officer	Member	10-Mar-2020
	Ashish Sapra	Chief Executive Officer	Member	02-Nov-2022

a. **Audit Committee:**

The Company has in place an Audit Committee constituted in accordance with the provisions of Section 177 of the Companies Act, 2013, Master Direction – Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 and SEBI Listing Regulations. The composition of the Committee is in accordance with the requirements of Section 177 of the Companies Act, 2013 and SEBI Listing Regulations.

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

Brief description of terms of reference:

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

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

Roles and Responsibilities:

- Oversight of company's financial reporting process and disclosure of its financial information to ensure that the financial statements are fair and transparent, sufficient and credible.
- The role of the Audit Committee would include the review and audit of the working of the management of the company in terms of the profitability, cost control and performance of credit exposures.
- Recommending the appointment of and removal of external and internal auditors, fixation of audit fee and approval for payment for any other services.
- Approval of Annual Plans before it is placed before the Board.
- Reviewing with the management the quarterly and annual financial statements before submission to the Board, focussing primarily on the following as may be applicable.
  - i. Accounting policies and practices followed and any deviations or changes with reference to the earlier policies and practices.
  - ii. Major accounting entries based on exercise of judgement by management.
  - iii. Qualifications in draft audit report.
  - iv. Significant adjustments arising out of audit.
  - v. The going concern assumption.
  - vi. Compliance with accounting standards.
  - vii. Compliance with the legal requirements concerning financial statements.
  - viii. Any related party transaction i.e. transactions of company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of company at large.
- Reviewing with the management, reports of external and internal auditors, and the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit, plan and scope of internal audit.

- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud, irregularity, or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with external auditors before the audit commences, nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- Reviewing the company's financial and risk management policies.
- Review of company's asset position, realisability and other related matters in respect of collateral securities, sale of properties etc.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of dividends declared if any) and creditors.
- To review the quarterly and annual financial statements before submission to the Board and ensure compliance of internal control systems.
- Authority to investigate into any matter referred to it by the Board.
- All other roles/responsibilities of audit committee as specified in Section 177 and other applicable provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 and Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016.

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

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

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

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

LOA - Leave of Absence

\*Resigned as ID with effect from 30<sup>th</sup> October 2023

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

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

**b. Corporate Social Responsibility Committee:**

In accordance with the provisions of Section 135 of the Companies Act, 2013 read with Rules made thereunder, the Board of Directors of the Company have constituted the Corporate Social Responsibility Committee (CSR Committee). The Committee has formulated and recommended a CSR Policy to the Board and various recommendations of the Committee including the amount of expenditure to be incurred on CSR activities are submitted to the Board for its approval. The Committee has framed a transparent monitoring mechanism for implementation of CSR projects or programmes or activities undertaken by the Company and also monitors CSR policy from time to time.

Roles and Responsibilities:

- To review, agree and establish the Company’s corporate strategy to ensure that CSR is and remains an integral part of its business strategy;
- To review the standards, policies and conduct of the Company relating to the application of CSR principles;
- To review reports of CSR progress and audits of CSR performance against key performance indicators across programme areas;
- To review an annual budget for CSR activities approved by the Board, as part of the overall budget;
- To ensure that the Company’s website communicates and reports its CSR approach and performance in a timely, complete and coherent manner; and
- To perform such other function related or incidental to the CSR Policy of the Company, at the request of the Board.
- All other roles/responsibilities of audit committee as specified in Section 135 of Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014.

Based on the recommendation of the CSR Committee, the Board has approved the projects / programmes to be carried out as CSR activities by Srinivasan Services Trust (SST) in compliance with the CSR policy of the Company and contributed ₹ 10 crore constituting more than 2% of average net profits, for the immediate past three financial years, towards CSR spending for the financial year 2023-24.

SST, with over 28 years of service, has played a pivotal role in changing lives of people in many villages in rural India by creating self-reliant communities that are models of sustainable development.

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

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

Date of the Meeting	Members Present (M/s)		
	Venu Srinivasan (Chairman)	R Gopalan	K N Radhakrishnan
3 <sup>rd</sup> May 2024	✓	✓	✓

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

**c. Nomination and Remuneration Committee:**

The Company has in place the Nomination & Remuneration Committee (NRC). It was constituted, *inter-alia*, to formulate and recommend to the board of directors, the Company’s policies relating to identification of directors, key managerial personnel and senior management personnel one level below the Board and remuneration payable to them and the criteria for determining qualifications, positive attributes and independence of a director.

The NRC lays down the evaluation criteria for evaluating the performance of every director, committees of the Board and the Board as a whole and also the performance of key managerial personnel (KMP) and senior management personnel (SMP).

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

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

The performance evaluation of individual director will be carried out based on his / her commitment to the role and fiduciary responsibilities as a Board member, attendance and active participation, strategic and lateral thinking, contribution and recommendations given professionally, heading / acting as members of various sub-committees etc. An evaluation of performance has been undertaken based on the criteria for all SMP and this has been in accordance with the above process.

The performance of SMP was measured against the achievement of the business plans approved by the Board during and at the completion of the financial year and their annual at-risk remuneration reflects their business plan achievements.

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

The NRC also ensures ‘fit and proper’ status of proposed and existing directors and on a continual basis.

Brief description of terms of reference:

- 1.1 Guiding the Board of the Company to lay down the terms and conditions in relation to appointment and remuneration of Director(s), KMP and SMP.
- 1.2 Evaluating the performance of the Director(s) and providing necessary report to the Board for its further evaluation and consideration.
- 1.3 Recommending to the Board on remuneration payable to the Director(s), KMP and SMP of the Company based on (i) Company’s structure and financial performance and (ii) remuneration trends and practices that prevail in peer companies across automobile industry.
- 1.4 Retaining, motivating and promoting talent among the employees and ensuring the long-term sustainability of talented SMP by the creation of competitive advantage through a structured talent review.
- 1.5 Devise a policy on diversity in the Board.
- 1.6 Develop a succession plan for the Board and SMP.
- 1.7 All other roles/responsibilities of nomination and remuneration committee as specified in Section 178 and other applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Date of the Meeting	Members Present (M/s)		
	Kalpna Unadkat (Chairman)	Sudarshan Venu	B Sriram
3 <sup>rd</sup> May 2023	✓	✓	✓
21 <sup>st</sup> July 2023	✓	LOA	✓

LOA - Leave of Absence

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

**d. Risk Management Committee:**

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

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

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

**Roles and Responsibilities:**

- To review various risks measures adopted by the company for identification, measurement, monitoring and mitigation of risks involved in various areas of functioning.
- To approve and review various credit policies including its amendments laid down by the company and monitor performance levels.
- To review and discuss the issues reported in Asset Liability Management Committee in relation to risk aspects.
- Monitoring risk levels and also reviews of results and progress in implementation of decisions taken in earlier meeting.
- To approve and review Enterprise Risk Management framework inter alia approving Risk rating criteria and review of key risks along with mitigants and Risk register.
- To approve and review Risk management policy and its amendments.
- All other roles/responsibilities of Risk Management Committee as specified SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, Master Direction – Reserve Bank of India (Non-Banking Financial Company– Scale Based Regulation) Directions, 2023 and other Circulars/Directions of Reserve Bank of India as applicable to NBFCs.

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

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

Date of the Meeting	Members Present (M/s)			
	K N Radhakrishnan (Chairman)	R Gopalan <sup>#</sup>	Kalpana Unadkat	V S Rangan <sup>*</sup>
26 <sup>th</sup> June 2023	✓	NA	LOA	✓
19 <sup>th</sup> September 2023	✓	NA	✓	LOA
24 <sup>th</sup> October 2023	✓	NA	✓	✓
13 <sup>th</sup> March 2024	✓	✓	✓	NA

LOA - Leave of Absence

<sup>#</sup> Appointed as member with effect from 11<sup>th</sup> January 2024

<sup>\*</sup>Resigned from the Company with effect from 30<sup>th</sup> October 2023

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

**e. Asset Liability Management Committee (ALCO):**

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

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

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

Date of the Meeting	Members Present (M/s)		
	Ashish Sapra (Chairman)	Sudarshan Venu	B Sriram
26 <sup>th</sup> June 2023	✓	LOA	✓
27 <sup>th</sup> September 2023	✓	✓	✓
9 <sup>th</sup> December 2023	✓	LOA	✓
18 <sup>th</sup> March 2024	✓	✓	✓

LOA - Leave of Absence

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

**f. Information Technology (IT) Strategy Committee:**

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

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

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

As per the above requirement, the Company has constituted an Information Technology Strategy Committee. The particulars of meetings and attendance by the members of the Committee, during the year under review, are given in the table below:

Date of the Meeting	Members Present (M/s)				
	B Sriram (Chairman)	Sudarshan Venu	K N Radhakrishnan	Ashish Sapra*	Soujanya Aluri*
26 <sup>th</sup> June 2023	✓	LOA	✓	✓	✓
9 <sup>th</sup> December 2023	✓	LOA	LOA	✓	✓
30 <sup>th</sup> March 2024	✓	LOA	✓	✓	✓

LOA - Leave of Absence

\*Ceased to be members with effect from 8<sup>th</sup> May 2023

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

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

**g. Credit Sanction Committee:**

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

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

The Committee consists of the following directors and officials:

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

**h. Senior Management Committee:**

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

During the year under review, the committee met four times on 30<sup>th</sup> June 2023, 28<sup>th</sup> September 2023, 18<sup>th</sup> December 2023, and 16<sup>th</sup> March 2024.

**i. Stakeholders Relationship Committee:**

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

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

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

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

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

iii) General Body Meeting:

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

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

Special Resolutions passed in the previous three AGMs:

Year	Subject Matter of Special Resolution	Date of AGM
2020-21	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>Approval for issue of equity shares on a preferential basis to TVS Motor Company Limited</li> <li>Approval for an Increase in authorised Share Capital</li> </ol>	28 <sup>th</sup> July 2021
2021-22	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> </ol>	29 <sup>th</sup> June 2022
2022-23	-	17 <sup>th</sup> July 2023

Special resolutions passed the EGMs during the Financial Year:

Date	Place	Subject Matter of Special Resolution
14 <sup>th</sup> June 2023	Registered Office	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>Approval for an Increase in authorised Share Capital</li> <li>Approval for issuance of shares on a preferential basis to TVS Motor Company Limited.</li> </ol>
18 <sup>th</sup> August 2023	Registered Office	Approval of amendment of Articles of Association of the Company.
22 <sup>nd</sup> September 2023	Registered Office	Approval for issuance of shares on a preferential basis to PI Opportunities Fund I Scheme II.
27 <sup>th</sup> September 2023	Registered Office	Approval of adoption of restated Articles of Association of the Company.

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

iv) **Means of Communication to Shareholders**

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

Quarterly Results:

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

Newspapers wherein results are normally published:

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

Website:

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

v) **General Shareholder Information:**

Annual General Meeting

Date and time	:	5 <sup>th</sup> August 2024 at 04:00 P.M.
Financial year	:	1 <sup>st</sup> April to 31 <sup>st</sup> March
Financial calendar	:	2024-25
Financial reporting for the quarter ending	:	Financial calendar
30 <sup>th</sup> June 2024	:	Before 14 <sup>th</sup> August 2024
30 <sup>th</sup> September 2024	:	Before 14 <sup>th</sup> November 2024
31 <sup>st</sup> December 2024	:	Before 14 <sup>th</sup> February 2025
31 <sup>st</sup> March 2025	:	Before 30 <sup>th</sup> May 2025

Particulars of dividend payment:

The Company has not declared any dividends to its Shareholders.

vi) Listing on Stock Exchanges:

Name and Address of the Stock Exchange	Stock Code / Symbol	
National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051 Tel.: 91 22 2659 8100   Fax : 91 22 2659 8120	The Company has listed its Non-convertible Debentures and since the equity shares of the Company are not listed, the stock code is not applicable.	
ISIN allotted by Depositories (Company ID Number) for Non-Convertible Debentures (NCD) listed with NSE as on 31 <sup>st</sup> March, 2024	1. INE729N08030 2. INE729N08048 3. INE729N08055 4. INE729N08063 5. INE729N08071 6. INE729N08089	7. INE729N07032 8. INE729N07040 9. INE729N08097 10. INE729N07057 11. INE729N08105

(Note: Annual listing fees and custodial charges for the year 2023-24 were duly paid to the National Stock Exchange and Depositories)

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

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

viii) Suspension of Securities from trading: During FY 2023-24, none of the securities of the Company were suspended from trading.

ix) Share Transfer Agents and Share Transfer System:

- a. The Company has appointed Integrated Registry Management Services Limited, which has been registered with SEBI as Category-I Registrar & Transfer Agent (RTA) with Regn. No. INR000000544 as the Share Transfer Agent of the Company (STA) for Equity Shares and Cameo Corporate Services Limited as Registrar and Transfer Agent (RTA) for Debentures, with a view to rendering prompt and efficient service to the investors and in compliance with the Regulation 7 of the Listing Regulations. The Shareholders have also been advised about this appointment of STA to handle share registry work pertaining to both physical and electronic segments of the Company.
- b. All matters connected with the share transfer, transmission, sub-division, consolidation, renewal, exchange or endorsement of calls / allotment monies, dividends and other matters are being handled by STA located at the address mentioned in this report.
- c. Shares lodged for transfers are normally processed within the prescribed time from the date of lodgement, if the documents are clear in all respects.
- d. All requests for dematerialisation of securities are processed and the confirmation is given to the depositories within the prescribed time. Grievances received from investors and other miscellaneous correspondence relating to change of addresses, mandates etc., is processed by STA within the prescribed time.
- e. The Company, as required under the Regulation 6(2)(d) of Listing Regulations, has designated the following e-mail IDs, namely corp-serv@integratedindia.in for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances.
- f. A certificate signed by the Compliance Officer of STA and the Company Secretary towards maintenance of share transfer facility by STA in compliance with the Regulation 7(3) of the Listing Regulations have been obtained and the same have been submitted to the Stock Exchange.
- g. Shareholders are, therefore, requested to correspond with STA for transfer / transmission of shares, change of address and queries pertaining to their shareholding, etc., at their address given in this Report.

x) Distribution of Shareholding

Shareholding (Range)	No. of Members	%	No. of Shares	%
Up to 5000	5*	26.31	50	0.00
5001-10000	1	5.26	8,516	0.00
10001-20000	1	5.26	17,032	0.01
20001-50000	2	10.53	68,126	0.03
50001-100000	2	10.53	1,02,190	0.04
100001 & above	8	42.11	22,80,28,012	99.91
<b>Total</b>	<b>19</b>	<b>100</b>	<b>22,82,23,926</b>	<b>100</b>

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

xi) Dematerialisation of Shares and Liquidity:

The Company has provided its Shareholders the option to hold their equity shares in dematerialised form and as on 31<sup>st</sup> March 2024, 22,47,23,926 representing 98.47% of the paid-up capital of the Company are in dematerialised form.

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

xiii) List of Credit Rating:  
The credit rating details are disclosed in the Financial Statements forming part of this Annual Report.

xiv) Fees paid to Statutory Auditor on a consolidated basis:  
During the year, the Company has paid ₹ 62.50 Lakhs to the statutory Auditors for all services received by the listed entity and its subsidiaries, on a consolidated basis.

xv) Sexual Harassment at the Workplace:  
As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH), as amended, Company has a robust mechanism in place to redress complaints reported under it. The details of case of sexual harassment reported during the financial year 2023-24 are as under:

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

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

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

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

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

xvii) Non-Mandatory Disclosures

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

a. The Board:

Mr K N Radhakrishnan, Non-Executive Director as on 31<sup>st</sup> March 2024 is liable to retire by rotation as per the provisions of the Companies Act, 2013.

b. Shareholder Rights:

The quarterly results of the Company are published in newspapers as soon as they are approved by the Board and are also uploaded in the Company's website namely [www.tvscredit.com](http://www.tvscredit.com). The results are not sent to the shareholders individually.

- c. Audit qualifications:  
There were no audit qualifications during the Financial Year under review.
- d. Reporting of internal auditor:  
The internal auditor reports directly to the Audit Committee.

xviii) Other Disclosures

- a. Materially significant related party transactions:

All transactions entered into with related parties (RPTs), as defined under the Act, 2013 and the Listing Regulations during the financial year 2023- 24 were in the ordinary course of business and at arm's length and do not attract the provisions of Section 188 of the Act, 2013 and the rules made thereunder.

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

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

Details of material related party transactions are enclosed as part of accounts for the year ended 31<sup>st</sup> March 2024.

#### Related Party Transaction Policy

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

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

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

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

Copy of the said Policy is available on the Company's website at <https://www.tvscredit.com/investors/investor-information>.

- b. Pecuniary relationships or transactions with IDs vis-à-vis the Company during the year under review, do not exceed the threshold limit as laid down under the Listing Regulations.
- c. There were no instances of non-compliance by the Company or penalty and stricture imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on any matter related to the capital markets, during the last three years.
- d. Loans and advances in the nature of loans to firms/companies in which Directors are interests by name and amount – Nil.

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

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

**g. Material Subsidiaries**

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

As per the above definition, the Company does not have any subsidiary whose income or net worth exceeds 10% of the consolidated income or net worth respectively and hence the Company does not have any material subsidiary for FY 2024.

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

**h. Succession Planning**

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

**xix) Plant Locations:**

The Company has a presence in 28 states and 4 Union Territories in India and in 142 locations through its offices.

**xx) Address for investor correspondence:**

a.	For transfer / dematerialisation of securities, payment of dividend/ interest on securities and any other query relating to the securities of the Company	:	Equity Shares: Integrated Registry Management Services Limited, Share Transfer Agent (STA) Unit: TVS Credit Services Limited Chennai – 600 006 Debentures: Cameo Corporate Services Ltd 'Subramanian Building', No.1, Club House Road, Chennai – 600 002
b.	For non-receipt of the annual report	:	Equity - corpserv@integratedindia.in Debt - investor1@cameoindia.com
c.	For investors' grievances and general correspondence	:	Equity - corpserv@integratedindia.in Debt - investor1@cameoindia.com
d.	Debenture Trustees	:	Beacon Trusteeship Limited Address: 4C & D Siddhivinayak Chambers, Gandhi Nagar, Opp. MIG Cricket Club, Bandra East (E), Mumbai – 400 051 E-mail: compliance@beacontrustee.co.in IDBI Trusteeship Services Limited Address: Ground Floor, Universal Insurance Building, Sir Phirozshah Mehta Road, Fort Bazargate, Mumbai, India - 400 001 E-mail: teamolive@idbitrustee.com

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

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

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

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

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

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

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

xxv) Remuneration to Directors:

Criteria for remuneration to Directors:

The non-executive / independent director(s) receive remuneration by way of fees for attending meetings of Board or any committee in which director(s) is member.

In addition to the sitting fees, the non-executive independent director(s) shall be entitled to commission from the Company subject to the monetary limit approved by shareholders of the Company and aggregate commission amount would not exceed the limit as prescribed under the provisions of the Act, 2013.

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

Non-Executive Directors:

Sitting fees

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

Commission

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

The Board at its meeting held on 8<sup>th</sup> May 2024 approved the payment of commission of ₹ 20,00,000/- to the Non-executive Independent Directors of the Company for the year ended 31<sup>st</sup> March 2024. The amount of commission for every financial year will be decided by the Board, as approved by the shareholders at General Meeting held on 27<sup>th</sup> July 2020, subject to the limit of 1% of net profits of the Company, in aggregate, as calculated pursuant to Section 198 of the Act, 2013. The above compensation structure is commensurate with the best practices in terms of remunerating IDs and adequately compensates for the time and contribution made by IDs.

In terms of the amended Listing Regulations, it has also been ensured that the remuneration payable to one non-executive director does not exceed 50% of the total annual remuneration payable to all non-executive directors of the Company.

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

xxvi) None of the NEDs, except Mr. K N Radhakrishnan who holds shares on behalf of TVS Motor Services Limited, holds shares of the Company. Sitting fees and Commission paid to NEDs for the meetings held during 2023-24 are as follows -

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

\* Mr V Srinivasa Rangan resigned with effect from 30<sup>th</sup> October 2023.

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

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

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

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

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

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

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

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

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

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

xxxi) **Breach of the Covenant:**

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

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

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

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

Compliance with Corporate Governance requirements

S No.	Particulars	Regulation Number	Compliance Status (Yes/No/NA)
1	Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
2	Board composition	17(1), 17(1A) & 17(1B)	Yes
3	Meeting of Board of Directors	17(2)	Yes
4	Quorum of Board meeting	17(2A)	Yes
5	Review of Compliance Reports	17(3)	Yes
6	Plans for orderly succession for appointments	17(4)	Yes
7	Code of Conduct	17(5)	Yes
8	Fees/compensation	17(6)	Yes
9	Minimum Information	17(7)	Yes
10	Compliance Certificate	17(8)	Yes
11	Risk Assessment & Management	17(9)	Yes
12	Performance Evaluation of Independent Directors	17(10)	Yes
13	Recommendation of Board	17(11)	Yes
14	Maximum number of Directorships	17A	Yes
15	Composition of Audit Committee	18(1)	Yes
16	Meeting of Audit Committee	18(2)	Yes
17	Composition of Nomination and Remuneration Committee	19(1) & (2)	Yes
18	Quorum of Nomination and Remuneration Committee meeting	19(2A)	Yes
19	Meeting of Nomination and Remuneration Committee	19(3A)	Yes
20	Composition of Stakeholder Relationship Committee	20(1), 20(2) & 20(2A)	Yes
21	Meeting of Stakeholders Relationship Committee	20(3A)	Yes
22	Composition and role of Risk Management Committee	21(1),(2),(3),(4)	Yes
23	Meeting of Risk Management Committee	21(3A)	Yes
24	Vigil Mechanism	22	Yes

S No.	Particulars	Regulation Number	Compliance Status (Yes/No/NA)
25	Policy for related party Transaction	23(1), (1A), (5), (6), (7) & (8)	Yes
26	Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
27	Approval for material related party transactions	23(4)	Yes
28	Disclosure of related party transactions on consolidated basis	23(9)	Yes
29	Composition of Board of Directors of unlisted material Subsidiary	24(1)	Yes
30	Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	Yes
31	Annual Secretarial Compliance Report	24(A)	Yes
32	Alternate Director to Independent Director	25(1)	NA
33	Maximum Tenure	25(2)	Yes
34	Meeting of Independent Directors	25(3) & (4)	Yes
35	Familiarisation of Independent Directors	25(7)	Yes
36	Declaration from Independent Director	25(8) & (9)	Yes
37	D & O Insurance for Independent Directors	25(10)	Yes
38	Memberships in Committees	26(1)	Yes
39	Affirmation with compliance to code of conduct from members of Board of Directors and Senior Management Personnel	26(3)	Yes
40	Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
41	Policy with respect to Obligations of Directors and Senior Management	26(2) & 26(5)	Yes

xxxiv) For further clarification / information, stakeholders are requested to visit the Company's website at <https://www.tvscredit.com/>

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2024

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

To

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

Dear sirs,

I have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practice by TVS Credit Services Limited, (hereinafter called the Company).

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

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2024 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- iii) The provisions of The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iv) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable to high value debt listed entities.
- v) Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;
- vi) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent applicable to debt listed companies.

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

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c) The Securities and Exchange Board of India (Share-based Employee Benefits and Sweat Equity) Regulations, 2021 (with effect from 13<sup>th</sup> August 2021);
- d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
- f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

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

- (a) Reserve Bank of India (Non-Banking Financial Company-Scale Based Regulation) Directions, 2023 effective from October 2023 and other directions/regulations issued by Reserve Bank of India applicable for Middle Layer NBFC;
- (b) Compliance under Prevention of Money Laundering Act, (PMLA) 2002 for the purpose of compliance with the obligations under Know your Customer Norms/Anti-Money Laundering (AMC) standards & Fair Pricing Code (FPC) and Combating of Finance of Terrorism (CFT) obligations under PMLA, 2002;
- (c) Labour Laws & Contract Labour (Regulations & Abolition) Act, 1970 as applicable;
- (d) Indian Stamp Act and Rules;
- (e) Motor Vehicles Act, 1938.

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

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

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

- i) The Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India in terms of Sub-Section 10 of Section 118 of the Companies Act, 2013, for the financial year under review;
- ii) The Company has listed its Commercial papers with National Stock Exchange of India Ltd (NSE) pursuant to SEBI circular dated 22<sup>nd</sup> October, 2019. The Company has duly complied with the compliances as prescribed in the above-mentioned circular.

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

I further report that:

- 1) The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors.
- 2) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and in case where meeting was held on shorter notice, necessary compliances as per the act and standards have been complied with and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- 3) Majority decision is carried through while passing all the resolutions of the Board/Committees. However, on perusal of the minutes of the Board or Audit Committee or Nomination & Remuneration Committee, or Asset Liability Management Committee, or Corporate Social Responsibility Committee meetings or Risk Management Committee, it was observed that there was no dissenting note made by any of the member.

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

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

S.No.	Type of Security	No. X Face Value each	Allotted on
1.	Non-Convertible Debentures	22,500 X 1,00,000	28/06/2023
2.	Non-Convertible Debentures	500 X 1,00,00,000	27/12/2023
3.	Compulsorily Convertible Preference Shares	63,39,546 X 10	26/06/2023
4.	Compulsorily Convertible Preference Shares	1,20,45,138 X 10	22/09/2023

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

Name of the Company Secretary: B Chandra

Membership No. FCS 20879

Certificate of Practice No. 7859

UDIN: A020879F000331761

PEER REVIEW NUMBER 602/2019

Place : Chennai

Date : 8<sup>th</sup> May 2024

To

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

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

Place : Chennai  
Date : 8<sup>th</sup> May 2024

To the Members of TVS Credit Services Limited

**Report on the Standalone Financial Statements**

**Opinion**

We have audited the accompanying Standalone financial statements of TVS Credit Services Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2024, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act 2013 ("The Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2024, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

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

Key Audit Matter	How our audit addressed the Key Matter
<p><b>Impairment Loss Allowance</b></p> <p>Management's judgements in the calculation of impairment allowances have significant impact on the standalone financial statements. The estimates regarding impairment allowances are complex and require a significant degree of judgement, which increased with implementation of Expected Credit Loss ("ECL") approach as required by Ind AS 109 relating to "Financial Instruments".</p> <p>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.</p> <p>The key areas of judgement include:</p> <ol style="list-style-type: none"> <li>1. Categorisation of loans in Stage 1, 2 and 3 based on identification of:                     <ol style="list-style-type: none"> <li>(a) exposures with significant increase in credit risk since their origination and</li> <li>(b) individually impaired / default exposures.</li> </ol> </li> <li>2. Techniques used to determine Loss Given Default ('LGD') and Probability of Default ('PD') to calculate an ECL based on experience.</li> </ol>	<ul style="list-style-type: none"> <li>• We obtained an understanding of management's assessment of impairment of loans and advances including the Ind AS109 implementation process, internal rating model, impairment allowance policy and ECL modelling methodology.</li> <li>• 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.</li> <li>• We also verified the key judgements and assumptions relating to the macro-economic scenarios including the impact of Covid-19 Pandemic and the associated probability weights.</li> <li>• We also assessed the approach of the Company for categorisation of the loans in various stages reflecting the inherent risk in the respective loans.</li> <li>• For a sample of financial assets, we tested the correctness of Staging, reasonableness of PD, accuracy of LGD and ECL computation.</li> <li>• We have also verified the compliance of circulars issued by Reserve Bank of India from time to time during the year on this subject.</li> </ul>

Key Audit Matter	How our audit addressed the Key Matter
<p>3. The impact of different future macroeconomic conditions in the determination of ECL.</p> <p>These judgements required the models to be reassessed including the impact of Covid-19 Pandemic to measure the ECL.</p> <p>Management has made several interpretations and assumptions when designing and implementing models that are compliant with the standard.</p> <p>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.</p>	<p>As a result of the above audit procedures, no material differences were noted. We confirm the adequacy of disclosures made in the financial statements.</p>
<p><b>IT Systems and Controls</b></p> <p>The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems.</p> <p>Any control lapses, validation failures, incorrect input data and wrong extraction of data may result in the financial accounting and reporting records being misstated.</p>	<p>We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations.</p> <p>We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties.</p> <p>We have focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.</p> <p>Reliance was also placed on the System Audit report of the Company.</p> <p>Based on our review, no material weakness was found in the IT Systems and Controls.</p>

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

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and those charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting

records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibility for the Audit of Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" to this Report, a statement on the matters specified in para 3 and 4 of the said Order.
- 2) As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015;
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
 

In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
  - (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements in Note No. 42.
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The derivative contracts being in the nature of the hedge contracts, the Company does not anticipate any material losses from the same.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to my/our notice that has caused me/us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. The Company has not declared or paid any Dividend during the year.
- vi. With respect to Rule 11(g) of Companies (Audit & Auditors) Rules, 2014, on maintenance of audit trail, transaction and edit log, based on our examination which included test checks, the Company has used multiple accounting softwares for maintaining its books of account which has the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

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

**S. Usha**  
Partner  
Membership No. 211785

Date: 08<sup>th</sup> May 2024  
Place: Chennai

UDIN: 24211785BKCP SB1044

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

**C.N. Gangadaran**  
Partner  
Membership No. 011205

Date: 08<sup>th</sup> May 2024  
Place: Chennai

UDIN: 24211785BKCP SB1044

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 31<sup>st</sup> March 2024, we report that:

- (i) a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-assets.  
(B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals and no material discrepancies were noticed.
- c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- d) The Company has not revalued its Property, Plant and Equipment or Intangible assets or both during the year.
- e) Based on our examination of the Books of Accounts and other Records of the Company and based on the information and explanation provided by the management, no proceedings have been initiated or pending against the Company for holding any benami property under Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Hence, reporting under this clause is not applicable.
- (ii) a) The Company does not have any inventory and hence reporting under this clause is not applicable.
- b) During the year, the Company had availed working capital limits in excess of ₹ 5 crore from banks and financial institutions on the basis of security of current assets. The quarterly returns and the statements submitted to lenders are in agreement with the books of accounts.
- (iii) a) Clause 3(iii)(a) is not applicable to the Company since the Company's principal business is to give loans.
- b) Based on our examination of the Books of Accounts and other Records of the Company and based on the information and explanation provided by the management, the investments made, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prima facie prejudicial to the Company's interest.
- c) The schedule of repayment of principal and payment of interest has been stipulated for all loans and advances in the nature of loans. The repayments of principal and payments of interest are regular except for loans amounting to ₹ 3,723.00 crore for which repayment of principal and payments of interest are not regular.

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

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

- d) The amounts overdue for more than 90 days aggregating principal repayment and interest payments is ₹ 742.80 crore. In our opinion, reasonable steps have been taken by the Company for recovery of principal and interest.
- e) Clause 3(iii)(e) is not applicable to the Company since the Company's principal business is to give loans.
- f) The Company has not given loans or advances in the nature of loans repayable on demand or without specifying the terms or period of repayment.
- (iv) The Company has complied with the provisions of Section 186(1) of the Act in respect of the investments made. There are no loans, guarantees given and securities provided in respect of which provisions of Section 185 and 186 of the Companies Act, 2013 are applicable.

- (v) The Company has not accepted any deposits within the meaning of sections 73 to 76, or any other relevant provisions of the Act and the rules framed thereunder.
- (vi) The Central Government has not specified the maintenance of cost records under section 148(1) of the Act. Therefore, the provisions of clause (vi) of paragraph 3 of the Order are not applicable to the Company.
- (vii) a) The Company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and any other statutory dues applicable to it during the year with appropriate authorities.
- b) According to the information and explanations given to us, dues of service tax has not been deposited with the appropriate authorities on account of dispute as per details below:

Description	Amount in crore (₹)
Disputed Service Tax Demand inclusive of Penalty and GST Demands – Commissioner order/Additional Commissioner appealed against by Company during previous years.	9.46

- (viii) There were no transactions which were not recorded in the books of accounts or surrendered as Income during the year in the tax assessments under Income Tax Act.
- (ix) a) Based on our examination of the books of accounts and other records of the Company, The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) Based on our examination of the Books of Accounts and other Records of the Company and based on the information and explanation provided by the management, the Company has not been declared as a wilful defaulter by any bank, financial institution, or any other lender.
- c) Based on our examination of the Books of Accounts and other Records of the Company and based on the information and explanation provided by the management, Term Loans obtained were applied for the purposes for which it was obtained.
- d) Based on our examination of the Books of Accounts and other Records of the Company and based on the information and explanation provided by the management, no funds raised on short-term basis have been utilised for long-term purposes.
- e) Based on our examination of the Books of Accounts and other Records of the Company and based on the information and explanation provided by the management, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) The Company has not raised loans during the year on pledge of securities held in its subsidiaries, joint ventures or Associate companies.
- (x) a) According to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer during the year.
- b) The Company has made preferential allotment of equity shares. The Requirements of 42 and 62 of the Companies Act have been duly complied with by the Company. Based on our examination of Books of Records and other records of the Company and according to the information and explanations provided by the management, the funds raised have been used for the purposes for which the funds were raised.
- (xi) a) No Fraud by the Company or No Material fraud on the Company has been noticed or reported during the year.
- b) No report under sub section (12) of Section 143 of the Companies Act in Form ADT-4 was filed as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) The Company did not receive any whistle-blower complaints during the year.

- (xii) The Company is not a Nidhi Company. Hence, clauses 3(xii)(a),(b),(c) of the Order are not applicable.
- (xiii) The transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) a) The Company has an Internal Audit System commensurate with the Size and Nature of its business.  
b) We have considered the Reports of Internal Auditors for the financial year ended 31<sup>st</sup> March 2024.
- (xv) According to the information and explanations given to us by the management, the Company has not entered into any non-cash transactions with directors or persons connected with the directors during the year.
- (xvi) a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and has obtained registration.  
b) The Company has conducted Non-banking Financial Activities with Valid Certificate of Registration from Reserve Bank of India.  
c) The Company is not a Core Investment Company, hence reporting under clause 3(xvi)(c) is not applicable.  
d) The Group does not have more than one Core Investment Companies as a part of the Group.
- (xvii) The Company has not incurred cash losses during the year and the immediately preceding financial year.
- (xviii) There was no resignation of statutory auditors during the year.
- (xix) On the basis of our evaluation of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statement and our knowledge of Board of Directors and Management plans, we are of the opinion that, no material uncertainty exists as on the date of Audit Report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) a) There is no unspent amount of Corporate Social Responsibility Expenditure which requires to be transferred to a fund specified in schedule VII to the Companies Act, 2013.  
b) The Company does not have any ongoing project for CSR. Hence reporting under this clause is not applicable.
- (xxi) The Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements did not include any qualification or adverse remarks.

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

**S. Usha**  
Partner  
Membership No. 211785

Date: 08<sup>th</sup> May, 2024  
Place: Chennai

UDIN: 24211785BKCPSB1044

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

**C.N. Gangadaran**  
Partner  
Membership No. 011205

Date: 08<sup>th</sup> May, 2024  
Place: Chennai

UDIN: 24211785BKCPSB1044

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

We have audited the internal financial controls over financial reporting of TVS Credit Services Limited ("the Company") as of 31<sup>st</sup> March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A Company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and may not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

**S. Usha**  
Partner  
Membership No. 211785

Date: 08<sup>th</sup> May, 2024  
Place: Chennai

UDIN: 24211785BKCPSB1044

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

**C.N. Gangadaran**  
Partner  
Membership No. 011205

Date: 08<sup>th</sup> May, 2024  
Place: Chennai

UDIN: 24211785BKCPSB1044

# STANDALONE BALANCE SHEET AS ON 31<sup>ST</sup> MARCH 2024



(All amounts in ₹ crore unless otherwise stated)

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

As per our report of even date

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

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

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

**Sudarshan Venu**  
Chairman  
DIN-03601690

**Ashish Sapra**  
Chief Executive Officer

**S. Usha**  
Partner  
Membership No. 211785

**C.N. Gangadaran**  
Partner  
Membership No. 011205

**Roopa Sampath Kumar**  
Chief Financial Officer

**Sreejith Raj P**  
Company Secretary

Place : Chennai  
Date : 8<sup>th</sup> May 2024

Place : Chennai  
Date : 8<sup>th</sup> May 2024

# STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024



(All amounts in ₹ crore unless otherwise stated)

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

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 : 8<sup>th</sup> May 2024

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

**C.N. Gangadaran**  
Partner  
Membership No. 011205

**Sudarshan Venu**  
Chairman  
DIN-03601690

**Roopa Sampath Kumar**  
Chief Financial Officer

Place : Chennai  
Date : 8<sup>th</sup> May 2024

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

**Ashish Sapra**  
Chief Executive Officer

**Sreejith Raj P**  
Company Secretary

# STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024



(All amounts in ₹ crore unless otherwise stated)

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

As per our report of even date

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

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

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

**Sudarshan Venu**  
Chairman  
DIN-03601690

**Ashish Sapra**  
Chief Executive Officer

**S. Usha**  
Partner  
Membership No. 211785

**C.N. Gangadaran**  
Partner  
Membership No. 011205

**Roopa Sampath Kumar**  
Chief Financial Officer

**Sreejith Raj P**  
Company Secretary

Place : Chennai  
Date : 8<sup>th</sup> May 2024

Place : Chennai  
Date : 8<sup>th</sup> May 2024

# STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024



(All amounts in ₹ crore unless otherwise stated)

## I) Equity Share Capital

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

## II) Instruments entirely equity in nature

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

## III) Other Equity

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

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 : 8<sup>th</sup> May 2024

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

**C.N. Gangadaran**  
Partner  
Membership No. 011205

**Sudarshan Venu**  
Chairman  
DIN-03601690

**Roopa Sampath Kumar**  
Chief Financial Officer

Place : Chennai  
Date : 8<sup>th</sup> May 2024

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

**Ashish Sapra**  
Chief Executive Officer

**Sreejith Raj P**  
Company Secretary

(All amounts in ₹ crore unless otherwise stated)

## **1 Corporate Information**

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

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

## **2 Basis of Preparation**

### **2.1 Statement of Compliance**

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

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

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

### **2.2 Presentation of Financial Statements**

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

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

### **2.3 Significant Estimates and Judgements**

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

(All amounts in ₹ crore unless otherwise stated)

The areas involving critical estimates are:

- (a) Business model assessment - Refer Note 3.5.1A
- (b) Fair value of financial instruments - Refer Note 37
- (c) Impairment of financial asset - Refer Note 38
- (d) Provisions & Other Contingent Liabilities - Refer Note 21
- (e) Estimation of defined benefit obligation - Refer Note 36

### **3 Material Accounting Policies**

#### **3.1 Property, Plant and Equipment (PPE)**

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

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

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

#### **3.2 Depreciation**

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

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

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

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

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

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

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

(All amounts in ₹ crore unless otherwise stated)

**3.3 Investment property**

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

**3.4 Intangible Assets**

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

**3.5 Financial Instruments**

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

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

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

**3.5.1 Financial Assets**

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

**3.5.1A Classification**

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

- (a) Amortised cost,
- (b) Fair value through Other Comprehensive Income (FVOCI), and
- (c) Fair value through Profit or Loss (FVTPL)

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

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.

(All amounts in ₹ crore unless otherwise stated)

### 3.5.1B Measurement

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

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

- (a) The business model of the Company for assets subsequently measured at amortised cost category is to hold and collect contractual cash flows. However, considering the economic viability of carrying the delinquent portfolios on the books of the Company, it may enter into immaterial and infrequent transactions to sell these portfolios to banks and/or asset reconstruction companies without affecting the business model of the Company.
- (b) After initial measurement, such financial assets are subsequently measured at amortised cost on Effective Interest Rate (EIR). Refer note 3.5.5A for further details.

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

- (a) A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Since, the loans are held to sale and collect contractual cash flows, they are measured at FVTOCI.
- (b) Financial assets included within the FVOCI category are measured at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit or loss.

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

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

#### iv. Equity instruments at cost:

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

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

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

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

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

#### vi. Investment in Government Securities:

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

#### vii. Investment in Compulsory Convertible Debenture:

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

(All amounts in ₹ crore unless otherwise stated)

**viii. Investment in Alternate Investment Fund:**

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

**3.5.2 Financial Liabilities**

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

**3.5.2A Initial recognition and measurement**

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

**3.5.2B Subsequent Measurement**

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

**3.5.3 Reclassification of financial assets and liabilities**

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

**3.5.4 Derecognition of Financial Assets & Liabilities**

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

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

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

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

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

**iii) Derecognition of Financial Liabilities**

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

(All amounts in ₹ crore unless otherwise stated)

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

### 3.5.5 Revenue Recognition

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

#### A) Interest Income:

- (1) Interest income is recognised using the Effective Interest Rate (EIR) method for all financial assets measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to its gross carrying amount. The calculation of the effective interest rate includes transaction costs and transaction income that are directly attributable to the acquisition of a financial asset.
- (2) Income by way of additional interest on account of delayed payment by the customers is recognised on realisation basis, due to uncertainty in collection.
- (3) Interest on govt securities is recognised as interest income in Profit & Loss statement

#### B) Dividend Income:

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

#### C) Fees and Commission Income:

- (1) Fees and commission income that are not integral part of the effective interest rate on the financial asset are recognised as the performance obligations are performed and there is no significant financing component of the consideration.
- (2) Income in the nature of bounce and related charges are recognised on realisation, due to uncertainty in collection.
- (3) The Company recognises revenue from contract with customers based on five-step model as set out in Ind AS 115, Revenue from Contracts with Customers to determine when to recognise revenue and at what amount. Revenue is measured based on the consideration specified in the contract with a customer. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

#### D) Other Operating Income:

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

#### E) Other Income:

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

### 3.5.6 Impairment of Financial Assets

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

- i. Loans
- ii. Trade receivables and Other Financial Assets

#### i. Loans

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

- 1) The 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- 2) Lifetime expected credit losses (expected credit losses that result from all possible default events over the expected life of the financial instrument).

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

(All amounts in ₹ crore unless otherwise stated)

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

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

**Stage 1:**

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

**Stage 2:**

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

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

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

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

Loans considered credit impaired are the loans which are past due for more than 90 days and has not been completely regularised to zero DPD & includes restructured contracts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7<sup>th</sup> June 2019 irrespective of days past due on the reporting date. Loan accounts where principal and/ or interest are past due for more than 90 days along with all other loans of such customer, continue to be classified as Stage 3, till overdue across all loan accounts are cleared. The Company records an allowance for life time ECL.

Measurement of ECLs

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

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

(All amounts in ₹ crore unless otherwise stated)

**Probability Of Default ('PD'):**

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

**Exposure At Default ('EAD'):**

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

**Loss Given Default ('LGD'):**

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

Mechanics of ECLs

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

**Stage 1: 12-month ECL**

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

**Stage 2: Lifetime ECL-not credit impaired**

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

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

**Stage 3: Lifetime ECL-credit impaired**

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

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

**Forward-looking information:**

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

**ii. Trade Receivables and Other Financial Assets**

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

**Presentation of allowance for ECL in the statement of financial position**

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

(All amounts in ₹ crore unless otherwise stated)

**Collateral repossessed:**

The Company does the regular repossession of collateral provided against the loans in case of default in agreed payments. The Company generally sells the asset repossessed to recover the underlying loan and does not use for internal operation. Any surplus funds are returned to the borrower and accordingly collateral repossessed are not recorded on the balance sheet and not treated as assets held for sale.

**Write-off:**

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

**3.5.7 Derivatives**

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

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

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

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

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 37. Movements in the hedging reserve in shareholders' equity are shown in Note 24.

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

**3.5.8 Offsetting financial instruments**

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

**3.6 Cash and Cash equivalents**

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

**3.7 Taxation**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(i) Deferred income tax provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred

tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

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

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

### 3.8 Employee Benefits

#### (a) Short-term Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

#### (b) Long-term Employee Benefits

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

#### (c) Post-employment Obligation

The Company operates the following post-employment schemes:

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

##### (i) Pension and gratuity obligation:

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

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

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

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

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

**(ii) Provident fund:**

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

**(d) Other Employee Benefits**

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

**3.9 Functional Currency**

**3.9.1 Functional and presentation currencies:**

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

**3.9.2 Transactions and balances:**

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

**3.10 Borrowing cost**

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

**3.11 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of the transactions of non-cash nature as permitted by Ind AS 7.

**3.12 Earnings Per Share**

In accordance with Ind AS 33 the basic earnings per share is computed by dividing the net profit / loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share, only potential equity shares that are dilutive and that reduce profit per share are included.

**3.13 Impairment of non-financial assets**

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

**3.14 Lease**

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116. The Company as a lessee, assesses, whether the contract is, or contains a lease. A contract is, or contains a lease if the contract involves:-

- (a) the use of an identified asset,
- (b) the right to obtain substantially all the economic benefits from use of the identified asset,
- (c) the right to direct the use of the identified asset.

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

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

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

The lease payments are discounted using the incremental borrowing rate.

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

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

**3.15 Segment reporting**

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

**3.16 Provisions**

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

**3.17 Contingent liabilities**

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

**3.18 Equity**

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

(All amounts in ₹ crore unless otherwise stated)

**NOTE 4 Cash and Cash Equivalents**

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

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

**Cash and Cash Equivalents for the purpose of cash flow statement**

S.No.	Description	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
a)	Cash and Cash equivalents as shown above	1,745.97	1,525.17
b)	Less: Overdrafts utilised (Grouped under Borrowings (other than debt securities) - Note 18)	0.09	0.16
	<b>Total</b>	<b>1,745.88</b>	<b>1,525.01</b>

**NOTE 5 Bank Balance other than Cash and Cash Equivalents\***

S.No.	Description	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
a)	Bank Balance other than Cash and Cash equivalents	5.90	5.72
	<b>Total</b>	<b>5.90</b>	<b>5.72</b>

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

**NOTE 6 Derivative Financial Instruments**

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

S.No.	Description	As at 31 <sup>st</sup> 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	-
	<b>Total</b>	<b>1,473.21</b>	<b>170.86</b>	<b>-</b>

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

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

(All amounts in ₹ crore unless otherwise stated)

**NOTE 7 Trade Receivables**

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31 <sup>st</sup> March 2024					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
i.	Undisputed Trade Receivables – considered good	117.20	-	-	-	-	117.20
ii.	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii.	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
iv.	Disputed Trade Receivables – considered good	-	-	-	-	-	-
v.	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
vi.	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	<b>Total</b>	<b>117.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>117.20</b>

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31 <sup>st</sup> 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	-	-	-	-	-	-
	<b>Total</b>	<b>64.36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64.36</b>

**NOTE 8 Loans**

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

(All amounts in ₹ crore unless otherwise stated)

**NOTE 8 Loans (Contd.)**

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

- Secured indicates loans secured, wholly or partly, by way of hypothecation of automobile assets and / or equitable mortgage of property and / or equipment.
- The stock of loan (automobile finance) includes 5,863 nos. repossessed vehicles as at Balance Sheet date. (31<sup>st</sup> March 2023: 6,958 nos.).
- The term loans include loans given to related parties (refer note 41) and these loans which have been granted to related parties are specified with terms or period of repayment. These loans have been classified under Stage 1 category at the various reporting periods and related impairment provision as per the Company's accounting policy has been created.
- There is no divergence in asset classification and provisioning for NPAs with respect to RBI's supervisory inspection for the year ended 31<sup>st</sup> March 2022.
- Percentage (%) of Gold Loan to Total Assets as on 31<sup>st</sup> March 2024 is 0.00% (as per rounding up norms of the Company).

**NOTE 9 Investments**

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

(All amounts in ₹ crore unless otherwise stated)

**NOTE 10 Other Financial Assets**

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

**NOTE 11 Current Tax Assets**

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

**NOTE 12 Deferred Tax Assets/(Liabilities)**

The balance comprises temporary differences attributable to:

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

(All amounts in ₹ crore unless otherwise stated)

**NOTE 13 Investment Property**

Description	Land	Building	Total
As at 31 <sup>st</sup> March 2024			
Gross carrying amount as at 1 <sup>st</sup> April 2023	85.16	-	85.16
Additions	-	-	-
<b>Sub-total</b>	<b>85.16</b>	<b>-</b>	<b>85.16</b>
Disposals	-	-	-
<b>Closing gross carrying amount (A)</b>	<b>85.16</b>	<b>-</b>	<b>85.16</b>
Depreciation and amortisation			
Opening accumulated depreciation	-	-	-
Depreciation/amortisation charge for the year	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>
Disposals	-	-	-
<b>Closing accumulated depreciation and amortisation (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net carrying value as at 31<sup>st</sup> March 2024 (A)-(B)</b>	<b>85.16</b>	<b>-</b>	<b>85.16</b>
<b>Net carrying value as at 31<sup>st</sup> March 2023</b>	<b>85.16</b>	<b>-</b>	<b>85.16</b>

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

(i) Fair value

	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Investment Properties	411.15	411.15

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

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

(All amounts in ₹ crore unless otherwise stated)

**NOTE 14 Property, Plant and Equipment and Intangible Assets**

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

Description	Property, Plant and Equipment					Right-to-use Asset	Intangible Assets (Computer Software)
	Computer	Furniture & fixtures	Office equipment	Vehicles	Total		
<b>As at 31<sup>st</sup> March 2023</b>							
Gross carrying amount as at 1 <sup>st</sup> April 2022	32.74	12.56	14.59	1.17	61.06	39.57	16.18
Additions	17.89	0.84	2.61	1.57	22.91	17.29	2.19
Adjustment due to revaluation and acquisitions through business combinations	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>50.63</b>	<b>13.40</b>	<b>17.20</b>	<b>2.74</b>	<b>83.97</b>	<b>56.86</b>	<b>18.37</b>
Disposals	7.53	0.14	1.75	1.25	10.67	-	-
<b>Closing gross carrying amount (A)</b>	<b>43.10</b>	<b>13.26</b>	<b>15.45</b>	<b>1.49</b>	<b>73.30</b>	<b>56.86</b>	<b>18.37</b>
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
<b>Sub-Total</b>	<b>30.85</b>	<b>9.90</b>	<b>12.57</b>	<b>0.65</b>	<b>53.97</b>	<b>28.13</b>	<b>16.42</b>
Disposals	7.53	0.13	1.70	0.55	9.91	-	-
<b>Closing accumulated depreciation and amortisation (B)</b>	<b>23.32</b>	<b>9.77</b>	<b>10.87</b>	<b>0.10</b>	<b>44.06</b>	<b>28.13</b>	<b>16.42</b>
<b>Net carrying value as at 31<sup>st</sup> March 2023 (A)-(B)</b>	<b>19.78</b>	<b>3.49</b>	<b>4.58</b>	<b>1.39</b>	<b>29.24</b>	<b>28.73</b>	<b>1.95</b>

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

(All amounts in ₹ crore unless otherwise stated)

**NOTE 15 Other Non-Financial Assets**

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

**NOTE 16 Trade Payables**

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

**NOTE 16.1 Trade Payables (Ageing Schedule)**

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

S.No.	Descriptions	Outstanding for following periods from due date of payment as at 31 <sup>st</sup> March 2024				
		<1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed dues - MSME*	14.19	-	-	-	14.19
(ii)	Undisputed dues - Others	1,034.99	0.10	-	-	1,035.09
(iii)	Disputed dues - MSME*	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-
	<b>Total</b>	<b>1,049.18</b>	<b>0.10</b>	<b>-</b>	<b>-</b>	<b>1,049.28</b>

S.No.	Descriptions	Outstanding for following periods from due date of payment as at 31 <sup>st</sup> 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	-	-	-	-	-
	<b>Total</b>	<b>635.65</b>	<b>-</b>	<b>0.04</b>	<b>-</b>	<b>635.69</b>

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

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

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

(All amounts in ₹ crore unless otherwise stated)

**NOTE 16 Trade Payables (Contd.)**

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting period:		
- Principal	14.19	19.13
- Interest	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

**NOTE 17 Debt Securities**

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

**NOTE 18 Borrowings (Other than Debt Securities)**

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

(All amounts in ₹ crore unless otherwise stated)

**NOTE 19 Subordinated Liabilities**

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

- Refer Annexure for the terms of the debt securities, borrowings and subordinated liabilities.
- The Company has utilised the borrowed funds for the purposes for which the fund is obtained.
- The Company has not been declared wilful defaulter by any Bank or financial Institution or other lender.
- There are no charges or satisfaction yet to be registered with ROC beyond the statutory time period.
- There are no unhedged foreign currency exposures.
- The Company has not breached any covenant of loan availed or debt securities issued.
- Change in liabilities arising from financing activities

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

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

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

(All amounts in ₹ crore unless otherwise stated)

Annexure

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

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

(All amounts in ₹ crore unless otherwise stated)

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

(All amounts in ₹ crore unless otherwise stated)

Institution	Amount Outstanding as at 31 <sup>st</sup> March 2024	Type of Security	Interest Rate	Total Instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
<b>Subordinated Liabilities</b>								
Perpetual Debt	99.91	Unsecured	11.50%	1	1	Bullet	25/11/2027	25/11/2027
<b>Other Subordinated Liabilities:</b>								
Others	99.90	Unsecured	10.90%	1	1	Bullet	07/08/2024	07/08/2024
Others	99.00	Unsecured	8.85%	1	1	Bullet	02/06/2027	02/06/2027
Others	350.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	148.57	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	148.87	Unsecured	9.40%	1	1	Bullet	26/08/2026	26/08/2026
Others	95.00	Unsecured	9.50%	1	1	Bullet	18/01/2028	18/01/2028
Others	305.00	Unsecured	9.50%	1	1	Bullet	31/01/2028	31/01/2028
Others	200.00	Unsecured	9.35%	1	1	Bullet	29/08/2028	29/08/2028
Others	100.00	Unsecured	10.00%	1	1	Bullet	01/07/2026	01/07/2026
Others	500.37	Unsecured	9.30%	1	1	Bullet	27/06/2029	27/06/2029
<b>Total</b>	<b>2,046.71</b>							
<b>Subordinated Liabilities Total</b>	<b>2,146.62</b>							

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

Institution	Amount Outstanding as at 31 <sup>st</sup> March 2023	Type of Security	Interest Rate	Total Instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Commercial Paper	396.25	Unsecured	7.75%	1	1	Bullet	16/05/2023	16/05/2023
Commercial Paper	739.51	Unsecured	8.27%	1	1	Bullet	05/06/2023	05/06/2023
Commercial Paper	246.28	Unsecured	8.27%	1	1	Bullet	07/06/2023	07/06/2023
Non-convertible Debentures	800.00	Secured	8.30%	2	2	Bullet	14/08/2025	12/09/2025
Non-convertible Debentures	425.00	Secured	8.15%	2	2	Bullet	19/09/2024	18/10/2024
	<b>2,607.04</b>							
<b>Loan repayable on demand</b>	2,195.16	Secured	7.40%	Repayable on demand				
	265.00	Unsecured	8.10%					
	<b>2,460.16</b>							

(All amounts in ₹ crore unless otherwise stated)

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

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024**



(All amounts in ₹ crore unless otherwise stated)

Institution	Amount Outstanding as at 31 <sup>st</sup> March 2023	Type of Security	Interest Rate	Total Instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Bank	199.91	Secured	8.03%	10	10	Quarterly	30/06/2023	30/09/2025
Bank	300.00	Secured	8.03%	10	10	Quarterly	31/07/2023	31/10/2025
Bank	499.90	Secured	8.10%	10	10	Quarterly	30/09/2023	30/12/2025
Bank	249.86	Secured	7.60%	8	8	Quarterly	23/06/2023	23/03/2025
Bank	250.00	Secured	7.60%	8	8	Quarterly	20/07/2023	20/04/2025
Bank	499.83	Secured	7.50%	12	12	Quarterly	10/05/2023	10/02/2026
Bank	99.98	Secured	8.75%	10	4	Quarterly	19/12/2021	19/03/2024
Others	200.00	Secured	7.60%	5	5	Quarterly	05/05/2023	30/06/2024
Bank-ECB	410.43	Secured	6.94%	1	1	Bullet	13/07/2023	13/07/2023
Bank-ECB	385.94	Secured	6.94%	1	1	Bullet	19/10/2023	19/10/2023
Bank-ECB	818.90	Secured	6.92%	1	1	Bullet	02/12/2024	02/12/2024
	<b>12,058.77</b>							
<b>Subordinated Liabilities</b>								
<b>Perpetual Debt</b>	99.88	Unsecured	11.50%	1	1	Bullet	25/11/2027	25/11/2027
<b>Other Subordinated Liabilities:</b>								
Bank	50.00	Unsecured	9.70%	1	1	Bullet	29/05/2023	29/05/2023
Bank	50.00	Unsecured	10.48%	1	1	Bullet	24/07/2023	24/07/2023
Others	99.60	Unsecured	10.90%	1	1	Bullet	07/08/2024	07/08/2024
Others	99.00	Unsecured	8.85%	1	1	Bullet	02/06/2027	02/06/2027
Others	350.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	148.17	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	148.15	Unsecured	9.40%	1	1	Bullet	26/08/2026	26/08/2026
Others	95.00	Unsecured	9.50%	1	1	Bullet	18/01/2028	18/01/2028
Others	305.00	Unsecured	9.50%	1	1	Bullet	31/01/2028	31/01/2028
Others	200.00	Unsecured	9.35%	1	1	Bullet	29/08/2028	29/08/2028
Others	100.00	Unsecured	10.00%	1	1	Bullet	01/07/2026	01/07/2026
<b>Total</b>	<b>1,644.92</b>							
<b>Subordinated Liabilities Total</b>	<b>1,744.80</b>							

**Details of Security**

- i. Non-convertible Debentures of ₹ 1,450.00 crore inclusive of Current and Non-Current Dues (as at 31<sup>st</sup> March 2023 ₹ 1,225.00 crore) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Company.
- ii. Term Loan received from Banks and Other Parties of ₹ 15,194.72 crore inclusive of Current and Non-Current Dues (as at 31<sup>st</sup> March 2023 ₹ 12,058.77 crore) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Company.
- iii. Working Capital Demand Loan and Cash Credit of ₹ 3,372.08 crore (as at 31<sup>st</sup> March 2023 ₹ 2,195.16 crore) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Company.

(All amounts in ₹ crore unless otherwise stated)

**NOTE 20 Other Financial Liabilities**

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

**NOTE 21 Provisions**

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

**NOTE 22 Other Non-Financial Liabilities**

S.No.	Description	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
a)	Statutory Dues	52.80	31.39
	<b>Total</b>	<b>52.80</b>	<b>31.39</b>

**NOTE 23 Equity Share Capital**

**a) Terms/Rights Attached to Equity Shares**

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

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

(All amounts in ₹ crore unless otherwise stated)

**NOTE 23 Equity Share Capital (Contd.)**

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

Equity Share:

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

0.001% Compulsorily convertible preference shares:

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

e) Number of Shares held by Holding Companies

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

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

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

g) Shares held by promoters at the end of year

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

(All amounts in ₹ crore unless otherwise stated)

**NOTE 24 Other Equity**

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

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

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

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

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

**Securities Premium**

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

**Statutory Reserves:**

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

**Retained Earnings:**

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

(All amounts in ₹ crore unless otherwise stated)

**NOTE 25 Interest Income**

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

**NOTE 26 Fees and Commission Income**

Description	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Fee-based Income	408.18	307.80
Service Income	186.20	84.42
<b>Total</b>	<b>594.38</b>	<b>392.22</b>

**NOTE 27 Other Operating Income**

Description	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Realisation on sale of written off and stressed loans	85.09	-
<b>Total</b>	<b>85.09</b>	<b>-</b>

**NOTE 28 Other Income**

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

**NOTE 29 Finance Costs**

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

(All amounts in ₹ crore unless otherwise stated)

**NOTE 30 Impairment of Financial Instruments**

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

**NOTE 31 Employee Benefit Expenses**

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

**NOTE 32 Other Expenses**

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

(All amounts in ₹ crore unless otherwise stated)

**\*Auditors Fees and Expenses**

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

**\*\* Expenditure incurred on Corporate Social Responsibility activities:**

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
(i) Amount required to be spent by the Company during the year	5.12	3.11
(ii) Amount of expenditure incurred	10.00	5.00
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	NA	NA
(vi) Nature of CSR activities		
a. Expenses incurred through Trusts	10.00	5.00
<b>Total</b>	<b>10.00</b>	<b>5.00</b>

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

**NOTE 33 Income Tax Expenses**

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

(All amounts in ₹ crore unless otherwise stated)

**NOTE 34 Other Comprehensive Income**

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

**NOTE 35 Earnings Per Share**

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

(All amounts in ₹ crore unless otherwise stated)

**NOTE 36 Employee Benefit Obligations**

**Defined Benefit Obligation**

The Company provides gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised fund in India.

The Company operates defined benefit pension plan, which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

Particulars	Gratuity			Pension			Compensated Absences		
	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total
<b>As at 1<sup>st</sup> April 2022</b>	<b>27.74</b>	<b>(30.56)</b>	<b>(2.81)</b>	<b>13.80</b>	-	<b>13.80</b>	<b>24.54</b>	-	<b>24.54</b>
Current service cost	4.52	-	4.52	-	-	-	-	-	-
Interest expense/(income)	1.99	(2.16)	(0.18)	0.75	-	0.75	2.10	-	2.10
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-	-	-	-	(1.15)	-	(1.15)
Experience (gains)/losses	-	-	-	-	-	-	17.39	-	17.39
<b>Total amount recognised in profit or loss</b>	<b>6.51</b>	<b>(2.16)</b>	<b>4.34</b>	<b>0.75</b>	-	<b>0.75</b>	<b>18.34</b>	-	<b>18.34</b>
Remeasurements									
Return on plan assets, excluding amounts included in interest expense/(income)	-	2.59	2.59	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	(1.29)	-	(1.29)	(1.72)	-	(1.72)	-	-	-
Experience (gains)/losses	4.43	-	4.43	(3.06)	-	(3.06)	-	-	-
<b>Total amount recognised in other comprehensive (income)/losses</b>	<b>3.14</b>	<b>2.59</b>	<b>5.73</b>	<b>(4.78)</b>	-	<b>(4.78)</b>	-	-	-
Employer contributions	-	(9.57)	(9.57)	-	-	-	-	-	-
Benefit payments	(3.54)	3.54	-	-	-	-	-	-	-
<b>As at 31<sup>st</sup> March 2023</b>	<b>33.85</b>	<b>(36.16)</b>	<b>(2.31)</b>	<b>9.77</b>	-	<b>9.77</b>	<b>42.88</b>	-	<b>42.88</b>
<b>As at 1<sup>st</sup> April 2023</b>	<b>33.85</b>	<b>(36.16)</b>	<b>(2.31)</b>	<b>9.77</b>	-	<b>9.77</b>	<b>42.88</b>	-	<b>42.88</b>
Current service cost	5.38	-	5.38	-	-	-	-	-	-
Interest expense/(income)	2.54	(2.82)	(0.28)	0.74	-	0.74	3.28	-	3.28
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-	-	-	-	0.18	-	0.18
Experience (gains)/losses	-	-	-	-	-	-	9.45	-	9.45
<b>Total amount recognised in profit or loss</b>	<b>7.92</b>	<b>(2.82)</b>	<b>5.10</b>	<b>0.74</b>	-	<b>0.74</b>	<b>12.91</b>	-	<b>12.91</b>
Remeasurements									
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.74	0.74	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	0.16	-	0.16	0.22	-	0.22	-	-	-
Experience (gains)/losses	8.10	-	8.10	0.50	-	0.50	-	-	-
<b>Total amount recognised in other comprehensive (income)/losses</b>	<b>8.26</b>	<b>0.74</b>	<b>9.00</b>	<b>0.72</b>	-	<b>0.72</b>	-	-	-
Employer contributions	-	(11.22)	(11.22)	-	-	-	-	-	-
Benefit payments	(5.51)	5.51	-	-	-	-	-	-	-
<b>As at 31<sup>st</sup> March 2024</b>	<b>44.52</b>	<b>(43.95)</b>	<b>0.57</b>	<b>11.23</b>	-	<b>11.23</b>	<b>55.79</b>	-	<b>55.79</b>

(All amounts in ₹ crore unless otherwise stated)

**NOTE 36 Employee Benefit Obligations (Contd.)**

Details	Gratuity		Pension		Compensated Absences	
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Discount Rate	6.95%	7.11%	6.95%	7.13%	6.95%	7.10%
Salary Growth Rate	6.00%	6.00%	5.50%	5.50%	6.00%	6.00%
Attrition Rate	36.00%	36.00%	0.00%	0.00%	36.00%	36.00%
Retirement Age	58	58	60	60	58	58
Mortality inclusive of provision for disability	100% of Indian Assured Lives Mortality (IALM)					

**(i) Sensitivity Analysis**

**FY 2023-24**

Particulars	Gratuity			Pension			Compensated Absences		
	Change in Assumption	Due to increase in assumption	Due to decrease in assumption	Change in Assumption	Due to increase in assumption	Due to decrease in assumption	Change in Assumption	Due to increase in assumption	Due to decrease in assumption
Discount Rate	0.50%	44.00	45.03	1.00%	10.07	12.62	0.50%	55.22	56.37
Salary Growth Rate	0.50%	45.02	44.00	1.00%	12.69	10.00	0.50%	56.37	55.22
Mortality	5.00%	44.51	44.51	5.00%	11.15	11.32	5.00%	55.79	55.79

**FY 2022-23**

Particulars	Gratuity			Pension			Compensated Absences		
	Change in Assumption	Due to increase in assumption	Due to decrease in assumption	Change in Assumption	Due to increase in assumption	Due to decrease in assumption	Change in Assumption	Due to increase in assumption	Due to decrease in assumption
Discount Rate	0.50%	33.45	34.23	1.00%	8.69	11.07	0.50%	42.46	43.34
Salary Growth Rate	0.50%	34.22	33.46	1.00%	11.13	8.63	0.50%	43.34	42.46
Mortality	5.00%	33.84	33.84	5.00%	9.71	9.85	5.00%	42.89	42.89

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

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

**(iii) Risk Exposure:**

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

**Asset Volatility**

The plan liabilities are calculated using a discount rate set with reference to bond yield.

**Changes in Bond Yields**

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

**(iv) Defined Contribution Plans:**

The Company's contribution to defined contribution plan viz., provident fund, of ₹ 40.16 crore (As at 31<sup>st</sup> March 2023: ₹ 30.41 crore) has been recognised in the Statement of Profit and Loss.

(All amounts in ₹ crore unless otherwise stated)

**NOTE 37 Fair Value Measurements**

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

Financial assets and financial liabilities measured at amortised cost, including their levels in the fair value hierarchy.

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

**Financial Liabilities carried at amortised cost**

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

**Financial Assets and Financial Liabilities measured at fair value:**

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

There were no transfers between any levels during the year.

(All amounts in ₹ crore unless otherwise stated)

**(i) Fair value hierarchy**

Ind AS 113, 'Fair Value Measurement' requires classification of the valuation method of financial instruments measured at fair value in the Statement of Balance Sheet, using a three-level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). Fair value of derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. The three levels of the fair-value-hierarchy under Ind AS 113 are described below:

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes publicly traded derivatives and mutual funds that have a quoted price. The quoted market price used for financial assets held by the Company is the current bid price.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**(ii) Valuation Technique Used to Determine Fair Value**

Specific valuation techniques used to value financial instruments include:

- The Management assessed that Cash and Cash equivalents, bank balance other than Cash and Cash equivalents, receivable, other financial assets, payables and other financial liabilities approximates their carrying amount largely due to short-term maturities of these instruments. The fair value of the investments have been considered as the carrying value of these investments since these investments have been made in the subsidiaries of the Company.
- The majority of borrowings are floating rate borrowings, the carrying value is representative of the fair value.
- The fair values for advance to related parties and rent advance were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.
- The fair value of forward foreign exchange contracts and cross currency interest rate swaps (CCIRS) is determined using forward exchange rates at the balance sheet date.

**NOTE 38 Financial Risk Management**

The Company's financial assets include loan and advances, investments and cash and cash equivalents that derive directly from its operations. The Company's financial liabilities comprise mainly borrowings from banks, debentures and commercial papers.

The Company is exposed to various risks such as credit risk, liquidity risk, foreign currency risks and Interest rate risks.

The Board of Directors have the overall responsibility for the establishment of governance and oversight in relation to the Company's Risk management framework. The Board of Directors have established committees such as the Risk management committee and Asset liability committee for developing and monitoring the Company's risk management policies and treasury policies. The Committees report regularly to the Board of Directors on its activities.

The Company's Risk management policies are established to identify and analyse the various risks faced by the Company, to set appropriate risk benchmarks limits and controls and to monitor risks and adherence to limits from time to time. The Risk management committee oversees how management monitors compliance with the risk management policies and procedures and other governance framework and reviews the adequacy of the Risk management framework in relation to the various risks faced by the Company from time to time.

**(A) Credit Risk**

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored to determine significant increase in credit risk. The Company monitors the credit assessment on a portfolio basis, assesses all credit exposures in excess of designated limits. The Company does a risk grading based upon the credit worthiness of the borrowers. All these factors are taken into consideration for computation of Expected Credit Loss (ECL).

(All amounts in ₹ crore unless otherwise stated)

**NOTE 38 Financial Risk Management (Contd.)**

**Loans**

The following table sets out information about credit quality of retail loan assets measured at amortised cost based on Number of Days past due information. The amount represents the gross carrying value of assets as on each reporting date.

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

<sup>#</sup> Includes restructured contracts under one time resolution framework vide RBI circular dated 6<sup>th</sup> August 2020 and RBI/2 021- 22/31/ DOR.STR.REC.11 /21.04.048/2021-22 dated 5<sup>th</sup> May 2021 even though days past due is less than and equal to 30 days on the reporting date.

<sup>\*</sup> 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 7<sup>th</sup> June 2019 irrespective of days past due on the reporting date.

**Other financial assets**

Credit risk with respect to other financial assets are extremely low except "Other Financial Assets - Non Related Parties". Based on the credit assessment, the historical trend of low default is expected to continue. No provision for ECL has been created for Other financial Assets except full provision on "Other Financial Assets - Non Related Parties".

**Credit Quality**

The Company has a comprehensive framework for monitoring credit quality of its retail and other loans based on days past due monitoring. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery is taken through follow-ups and legal recourse.

**Inputs considered in the ECL model**

In assessing the impairment of loans assets under ECL model, the loan assets have been segmented into three stages.

The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages relate to the recognition of expected credit losses and the calculation and presentation of interest revenue.

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

- Stage 1: Up to 30 Days Past Due
- Stage 2: 31-90 Days Past Due
- Stage 3: More than 90 Days Past Due

**Assumptions Considered in the ECL model**

The Company has made the following assumptions in the ECL Model:

- "Loss given default" (LGD) is common for all three stages and is based on loss in past portfolio. Actual cash flows are discounted with average rate for arriving loss rate. EIR has been taken as discount rate for all loans.

**Estimation Technique**

The Company has applied the following estimation technique in its ECL model:

- "Probability of Default" (PD) is applied in Stage 1 and Stage 2 on a portfolio basis and for Stage 3 PD is 100%.
- Probability of default for Stage 1 loan assets is calculated as average of historical trend from Stage 1 to Stage 3 in next 12 months.
- Probability of default for Stage 2 loan assets is calculated based on the lifetime PD as average of historical trend from Stage 2 to Stage 3 for the remaining tenure.
- Loss given default is calculated based on discounted actual cash flow on past portfolio in default along with reversals.

(All amounts in ₹ crore unless otherwise stated)

**NOTE 38 Financial Risk Management (Contd.)**

There is no change in estimation techniques or significant assumptions during the reporting period.

The Company considers a broad range of forward-looking information with reference to external forecasts of economic parameters such as GDP growth, government borrowing, private consumption expenditure, policy interest rates, etc., as considered relevant so as to determine the impact of macroeconomic factors on the Company's ECL estimates. The internal estimates of PD, LGD rates used in the ECL model may not always capture all the characteristics of the market / external environment as at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

**Assessment of Significant Increase in Credit Risk**

When determining whether the risk of default has increased significantly since initial recognition, the Company considers both quantitative and qualitative information and analysis based on the business historical experience, including forward-looking information. The Company considers reasonable and supportable information that is relevant and available without undue cost and effort.

The Company uses the number of days past due to classify a financial instrument in low credit risk category and to determine significant increase in credit risk in retail. As a backstop, the Company considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due.

In accordance with the board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated 27<sup>th</sup> March 2020 and 17<sup>th</sup> April 2020 relating to 'COVID-19 – Regulatory Package', the Company has offered moratorium up to six months on the payment of installments falling due between 1<sup>st</sup> March 2020 and 31<sup>st</sup> 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 7<sup>th</sup> June 2019 in Stage 3 and with regard to restructured contracts done under one time resolution framework vide RBI circular dated 6<sup>th</sup> August 2020 and RBI/2 021- 22/31/DOR.STR. REC.11 /21.04.048/2021-22 dated 5<sup>th</sup> May 2021 in Stage 2 irrespective of days past due status on the reporting date.

COVID-19 has severe impact on global as well as domestic macro and micro economies, businesses and consumers. Due to this uncertainty, Company's assessments of impairment loss allowance on its loans are subject to a number of management judgements and estimates. Since the Company's impairment loss allowance estimates are inherently uncertain, actual results may differ from these estimates.

**Definition of Default**

The Company considers a financial instrument is in default when the borrower becomes 90 days past due on its contractual payments. The Company considers Loans under default as 'credit impaired' and classified as Stage 3 except for restructured contracts as disclosed above.

**Impairment Loss**

The expected credit loss allowance provision is determined as follows:

	Stage 1	Stage 2	Stage 3	Grand Total
<b>Gross Balance as at 31<sup>st</sup> March 2024</b>	<b>24,357.57</b>	<b>1,305.94</b>	<b>742.80</b>	<b>26,406.31</b>
Expected Credit Loss	289.48	253.54	393.05	936.07
Expected Credit Loss Rate	1.19%	19.41%	52.91%	3.54%
Net of Impairment Provision	24,068.09	1,052.40	349.75	25,470.24

	Stage 1	Stage 2	Stage 3	Grand Total
<b>Gross Balance as at 31<sup>st</sup> March 2023</b>	<b>19,691.90</b>	<b>989.54</b>	<b>573.71</b>	<b>21,255.15</b>
Expected Credit Loss	264.74	138.78	306.54	710.06
Expected Credit Loss Rate	1.34%	14.02%	53.43%	3.34%
Net of Impairment Provision	19,427.16	850.76	267.17	20,545.09

(All amounts in ₹ crore unless otherwise stated)

**NOTE 38 Financial Risk Management (Contd.)**

**Reconciliation of Expected Credit Loss**

Particulars	Stage 1	Stage 2	Stage 3	Grand Total
<b>Balance as at 1<sup>st</sup> April 2022</b>	<b>87.81</b>	<b>33.25</b>	<b>267.61</b>	<b>388.67</b>
Transfer from Stage 1	(6.38)	3.96	2.42	-
Transfer from Stage 2	2.16	(8.41)	6.25	-
Transfer from Stage 3	11.64	2.96	(14.60)	-
Loans that have derecognised during the year	(22.10)	(9.86)	(141.35)	(173.31)
New Loans originated during the year	118.95	46.44	48.07	213.46
Net Remeasurement of Loss Allowance	72.66	70.44	138.14	281.24
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>264.74</b>	<b>138.78</b>	<b>306.54</b>	<b>710.06</b>
Transfer from Stage 1	(15.17)	8.74	6.43	-
Transfer from Stage 2	13.19	(55.32)	42.13	-
Transfer from Stage 3	8.78	4.45	(13.23)	-
Loan that have derecognised during the year	(39.36)	(48.00)	(116.07)	(203.43)
New Loans originated during the year	114.54	59.15	49.21	222.90
Net Remeasurement of Loss Allowance	(57.24)	145.74	118.04	206.54
<b>Balance as at 31<sup>st</sup> March 2024</b>	<b>289.48</b>	<b>253.54</b>	<b>393.05</b>	<b>936.07</b>

**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:

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

**(B) Liquidity Risk**

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

As per companies policy, management ensures availability of sufficient fund either through Instalment receivables/ sourcing through debts at each point of time. The Fund requirement ascertain at the beginning of the period by taking into consideration Instalment receivable, likely disbursement, Loan instalment payment & other operational expenses. The Company is continuously getting good supports from Bankers & Financial Institutions at the time of need.

**i. Financing arrangements**

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

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>Floating rate</b>		
Expiring within one year (bank overdraft and other facilities)	1,950	2,440
Expiring beyond one year (bank loans)	-	-
	<b>1,950</b>	<b>2,440</b>

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

(All amounts in ₹ crore unless otherwise stated)

**NOTE 38 Financial Risk Management (Contd.)**

**ii. Maturities of Financial Assets and Liabilities**

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

- All non-derivative financial assets and liabilities, and
- Net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The table below summaries the maturity profile of the Company's financial assets and financial liabilities based on contractual undiscounted payments as at the balance sheet date.

Particulars	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total Carrying Amount
<b>As at 31<sup>st</sup> March 2024</b>						
<b>Financial Assets:</b>						
Cash and Cash Equivalents	1,745.97	-	-	-	-	1,745.97
Fixed Deposits	-	-	5.90	-	-	5.90
Derivative Financial Instruments	-	-	90.67	-	-	90.67
Trade Receivables	29.51	29.31	58.38	-	-	117.20
Loans	6,440.74	4,432.37	7,119.02	15,218.23	10.23	33,220.59
Investments	-	-	100.25	-	16.25	116.50
Other Financial Assets	3.09	1.88	7.60	12.48	-	25.05
<b>Total</b>	<b>8,219.31</b>	<b>4,463.55</b>	<b>7,381.82</b>	<b>15,230.71</b>	<b>26.48</b>	<b>35,321.87</b>
<b>Financial Liabilities:</b>						
Borrowings	1,764.88	2,156.42	8,884.91	11,991.57	523.22	25,321.00
Security Deposit	23.21	15.47	98.55	-	-	137.23
Trade Payables	614.44	247.99	185.68	1.18	-	1,049.29
Other Financial Liabilities	183.31	2.45	168.74	17.16	11.82	383.48
<b>Total</b>	<b>2,585.84</b>	<b>2,422.33</b>	<b>9,337.88</b>	<b>12,009.91</b>	<b>535.04</b>	<b>26,891.00</b>

Particulars	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total Carrying Amount
<b>As at 31<sup>st</sup> March 2023</b>						
<b>Financial Assets:</b>						
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
<b>Total</b>	<b>6,190.50</b>	<b>3,280.17</b>	<b>5,697.19</b>	<b>12,986.22</b>	<b>36.80</b>	<b>28,190.88</b>
<b>Financial Liabilities:</b>						
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
<b>Total</b>	<b>3,162.91</b>	<b>2,007.25</b>	<b>5,777.12</b>	<b>11,030.54</b>	<b>217.22</b>	<b>22,195.03</b>

(All amounts in ₹ crore unless otherwise stated)

**NOTE 38 Financial Risk Management (Contd.)**

**(a) Foreign Currency Risk Exposure:**

Foreign exchange risk arises on financial instruments being denominated in a currency that is not the functional currency of the entity. The Company is exposed to foreign exchange risk due to continuous fluctuation in the foreign currency(USD) of the loan originated. The Company has entered into cross currency swaps (CCS) /forward contracts/ Interest rate swap to fully hedge all foreign currency exchange risk on the principal and interest amount payable on borrowings.

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>Financial Liabilities</b>		
Variable Foreign Currency Borrowings (USD 100 million) (Year ended 31 <sup>st</sup> March 2023 : USD 197 million)	751.50	1,473.21
<b>Derivative Liabilities</b>		
Hedged through forward contracts and CCS	751.50	1,473.21
<b>Net exposure to foreign currency risk (Liabilities)</b>	-	-

**(b) Sensitivity Analysis:**

The Company has hedged all its foreign currency exposures by entering into CCS/Forwards contracts, it shall not be subjected to any sensitivity on settlement due to foreign currency fluctuation due to the movements in foreign exchanges i.e. USD. Forward Contract & Cross Current Swap are to buy USD for Hedging Foreign Currency Loan. The company shall not maintain as per Ind AS 109 to be considered as Foreign Currency Loan.

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

**(C) Fair Value Interest Rate Risk:**

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During year ended 31<sup>st</sup> March 2024 and 31<sup>st</sup> March 2023, the Company's borrowings at variable rate were mainly denominated in INR.

The Company's floating rate borrowings are carried at amortised cost. For NBFC business, loan is the major source for running the business. In India, loans are generally available at Floating Rate Interest. And there are no such option available to obtain swap option for floating rate interest linked to respective bank MCLR with Fixed Interest. Hence except foreign currency loans, other loans are not hedged.

**(a) Interest rate risk exposure**

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Variable rate borrowings	13,871.00	8,211.28
Total borrowings	22,588.43	18,870.77

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

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

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

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

(All amounts in ₹ crore unless otherwise stated)

**NOTE 38 Financial Risk Management (Contd.)**

**(b) Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

Impact on Profit After Tax		
Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Interest rates – increase by 50 basis points (50 bps) *	(51.90)	(30.72)
Interest rates – decrease by 50 basis points (50 bps) *	51.90	30.72

\* Holding all other variables constant

**NOTE 39 Capital Management**

**(a) Risk Management**

The Risk Management policy includes identification of element of risks, including those which in the opinion of Board may lead to Company not meeting its financial objectives. The risk management process has been established across the Company and design to identify, access & frame a response to threat that affect the achievement of its objectives. Further it is embedded across all the major functions and revolve around the goals and objectives of the Company.

Maintaining optimal capital to debt is one such measure to ensure healthy returns to the shareholders. Company envisages maintaining gearing ratio of maximum 7 times to the total equity, the Company monitors the ratio as below:

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Net Debt (total borrowings, less cash and cash equivalents)	20,842.46	17,345.60
Total Equity (as shown in the balance sheet)	3,865.48	2,758.11
<b>Net debt to equity ratio</b>	<b>5.39</b>	<b>6.29</b>

**(b) Externally Imposed Capital Restrictions**

1. As per RBI requirements Capital Adequacy Ratio should be minimum 15%, not meeting RBI requirements will lead to cancellation of NBFC licenses issued by RBI.
2. As per various lending arrangements with banks, TOL (Total Outside Liability) to TNW (Tangible Net Worth) ratio should be less than 8.5 times, not meeting the said requirements may lead to higher interest rates.
3. Shareholding of the promoter shall not be less than 51% without prior approval from lenders.

The Company has complied with these covenants throughout the reporting period.

(All amounts in ₹ crore unless otherwise stated)

**NOTE 40 Leases**

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

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

- 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	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>Finance charges</b>		
Interest expense	2.82	2.08
<b>Depreciation</b>		
Amortisation of Right-to-use Assets	8.25	6.68
<b>Other expenses</b>		
<u>Rent expenses</u>		
Expense relating to short-term leases (included in other expenses)	17.70	17.75
Expense relating to leases of low-value assets that are not short-term leases (included in other expenses)	-	-
Expense relating to variable lease payments not included in the measurement of lease liabilities	-	-
<b>Total</b>	<b>28.77</b>	<b>26.51</b>

**d) Additional Disclosures in Cash Flow Statement**

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

**e) Contractual Maturities of Lease Liabilities outstanding**

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Less Than One Year	9.12	7.24
One to Five Years	17.16	19.39
More Than Five Years	5.08	6.48
<b>Total</b>	<b>31.36</b>	<b>33.11</b>

(All amounts in ₹ crore unless otherwise stated)

**41. Related Party Disclosure**

Disclosure in respect of Related Parties and their relationship where transaction exists:

Nature of Relationship	Parties Name
Reporting Enterprise	TVS Credit Services Limited
Holding Company	TVS Motor Company Limited
Ultimate Holding Company	TVS Holdings Limited (Formerly known as Sundaram-Clayton Limited)
Subsidiaries	TVS Housing Finance Private Limited Harita ARC Private Limited Harita Two Wheeler Mall Private Limited
Fellow Subsidiary	TVS Motor Services Limited Sundaram Auto Components Limited TVS Digital Pte Limited
Associate of Holding Company	Emerald Haven Realty Limited Emerald Haven Development Limited Drive X Mobility Millennial Solutions Private Limited
Subsidiary of Holding Company's Associate Company	Scienaptic Systems Private Limited
Entities under common control	Sundaram-Clayton Limited (Formerly known as Sundaram Clayton DCD Limited)
Non-Executive Directors	Mr. Venu Srinivasan Mr. Sudarshan Venu Mr. K.N. Radhakrishnan Mr. R. Gopalan Mr. B. Sriram Ms. Kalpana Unadkat
Key Managerial Personnel	Mr. Ashish Sapra, Chief Executive Officer Ms. Roopa Sampath Kumar, Chief Financial Officer Mr. Sreejith Raj P, Company Secretary (from 24 <sup>th</sup> July 2023) Mr. Anand Vasudev, Company Secretary (up to 10 <sup>th</sup> May 2023)

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

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

(All amounts in ₹ crore unless otherwise stated)

41. Related Party Disclosure (Contd.)

S.No.	Name of the Related Party	Nature of Transactions	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
4	Sundaram Auto Components Limited	Loan recovered	-	0.04
		Interest received	-	0.00
		Balance outstanding [Dr/(Cr)]	-	-
5	Scienaptic Systems Private Limited	Payment towards business support service	0.68	3.03
		Balance outstanding [Dr/(Cr)]	-	0.45
6	Drive X Mobility Millennial Solutions Private Limited	Receipt towards sale of repossessed vehicles	29.34	0.14
		Sale of fixed assets	-	0.52
		Balance outstanding [Dr/(Cr)]	-	0.44
7	Emerald Haven Realty Limited	Loan disbursed	-	3.00
		Loan recovered	-	3.00
		Interest received	-	0.06
		Balance outstanding [Dr/(Cr)]	-	-
8	Emerald Haven Development Limited	Loan disbursed	-	14.00
		Loan recovered	-	14.00
		Interest received	-	0.32
		Balance outstanding [Dr/(Cr)]	-	-
9	TVS Holdings Limited	Loan recovered	-	0.08
		Interest received	-	0.01
		Payment towards brand royalty fees	15.55	-
		Payment towards business support service	2.54	1.91
		Reimbursement of canteen expense	0.34	0.50
		Balance outstanding [Dr/(Cr)]	(6.61)	(0.02)
10	TVS Housing Finance Private Limited	Reimbursement of expenses	0.14	-
		Balance outstanding [Dr/(Cr)]	-	-
11	Harita Two Wheeler Mall Private Limited	Reimbursement of expenses	0.00	-
		Balance outstanding [Dr/(Cr)]	0.01	-
12	Harita ARC Private Limited	Reimbursement of expenses	0.00	-
		Balance outstanding [Dr/(Cr)]	0.01	-
13	TVS Digital Pte Limited	Payment towards software licence fees	2.55	-
		Payment towards digital advertisement	0.06	-
		Balance outstanding [Dr/(Cr)]	(0.75)	-

Remuneration to Key Managerial Personnel

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

The Company maintains Gratuity Fund with Life Insurance Corporation of India (LIC). Post retirement benefits do not include yearly premium paid by the Company to maintain the fund. The LIC has paid ₹ 0.66 crore to Mr. G Venkatraman, Director and Chief Executive Officer (up to 31<sup>st</sup> August 2022) during FY 23 towards gratuity.

The Company has not granted any Loans or Advances in the nature of loans to promoters, directors, key managerial personnel and the related parties, either severally or jointly with any other person, which are (a) repayable on demand; or (b) without specifying any terms or period of repayment.

(All amounts in ₹ crore unless otherwise stated)

**41. Related Party Disclosure (Contd.)**

**Directors' Sitting Fees and Commission**

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

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

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

(All amounts in ₹ crore unless otherwise stated)

**41. Related Party Disclosure (Contd.)**

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

**Related Party Balance Outstanding:**

Related Party Items	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint Ventures		KMP*		Relatives of KMP*		Others		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Borrowings:</b>														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Deposits:</b>														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Placement of deposits:</b>														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Advances:</b>														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	2.31	0.63	2.31	0.63	0.63
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	2.45	52.19	2.45	52.19	52.19
<b>Investments:</b>														
Outstanding at the year end	-	-	12.01	12.01	-	-	-	-	-	-	-	-	12.01	12.01
Maximum outstanding during the year	-	-	12.01	12.01	-	-	-	-	-	-	-	-	12.01	12.01

(All amounts in ₹ crore unless otherwise stated)

**41. Related Party Disclosure (Contd.)**

**Related Party Transactions During the Year:**

Related Party Items	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint Ventures		KMP*		Relatives of KMP*		Others		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	0.52	-	0.52
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	0.01	-	-	-	-	-	-	-	-	-	0.38	-	0.39
Loan disbursed	-	-	-	-	-	-	-	-	-	-	-	17.00	-	17.00
Loan recovered	-	0.08	-	-	-	-	-	-	-	-	-	17.04	-	17.12
Payment towards brand royalty fees	15.55	-	-	-	-	-	-	-	-	-	-	-	15.55	-
Payment towards business support service	4.12	3.55	-	-	-	-	-	-	-	-	0.99	3.03	5.10	6.58
Payment towards digital advertisement	-	-	-	-	-	-	-	-	-	-	0.06	-	0.06	-
Payment towards software licence fees	-	-	-	-	-	-	-	-	-	-	2.55	-	2.55	-
Receipt towards sale of repossessed vehicles	-	-	-	-	-	-	-	-	-	-	29.34	0.14	29.34	0.14
Receipt towards subvention income	1.35	14.58	-	-	-	-	-	-	-	-	-	-	1.35	14.58
Reimbursement of canteen expense	0.34	0.50	-	-	-	-	-	-	-	-	-	-	0.34	0.50
Reimbursement of expenses	-	-	-	-	-	-	-	-	-	-	0.15	-	0.15	-
Reimbursement of IT expense	6.40	8.61	-	-	-	-	-	-	-	-	-	-	6.40	8.61
Advance recovered	-	-	-	-	-	-	-	-	-	-	-	41.33	-	41.33
Unwinding of advance	-	-	-	-	-	-	-	-	-	-	-	3.24	-	3.24
Contribution towards Equity Share Capital	-	27.03	-	-	-	-	-	-	-	-	-	-	-	27.03
Contribution towards Preference Share Capital	6.34	-	-	-	-	-	-	-	-	-	-	-	6.34	-
Contribution towards Security Premium	193.66	472.97	-	-	-	-	-	-	-	-	-	-	193.66	472.97

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

(All amounts in ₹ crore unless otherwise stated)

**42. Additional Notes forming part of Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024**

**1. Capital Commitments**

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

**2. Other Commitments**

Description	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Undrawn Loans sanctioned to borrowers	63.47	43.58

**3. Contingent Liabilities not provided for**

Claims against the Company not acknowledged as debts.

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

The Company's pending litigations comprise of claims against the Company and proceedings pending with Statutory Authorities. The future cash flows on the above items are determinable only on receipt of decisions/judgements that are pending at various forums/authorities. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

- 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 13<sup>th</sup> 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.
- Pursuant to para 2 of general instructions for preparation of financial statements of a NBFC as mentioned in Division III of Schedule III of The Companies Act, 2013, the current and non-current classification has not been provided.
- 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.
- The Company has the process, whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, Company has reviewed and ensured that adequate provision as required under any law/accounting standard for material foreseeable losses on such long-term contracts have been made in the books of accounts.
- The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- 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.
- There have been no events after the reporting date that require disclosure in the Financial Statements.
- Prior period figures have been regrouped, wherever necessary, to confirm to the current period presentation.

(All amounts in ₹ crore unless otherwise stated)

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

**12. Disclosure of ratios:**

S.No.	Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
a.	Current Ratio	NA	NA
b.	Total Borrowings	22,588.43	18,870.77
	Shareholders' Equity	3,865.48	2,758.11
	Debt-Equity Ratio [total borrowings/shareholders' equity]	5.84	6.84
c.	Debt Service Coverage Ratio	NA	NA
d.	Return on Equity Ratio	17.27%	16.82%
e.	Inventory Turnover Ratio	NA	NA
f.	Trade Receivable Turnover Ratio	NA	NA
g.	Trade Payable Turnover Ratio	NA	NA
h.	Net Capital Turnover Ratio	NA	NA
i.	Net Profit Ratio	9.87%	9.36%
j.	Return on Capital Employed Ratio	NA	NA
k.	Return on Investment Ratio	NA	NA
l.	Capital to Risk-weighted Assets Ratio (CRAR) (Calculated as per RBI guidelines)	18.59%	18.75%
m.	Tier I CRAR (Calculated as per RBI guidelines)	12.84%	12.17%
n.	Tier II CRAR (Calculated as per RBI guidelines)*	5.75%	6.59%
o.	Liquidity Coverage Ratio (LCR) (Calculated as per RBI guidelines)#	236%	184%

\* The Company has issued Subordinated Debenture of ₹ 500 crore during the year ended 31<sup>st</sup> March 2024

# The LCR is more than regulatory requirement

Notes:

- i. Certain ratios/line items marked with remark "N/A" are not applicable since the Company is a Non-Banking Financial Company registered with the Reserve Bank of India
  - ii. Return on Equity Ratio = Profit after tax/Average Networkth
  - iii. Net profit ratio (%) = Profit after Tax/Total Income
13. No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
14. No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
15. There is no "undisclosed income" which has been reported by the Company during the assessment.
16. The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

(All amounts in ₹ crore unless otherwise stated)

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

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

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

S.No.	Description	Amount Outstanding	Amount Overdue
		As at 31 <sup>st</sup> March 2023	
	<b>Liabilities</b>		
(1)	<b>Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:</b>		
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	-	-
	<b>Total</b>	<b>19,025.54</b>	-

(All amounts in ₹ crore unless otherwise stated)

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

S.No.	Description	Amount Outstanding as at 31 <sup>st</sup> March 2024	Amount Outstanding as at 31 <sup>st</sup> March 2023
	<b>Assets</b>		
(2)	<b>Break-up of Loans and Advances including bills receivable (other than those included in (4) below) :</b>		
(a)	Secured	20,897.00	15,893.44
(b)	Unsecured considered good	5,509.31	5,361.71
(3)	<b>Break-up of Leased Assets and Stock on Hire and other Assets counting towards AFC activities:</b>		
	(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	-	-
	<b>Total</b>	<b>26,406.31</b>	<b>21,255.15</b>

S.No.	Description	Amount Outstanding	Amount Overdue
		As at 31 <sup>st</sup> March 2024	
(4)	<b>Current Investments:</b>		
	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	-	-
	<b>Long-term Investments:</b>		
	1. Quoted:		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	93.46	-
	(v) Others	-	-

(All amounts in ₹ crore unless otherwise stated)

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

S.No.	Description	Amount Outstanding	Amount Overdue
		As at 31 <sup>st</sup> March 2024	
	2. Unquoted:		
	(i) Shares: (a) Equity	12.01	12.01
	(b) Preference	-	-
	(ii) Debentures and Bonds	0.25	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Alternate Investment Fund)	4.00	-
	<b>Total</b>	<b>109.71</b>	<b>12.01</b>

(5)	Borrower group-wise classification of assets financed as in (2) and (3) above			
	Category	Amount (Net of provisions for Non-performing assets)		
		Secured	Unsecured	Total
	1. Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	2.31	-	2.31
	(c) Other related parties	-	-	-
	2. Other than related parties	20,483.43	5,363.85	25,847.28
	<b>Total</b>	<b>20,485.74</b>	<b>5,363.85</b>	<b>25,849.59</b>

(6)	Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)		
	Category	Market Value / Breakup or Fair Value of NAV	Book Value (Net of Provisions)
	1. Related parties		
	(a) Subsidiaries	12.01	12.01
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
	2. Other than related parties	97.71	97.71
	<b>Total</b>	<b>109.71</b>	<b>109.71</b>

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

(All amounts in ₹ crore unless otherwise stated)

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

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

**(A) Capital Adequacy Ratio**

Description	2023-24	2022-23
Tier I Capital	3,596.18	2,589.42
Tier II Capital	1,611.84	1,402.31
<b>Total Capital</b>	<b>5,208.02</b>	<b>3,991.73</b>
<b>Total Risk Weighted Assets</b>	<b>28,013.47</b>	<b>21,284.10</b>
Amount of Subordinated Debt as Tier II Capital (Discounted Value)	1,329.40	1,139.20
<b>Capital Ratios</b>		
Tier I Capital as a Percentage of Total Risk Weighted Assets (%)	12.84%	12.17%
Tier II Capital as a Percentage of Total Risk Weighted Assets (%)	5.75%	6.59%
<b>Total (%)</b>	<b>18.59%</b>	<b>18.75%</b>
Amount of Perpetual debt raised and qualifying as Tier I capital during the year	-	-
Amount of Subordinated debt raised and qualifying as Tier II capital during the year	500.00	600.00

**(B) Investment**

S.No.	Description	2023-24	2022-23
<b>1.</b>	<b>Value of Investments</b>		
	i) Gross Value of Investments		
	a) In India	109.71	12.01
	b) Outside India	-	-
	ii) Provision for Depreciation		
	a) In India	-	-
	b) Outside India	-	-
	iii) Net Value of Investments		
	a) In India	109.71	12.01
	b) Outside India	-	-
<b>2.</b>	<b>Movement of Provisions held towards depreciation on Investments</b>		
	i) Opening Balance	-	-
	ii) Add: Provisions made during the year	-	-
	iii) Less: Write off/write back of excess provisions during the year	-	-
	iv) Closing Balance	-	-

**(C) Derivative**

The Company has fully hedged all its foreign currency borrowing at the time of drawal of each loan.

(All amounts in ₹ crore unless otherwise stated)

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

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

Description	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>(i) Direct Exposure</b>		
<b>(a) Residential Mortgages -</b>		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	2.55	3.38
<b>(b) Commercial Real Estate -</b>		
Lending secured by mortgages on commercial real estates (office building, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc.).	2.80	8.31
<b>(c) Investments in Mortgage Backed Securities (MBS) and other Securitised exposures-</b>		
a. Residential	-	-
b. Commercial Real Estate	-	-
<b>(ii) Indirect Exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFC's)	-	-
<b>Total exposure to real estate sector</b>	<b>5.35</b>	<b>11.69</b>

(E) Exposure to Capital Market

S.No.	Description	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
i	Direct Investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt.	0.25	-
ii	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures and units of equity-oriented mutual funds.	-	-
iii	Advances for any other purpose where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as a primary security.	-	-
iv	Advances for any other purpose to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances.	-	-
v	Secured and unsecured advances to stock brokers and guarantees issued on behalf of stock brokers and market makers.	-	-
vi	Loans sanctioned to corporates against the security of shares/bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.	-	-
vii	Bridge loans to companies against expected equity flows/issues.	-	-
viii	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
ix	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds.	-	-
x	Financing to stockbrokers for margin trading	-	-
xi	All exposures to Alternative Investment Funds (i) Category I (ii) Category II (iii) Category III	4.00	-
	<b>Total Exposure to Capital Market</b>	<b>4.25</b>	<b>-</b>

(All amounts in ₹ crore unless otherwise stated)

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

(F) Disclosure on Sectoral Exposures

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

(G) Disclosure on Intra-Group Exposures

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

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

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

As at 31 <sup>st</sup> March 2024										
Time Bucket	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years
Deposits	-	-	-	-	-	-	5.90	-	-	-
Advances	781.41	520.94	558.15	1,433.43	1,608.64	3,163.49	5,065.92	10,643.51	2,379.45	251.37
Investments	-	-	-	-	-	-	93.46	-	-	16.25
Borrowings	0.09	-	289.61	280.43	846.75	1,779.51	7,257.76	9,034.07	1,767.18	500.03
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	833.00	-	-	-
<b>Grand Total</b>	<b>781.50</b>	<b>520.94</b>	<b>847.76</b>	<b>1,713.85</b>	<b>2,455.39</b>	<b>4,943.01</b>	<b>13,256.04</b>	<b>19,677.58</b>	<b>4,146.63</b>	<b>767.65</b>

(All amounts in ₹ crore unless otherwise stated)

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

As at 31 <sup>st</sup> March 2023										
Time Bucket	1 to7 days	8 to 14 days	15 days to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years
Deposits	-	-	-	-	-	-	5.72	-	-	-
Advances	581.40	387.60	415.29	1,057.66	1,219.94	2,285.29	4,103.24	8,959.05	2,077.11	168.55
Investments	-	-	-	-	-	-	-	-	-	12.01
Borrowings	0.16	-	180.15	720.98	1,444.70	1,201.71	4,738.43	7,424.16	1,345.20	200.00
Foreign Currency Assets	-	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	410.43	385.94	818.90	-	-
<b>Grand Total</b>	<b>581.56</b>	<b>387.60</b>	<b>595.44</b>	<b>1,778.64</b>	<b>2,664.64</b>	<b>3,897.43</b>	<b>9,233.33</b>	<b>17,202.11</b>	<b>3,422.31</b>	<b>380.56</b>

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

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

17.3 Disclosure-relating Securitisation

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

S.No.	Description	2023-24	2022-23
1.	No. of SPVs sponsored by the NBFC for securitisation transactions	-	-
2.	Total amount of securitised assets as per books of the SPVs sponsored by NBFC's	-	-
3.	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet:		
	a) Off-balance sheet exposures		
	- First loss	-	-
	- Others	-	-
	b) On-balance sheet exposures		
	- First loss (cash collateral term deposits with banks)	-	-
	- Second Loss	-	-
	- Others	-	-
4.	Amount of exposures to securitisation transactions other than MRR		
	a) Off-balance sheet exposures		
	i) Exposure to own securitisations		
	- First loss	-	-
	- Loss	-	-
	ii) Exposure to third-party securitisations		
	- First loss	-	-
	- Others	-	-
	b) On-balance sheet exposures		
	i) Exposure to own securitisations		
	- First loss	-	-
	- Others	-	-
	ii) Exposure to third-party securitisations		
	- First loss	-	-
	- Others	-	-

(All amounts in ₹ crore unless otherwise stated)

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

(b) The value of "excess interest spread receivable" and "unrealised gain" on securitisation transactions undertaken in terms of guidelines on securitisation transaction issued by Reserve Bank of India on 21<sup>st</sup> August 2012 are given below:

S.No.	Description	2023-24		2022-23	
		Non-Current	Current	Non-Current	Current
1	Excess Interest Spread Receivable	-	-	-	-
2	Unrealised gain on Securitisation Transactions	-	-	-	-

**(c) Details of Financial Assets sold to Securitisation/Reconstruction Company for Asset Reconstruction**

Description	2023-24	2022-23
No. of Accounts	17,184	-
Aggregate value (net of Provisions) of accounts sold to SC/RC	8.40	-
Aggregate Consideration	7.66	-
Additional Consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate Gain/Loss over net book value	0.74	-

**(d) Details of Assignment Transactions undertaken by NBFCs**

Description	2023-24	2022-23
No. of Accounts	-	-
Aggregate value (net of Provisions) of accounts sold	-	-
Aggregate Consideration	-	-
Additional Consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate Gain/Loss over net book value	-	-

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

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

\* NPA figures mentioned above includes Restructured contracts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7<sup>th</sup> June 2019.

(All amounts in ₹ crore unless otherwise stated)

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

The Reserve Bank of India (RBI) vide its circular no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22, dated 12<sup>th</sup> November 2021 on "Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances - Clarifications", had clarified / harmonised certain aspects of extant regulatory guidelines with a view to ensuring uniformity in the implementation of IRACP norms across all lending institutions. The Company has since taken necessary steps to implement the provisions of this circular under IRACP norms for regulatory purpose. The aforementioned circular has no impact on the financial results for the quarter and year ended 31<sup>st</sup> March 2024, as the Company continues to prepare financial statements in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and the RBI circular dated 13<sup>th</sup> March 2020 on "Implementation of Indian Accounting Standards.

(b) Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated August 6, 2020 and RBI/2 021- 22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated 5<sup>th</sup> May 2021 are given below:

	(A)	(B)	(C)	(D)	(E)
Type of Borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year	Of (A), amount paid by borrowers during the half-year	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of this half-year (A)
Personal Loans	18.44	1.30	0.22	8.60	8.32
Corporate persons	1.94	-	-	0.59	1.36
Of which, MSMEs	1.94	-	-	0.59	1.36
Others	-	-	-	-	-
<b>Total</b>	<b>20.38</b>	<b>1.30</b>	<b>0.22</b>	<b>9.18</b>	<b>9.68</b>

(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 7<sup>th</sup> June 2019

Particulars	Amount	
Restructured loans as on 1 <sup>st</sup> April 2023	Amount Outstanding	37.74
	Provision thereon	15.28
Fresh restructuring during the year	Amount Outstanding	2.64
	Provision thereon	0.84
Reductions during the year	Amount Outstanding	14.75
	Provision thereon	6.58
Write-off of restructured accounts during the year	Amount Outstanding	11.40
	Provision thereon	3.56
Restructured loans as on 31 <sup>st</sup> March 2024	Amount Outstanding	14.23
	Provision thereon	5.98

(All amounts in ₹ crore unless otherwise stated)

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

(d) Provisions and Contingencies

Break-up of 'Provisions and Contingencies' shown under the Head Expenditure in Statement of Profit and Loss

Description	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Provision for Depreciation on Investments	-	-
Provision/Impairment allowance towards NPA (Net)	190.23	89.88
Provision/Impairment allowance towards Standard Assets	26.78	231.52
Provision/Impairment allowance on trade receivables & Other Financial Assets	2.38	0.02
Provision made towards Income Tax	307.64	197.78
Other Provision and Contingencies	-	-
<b>Total</b>	<b>527.03</b>	<b>519.20</b>

17.5 Disclosure as required by DOR (NBFC).CC.PD.No.109/22.10.106/2019-20  
Comparison between ECL as per books and RBI provision  
As at 31<sup>st</sup> March 2024

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS 109	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
<b>Performing Assets</b>						
Standard	Stage 1	24,276.24	282.43	23,993.81	97.10	185.33
Standard	Stage 2	825.09	96.91	728.18	3.30	93.61
<b>Subtotal for standard</b>		<b>25,101.33</b>	<b>379.34</b>	<b>24,721.99</b>	<b>100.40</b>	<b>278.94</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 1	70.76	6.08	64.68	9.61	(3.53)
Substandard	Stage 2	426.60	139.46	287.14	65.46	74.00
Substandard	Stage 3	564.76	302.36	262.40	105.62	196.74
<b>Subtotal for substandard</b>		<b>1,062.12</b>	<b>447.90</b>	<b>614.22</b>	<b>180.69</b>	<b>267.21</b>
Doubtful 1- up to 1 Year	Stage 1	10.58	0.96	9.62	2.81	(1.85)
Doubtful 1- up to 1 Year	Stage 2	54.24	17.17	37.07	16.37	0.80
Doubtful 1- up to 1 Year	Stage 3	176.01	89.30	86.71	57.43	31.87
Doubtful 2- 1 to 3 Years	Stage 3	1.77	1.28	0.49	0.84	0.44
Doubtful 3- More than 3 Years	Stage 3	0.26	0.12	0.14	0.16	(0.04)
<b>Subtotal for doubtful</b>		<b>242.86</b>	<b>108.83</b>	<b>134.03</b>	<b>77.61</b>	<b>31.22</b>
Loss	Stage 3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>1,304.98</b>	<b>556.73</b>	<b>748.25</b>	<b>258.30</b>	<b>298.43</b>
<b>Total</b>	<b>Stage 1</b>	<b>24,357.58</b>	<b>289.47</b>	<b>24,068.11</b>	<b>109.52</b>	<b>179.95</b>
	<b>Stage 2</b>	<b>1,305.93</b>	<b>253.54</b>	<b>1,052.39</b>	<b>85.13</b>	<b>168.41</b>
	<b>Stage 3 *</b>	<b>742.80</b>	<b>393.06</b>	<b>349.74</b>	<b>164.05</b>	<b>229.01</b>
	<b>Total</b>	<b>26,406.31</b>	<b>936.07</b>	<b>25,470.24</b>	<b>358.70</b>	<b>577.37</b>

(All amounts in ₹ crore unless otherwise stated)

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

As at 31<sup>st</sup> 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
<b>Performing Assets</b>						
Standard	Stage 1	19,639.93	263.11	19,376.82	78.56	184.55
Standard	Stage 2	705.20	89.46	615.74	5.98	83.48
<b>Subtotal for standard</b>		<b>20,345.13</b>	<b>352.57</b>	<b>19,992.56</b>	<b>84.54</b>	<b>268.03</b>
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 1	51.86	1.62	50.24	6.77	(5.15)
Substandard	Stage 2	284.17	49.29	234.88	41.94	7.35
Substandard	Stage 3	425.02	216.83	208.19	76.00	140.83
<b>Subtotal for substandard</b>		<b>761.05</b>	<b>267.74</b>	<b>493.31</b>	<b>124.71</b>	<b>143.03</b>
Doubtful 1- up to 1 Year	Stage 1	0.11	0.01	0.10	0.02	(0.01)
Doubtful 1- up to 1 Year	Stage 2	0.17	0.03	0.14	0.04	(0.01)
Doubtful 1- up to 1 Year	Stage 3	110.56	51.74	58.82	39.04	12.70
Doubtful 2- 1 to 3 Years	Stage 3	9.94	9.82	0.12	7.29	2.53
Doubtful 3- More than 3 Years	Stage 3	2.71	2.67	0.04	2.29	0.38
<b>Subtotal for doubtful</b>		<b>123.49</b>	<b>64.27</b>	<b>59.22</b>	<b>48.68</b>	<b>15.59</b>
Loss	Stage 3	25.48	25.48	-	25.48	-
<b>Subtotal for NPA</b>		<b>910.02</b>	<b>357.49</b>	<b>552.53</b>	<b>198.87</b>	<b>158.62</b>
<b>Total</b>	<b>Stage 1</b>	<b>19,691.90</b>	<b>264.74</b>	<b>19,427.16</b>	<b>85.35</b>	<b>179.39</b>
	<b>Stage 2</b>	<b>989.54</b>	<b>138.78</b>	<b>850.76</b>	<b>47.96</b>	<b>90.82</b>
	<b>Stage 3*</b>	<b>573.71</b>	<b>306.54</b>	<b>267.17</b>	<b>150.10</b>	<b>156.44</b>
	<b>Total</b>	<b>21,255.15</b>	<b>710.06</b>	<b>20,545.09</b>	<b>283.41</b>	<b>426.65</b>

\* 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 7<sup>th</sup> June 2019 irrespective of days past due on the reporting date.

In terms of the above notification on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an Impairment reserve for any shortfall in Impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning), as at 31<sup>st</sup> March 2024 and as at 31<sup>st</sup> March 2023 and accordingly, no amount is required to be transferred to Impairment reserve.

17.6 Concentration of Advances, Exposures & NPAs

(a) Concentration of Advances

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

(b) Concentration of Exposures

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

(c) Concentration of NPAs

Description	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Total Exposure to Top Four NPA Accounts	7.68	2.29

(All amounts in ₹ crore unless otherwise stated)

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

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

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

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

Description	2023-24	2022-23
No. of complaints received by the NBFC from the office of Ombudsman	369	222
No. of complaints resolved in favour of the NBFC by office of Ombudsman	362	215
No. of complaints resolved after passing of awards by office of Ombudsman against the NBFC	-	-
No. of complaints resolved through conciliation/mediation/advisories issued by office of Ombudsman	7	7
Number of awards unimplemented within the stipulated time (other than those appealed)	-	-

**c. Details of awards unimplemented within the stipulated time**

Description	2023-24	2022-23
No. of awards unimplemented within the stipulated time (other than those appealed)	-	-

**d. Top five grounds of complaints received by the NBFCs from customers**

Grounds of Complaints	No. of Complaints pending at the beginning of the Year	No. of Complaints received during the Year	% Increase/ Decrease in the no. of Complaints received over the previous year	No. of Complaints pending at the end of the Year	No. of Complaints pending beyond 30 Days
<b>2023-24</b>					
(a) Staff interaction related	19	816	63%	22	-
(b) Sourcing related	20	299	(15%)	14	-
(c) Levy of charges related	8	187	(63%)	1	-
(d) SMS/Calls related	9	132	(61%)	3	-
(e) Loan application related	6	47	(85%)	-	-
(f) Others	94	2,479	0%	69	10
<b>2022-23</b>					
(a) Staff interaction related	-	500	8%	19	-
(b) Sourcing related	1	350	1%	20	1
(c) Levy of charges related	1	509	(17%)	8	2
(d) SMS/Calls related	-	338	35%	9	-
(e) Loan application related	-	306	66%	6	-
(f) Others	5	2,487	32%	94	7

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

(All amounts in ₹ crore unless otherwise stated)

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

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

Details of stressed loans transferred during the year ended 31<sup>st</sup> March 2024:

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

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

Details of stressed loans transferred during the year ended 31<sup>st</sup> March 2023:

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

Details of stressed loans acquired\*:

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

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

**17.9 Registration under Other Regulators**

S.No.	Regulator	Registration No.
1	Ministry of Company Affairs	CIN:U65920TN2008PLC069758
2	Reserve Bank of India	Certificate of Registration dt 13/04/2010 No. 07-00783

(All amounts in ₹ crore unless otherwise stated)

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

**17.10 Disclosure of penalties imposed by RBI and other regulators**

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

**17.11 Details of financing of parent company products**

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

**17.12 Ratings assigned by Credit Rating Agencies**

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

**17.13 Details of Single Borrower Limits (SBL)/Group Borrower Limits (GBL) exceeded**

The Company has not exceeded the Single Borrower Limit and Group Borrowers Limit as set by Reserve Bank of India for the year ended 31<sup>st</sup> March 2024.

**17.14 Advance against Intangible Securities**

The Company has not given any loans against intangible securities.

**17.15 Related Party Transactions**

Refer Note 41 to Ind AS financial statements.

**17.16 Derivatives**

**1. Forward Rate Agreement/Interest Rate Swap**

S.No.	Description	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
(i)	Notional principal of swap agreements	751.50	1,473.21
(ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(iii)	Collateral required by the NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swaps	-	-
(v)	Fair value of the swap books	842.17	1,644.07

**2. Exchange Traded Interest Rate (IR) Derivatives**

S.No.	Description	Amount
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument-wise)	-
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31 <sup>st</sup> March 2024 (instrument-wise)	-
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-

(All amounts in ₹ crore unless otherwise stated)

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

**3. Disclosure on Risk Exposure in Derivatives**

Towards the foreign currency loan availed, the Company has taken forward cover to hedge the foreign current risks and cross currency interest rate swap.

S.No.	Description	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
i)	Outstanding Derivatives		
	For Hedging (Currency/Interest Rate Derivatives)	842.17	1,644.07
ii)	Marked to Market Positions	-	
	a) Asset (+)	90.67	170.86
	b) Liability (-)	-	-
iii)	Credit Exposure	751.50	1,473.21
iv)	Unhedged Exposures	-	-

**17.17 Overseas assets (for those with JV and Subsidiaries abroad)**

There are no overseas assets owned by the Company during the year ended 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2023.

**17.18 Drawdown from Reserves**

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

**17.19 Off balance sheet SPV sponsored**

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

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

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

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

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

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

\* Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4<sup>th</sup> 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 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Total amount of top 10 borrowings	6,314.94	5,458.75
Percentage of amount of top 10 borrowings to total borrowings	27.96%	28.93%

(All amounts in ₹ crore unless otherwise stated)

**42. Additional Notes forming part of Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024 (Contd.)**

**(iv) Funding concentration based on significant instrument/product\***

Particulars	As at 31 <sup>st</sup> March 2024	Percentage of Total Liabilities	As at 31 <sup>st</sup> March 2023	Percentage of Total Liabilities
Term Loans from Banks	13,521.94	55.71%	10,243.50	51.24%
External Commercial Borrowings	833.00	3.43%	1,615.27	8.08%
Sub-ordinated Debts	2,046.71	8.43%	1,644.92	8.23%
Term Loan from Financial Institution	839.78	3.46%	200.00	1.00%
Commercial Paper	-	0.00%	1,382.04	6.91%
Non-Convertible Debentures	1,450.00	5.97%	1,225.00	6.13%
Working Capital Demand Loan	3,797.00	15.64%	2,460.00	12.31%

\* Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4<sup>th</sup> November, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

**(v) Stock Ratios**

S.No.	Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
1.	Commercial papers as a % of total public funds	0.00%	7.32%
2.	Commercial papers as a % of total liabilities	0.00%	6.91%
3.	Commercial papers as a % of total assets	0.00%	6.07%
4.	Non-convertible debentures (original maturity of less than one year) as a % of total public funds	NA	NA
5.	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	NA	NA
6.	Non-convertible debentures (original maturity of less than one year) as a % of total assets	NA	NA
7.	Other short-term Liabilities as a % of total public funds	57.12%	46.29%
8.	Other short-term Liabilities as a % of total liabilities	53.15%	43.70%
9.	Other short-term Liabilities as a % of total assets	45.85%	38.40%

\* Other Short-term Liabilities is computed as current maturities of long-term debt, short-term bank borrowings including outstanding CC/WCDL and other short-term liabilities has been considered, but excludes commercial paper and Non-convertible debentures (original maturity of less than one year).

\* Public funds are as defined in Master Direction - Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Direction, 2016.

**(vi) Institutional set-up for Liquidity Risk Management**

The Company constituted an Asset Liability management committee as guideline issued by RBI to NBFCs. ALCO consists of members having requisite skill set and expertise of the business & sector of the Company. ALCO monitors asset liability mismatches to ensure that there are no excessive imbalances on either side of the balance sheet and also reviews Asset Liability Management strategy. The borrowing strategy of the Company has always been in tandem with assets composition with appropriate consideration for mitigation of interest rate and liquidity risk. The Asset Liability Committee constantly reviews and monitors the funding mix and ensures the optimum mix of funds based on the cash flow requirements, market conditions and keeping the interest rate view in consideration. The Company has put in place robust processes to monitor and manage liquidity risks. ALCO supervises the liquidity management of the Company at regular intervals.

(All amounts in ₹ crore unless otherwise stated)

**42. Additional Notes forming part of Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024 (Contd.)**

The Company has taken various initiatives to raise funds at the cost commensurate with its rating by way of diversified mix of borrowings with respect to the source, type of instrument, tenor and nature of security.

**(vii) Disclosure on Liquidity Coverage Ratio (LCR)**

The Liquidity Coverage Ratio (LCR) is a key compliance requirement for NBFCs. Its objective is to ensure short-term resilience of the liquidity risk profile of the NBFCs by way of maintenance of adequate High Quality Liquid Assets (HQLA) to survive a significant financial/economic stress scenario lasting for thirty days period. The Company is maintaining adequate liquidity to manage its commitments. Additionally, the Company has unutilised sanctioned lines of credits from banks to meet liquidity needs.

In line with RBI regulations, the cash outflows and inflows have been stressed by 115% and 75% of their respective original values for computing LCR. The key drivers on the inflow side are the expected collections from the performing assets of the Company and on the outflow side the scheduled maturities of borrowings. The High Quality Liquid Assets are entirely held in the assets, without any haircut. The LCR has been consistently maintained above 100% through the year which is well over the regulatory threshold of 85% (70 % up to 30<sup>th</sup> November 2023).

S.No.	Particulars	Q1 FY24		Q2 FY24		Q3 FY24		Q4 FY24	
		Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)	Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)	Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)	Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)
	<b>High Quality Liquid Assets</b>								
1	Total High Quality Liquid Assets (HQLA)	807.14	807.14	825.10	825.10	898.54	898.54	1,016.66	1,016.66
	<b>Cash Outflows</b>								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding (iii)	559.34	643.24	684.24	786.88	351.63	404.38	494.51	568.68
4	Secured wholesale funding (iv)	559.06	642.92	670.75	771.36	1,235.42	1,420.73	625.32	719.11
5	Additional requirements, of which	-	-	-	-	-	-	-	-
i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	252.43	290.29	269.29	309.68	293.54	337.57	298.71	343.52
7	Other contingent funding obligations	70.16	80.68	63.27	72.76	50.16	57.68	80.00	92.00
8	<b>TOTAL CASH OUTFLOWS</b>	<b>1,440.98</b>	<b>1,657.13</b>	<b>1,687.55</b>	<b>1,940.68</b>	<b>1,930.74</b>	<b>2,220.35</b>	<b>1,498.53</b>	<b>1,723.31</b>
	<b>Cash Inflows</b>								
9	Secured lending	1,481.49	1,111.12	1,412.27	1,059.20	1,229.74	922.31	1,924.98	1,443.73
10	Inflows from fully performing exposures	456.62	342.47	484.76	363.57	372.95	279.71	659.26	494.44
11	Other cash inflows	772.30	579.23	1,072.25	804.19	1,151.66	863.74	33.00	24.75
12	<b>TOTAL CASH INFLOWS</b>	<b>2,710.41</b>	<b>2,032.81</b>	<b>2,969.28</b>	<b>2,226.96</b>	<b>2,754.35</b>	<b>2,065.76</b>	<b>2,617.24</b>	<b>1,962.93</b>

(All amounts in ₹ crore unless otherwise stated)

42. Additional Notes forming part of Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024 (Contd.)

		Q1 FY24 Total Adjusted Value	Q2 FY24 Total Adjusted Value	Q3 FY24 Total Adjusted Value	Q4 FY24 Total Adjusted Value
	<b>TOTAL HQLA</b>	807.14	825.10	898.54	1,016.66
	<b>TOTAL NET CASH OUTFLOWS</b> (Weighted value of Total Cash Outflows – Minimum of (Weighted value of Total Cash Inflows, 75% of Weighted value of Total Cash Outflows))	414.28	485.17	555.09	430.83
	<b>LIQUIDITY COVERAGE RATIO (%)</b>	195%	170%	162%	236%

S.No.	High Quality Liquid Assets (HQLA)	Q1 FY24		Q2 FY24		Q3 FY24		Q4 FY24	
		Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)	Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)	Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)	Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)
1	Assets to be included as HQLA without any haircut	807.14	807.14	825.10	825.10	898.54	898.54	1,016.66	1,016.66
2	Assets to be considered for HQLA with a minimum haircut of 15%	-	-	-	-	-	-	-	-
3	Assets to be considered for HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-
4	Approved securities held as per the provisions of section 45 IB of RBI Act	-	-	-	-	-	-	-	-
	<b>Total HQLA</b>	807.14	807.14	825.10	825.10	898.54	898.54	1,016.66	1,016.66

- (i) Unweighted values calculated as outstanding balances maturing within one month (for inflows and outflows).  
(ii) Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow (75%) and outflow (115%).  
(iii) Unsecured wholesale funding includes cash outflow on account of Commercial Paper and other unsecured borrowing repayments.  
(iv) Secured wholesale funding includes all Secured borrowing repayments.  
(v) Components of HQLA : Cash on hand and Demand deposits with Scheduled Commercial Banks and Government Securities. The maiden Investment in G-Sec of ₹ 93.41 crore made on 28<sup>th</sup> March 2024 and it has been included in HQLA computation effective investment date.

(All amounts in ₹ crore unless otherwise stated)

42. Additional Notes forming part of Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024 (Contd.)

17.23 Summary of total borrowings, receivables and provision

Category-wise breakup	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>Secured:</b>		
Term Loan from Banks	15,194.72	12,058.77
Working Capital Demand Loan	3,372.09	2,195.16
Non-Convertible Debentures	1,450.00	1,225.00
Securitized Trust Borrowing	-	-
<b>Unsecured:</b>		
Term Loan from Banks	-	-
Working Capital Demand Loan	425.00	265.00
Commercial Paper	-	1,382.04
Subordinated Debts	2,046.71	1,644.92
Perpetual Debt	99.91	99.88
<b>Total</b>	<b>22,588.43</b>	<b>18,870.77</b>

Total Loans

Description	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>Category-wise breakup</b>		
Secured Loans	20,897.00	15,893.44
Unsecured Loans	5,509.31	5,361.71
<b>Total Loans</b>	<b>26,406.31</b>	<b>21,255.15</b>
Less: Impairment Allowance	936.07	710.06
<b>Net Loans</b>	<b>25,470.24</b>	<b>20,545.09</b>

Total Assets Provisions

Description	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Provision/Impairment allowance towards NPA	556.72	357.49
Provision/Impairment allowance towards Standard Assets	379.35	352.57
Provision/Impairment allowance for Trade Receivables and other Financial Assets	9.75	29.88
<b>Total</b>	<b>945.82</b>	<b>739.94</b>

(All amounts in ₹ crore unless otherwise stated)

**42. Additional Notes forming part of Standalone Financial Statements for the year ended 31<sup>st</sup> March 2024 (Contd.)**

18. Disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI DoR/2023-24/106DoR.FIN.REC.No.45/03.10.119/2023-24:

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Fund raised through PDI during the year	-	-
Outstanding at the end of financial year	99.91	99.88
Percentage of PDI to Tier I capital	2.8%	3.9%
Financial year in which interest for PDI not paid	NA	NA

19. Disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/DoR/2023-24/106DoR.FIN.REC.No.45/03.10.119/2023-24:

Loans to Directors, Senior Officers and relatives of Directors:

Particulars	2023-24	2022-23
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	7.00
Senior Officers and their relatives	-	-

The above notification is applicable w.e.f. 1<sup>st</sup> October 2022 and the transactions have been disclosed accordingly.

20. Disclosure under SEBI circular – “Ease of doing business and development of corporate bond markets – revision in the framework for fund raising by issuance of debt securities by Large Corporates (LCs)” dated 19<sup>th</sup> October 2023 :

As per SEBI Master Circular for Issue and Listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated 10<sup>th</sup> August 2021 (updated till 7<sup>th</sup> July 2023) (“Master Circular”) {Chapter XII – Fund raising by issuance of Debt securities by Large Corporate}, the Company can issue debt securities over a contiguous period of 3 Years (block period). Accordingly, the shortfall of ₹ 1,868.75 crore for FY 2024 can be met on or before FY 2026 as per the Master Circular. The Company is in compliance with the Master Circular.

Subsequently, considering prevailing market conditions and representations from market participants, SEBI notified the revised circular dated 19<sup>th</sup> October 2023, which will become effective from 1<sup>st</sup> April 2024. As per clause 8 of revised circular, Chapter XII of Master circular got replaced with the new circular. To bring the LCs under new guidelines, SEBI has recommended LCs to provide one time explanation in the annual report for the shortfall and transition to new guidelines from 1<sup>st</sup> April 2024 onwards, in line with clause 7 of revised circular. The Company will align to the provisions of new circular.

21 Disclosure on Restructuring Pursuant to Reserve Bank of India Notification Rbi/Dor/2023-24/106 Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 Dor.Fin.Rec.No.45/03.10.119/2023-24 updated as on 31<sup>st</sup> March 2024.

S.No.	Type of Restructuring	Under CDR Mechanism				Under SME Debt Restructuring Mechanism				Others				Total				
		Stand- standard	Sub- stand- ard	Doubt- ful	Loss	Stand- standard	Sub- stand- ard	Doubtful	Loss	Stand- standard	Sub- stand- ard	Doubtful	Loss	Stand- standard	Sub- stand- ard	Doubtful	Loss	
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of borrowers	-	89	55	6	150	4,457	12,609	9,769	-	26,835	4,546	12,664	9,775	-	26,985	
		Amount outstanding	-	5.08	3.05	0.19	8.32	29.87	53.62	28.61	-	112.10	34.95	56.67	28.80	-	120.42	
		Provision thereon	-	1.65	0.99	0.09	2.74	10.51	24.60	16.89	-	52.00	12.16	25.59	16.98	-	54.73	
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	1	-	-	1	-	1	-	-	1	
		Amount outstanding	-	-	-	-	-	-	-	2.64	-	2.64	-	2.64	-	-	2.64	
		Provision thereon	-	-	-	-	-	-	-	0.84	-	0.84	-	0.84	-	-	0.84	
3	Upgradations to restructured standard category during FY	No. of borrowers	-	8	(8)	-	-	31	(27)	(4)	-	-	39	(35)	(4)	-	-	
		Amount outstanding	-	0.89	(0.89)	-	-	0.43	(0.41)	(0.02)	-	(0.00)	1.32	(1.30)	(0.02)	-	(0.00)	
		Provision thereon	-	0.36	(0.36)	-	-	0.28	0.13	(0.41)	-	0.00	0.64	(0.23)	(0.41)	-	0.00	
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Amount outstanding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
		Provision thereon	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
5	Downgradation of restructured accounts during FY	No. of borrowers	-	(3)	(30)	33	-	(364)	(1,291)	1,655	-	-	(367)	(1,321)	1,688	-	-	
		Amount outstanding	-	(0.20)	(0.95)	1.15	-	(1.70)	(13.11)	14.81	-	-	(1.90)	(14.05)	15.96	-	-	
		Provision thereon	-	(0.12)	(0.39)	0.51	-	(1.04)	(6.69)	7.73	-	-	(1.16)	(7.09)	8.24	-	-	
6	Write-offs of restructured accounts during FY	No. of borrowers	-	3	1	2	6	427	2,075	639	-	3,141	430	2,076	641	-	3,147	
		Amount outstanding	-	0.07	0.05	0.10	-	0.21	1.02	10.17	12.51	-	23.69	1.08	10.22	12.60	-	23.91
		Provision thereon	-	0.10	0.02	0.06	-	0.17	0.76	5.25	5.34	-	11.35	0.85	5.27	5.40	-	11.52
7	Collection	No. of borrowers	-	41	13	4	58	2,943	8,792	9,398	-	21,133	2,984	8,805	9,402	-	21,191	
		Amount outstanding	-	3.37	0.96	0.09	4.43	20.24	27.69	14.30	-	62.23	23.61	28.66	14.39	-	66.66	
		Provision thereon	-	1.69	0.16	0.38	2.23	8.52	11.76	11.93	-	32.21	10.21	11.92	12.32	-	34.44	
8	Restructured Accounts as on March 31 of FY (Closing figures*)	No. of borrowers	-	50	3	33	86	754	425	1,383	-	2,562	804	428	1,416	-	2,648	
		Amount outstanding	-	2.33	0.20	1.15	3.68	7.35	4.88	16.59	-	28.82	9.68	5.08	17.74	-	32.49	
		Provision thereon	-	0.11	0.06	0.15	0.33	0.47	1.86	6.95	-	9.28	0.58	1.93	7.10	-	9.61	

**22. Disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/DoR/2023-24/106DoR.FIN.REC.No.45/03.10.119/2023-24:**

The Statutory Auditors have not expressed any modified opinion on the financial statement for the year ended 31<sup>st</sup> March 2024.

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 : 8<sup>th</sup> May 2024

**For CNGSN & Associates LLP**  
Chartered Accountants  
ICAI Regn No. FRN 004915S

**C.N. Gangadaran**  
Partner  
Membership No. 011205

For and on behalf of the Board of Directors of  
**TVS Credit Services Limited**

**Sudarshan Venu**  
Chairman  
DIN-03601690

**Roopa Sampath Kumar**  
Chief Financial Officer

Place : Chennai  
Date : 8<sup>th</sup> May 2024

**Ashish Sapra**  
Chief Executive Officer

**Sreejith Raj P**  
Company Secretary

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 31<sup>st</sup> March 2024, and the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> March 2024, and a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March 2024, and their consolidated profit, and their consolidated cash flows for the year ended 31<sup>st</sup> March 2024.

**Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matter section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our Audit addressed the Key Matter
<p><b>Impairment Loss Allowance</b></p> <p>Management's judgements in the calculation of impairment allowances have significant impact on the financial statements. The estimates regarding impairment allowances are complex and require a significant degree of judgement, which increased with implementation of Expected Credit Loss ("ECL") approach as required by Ind AS 109 relating to "Financial instruments".</p> <p>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.</p> <p>The key areas of judgement include:</p> <ol style="list-style-type: none"> <li>1. Categorisation of loans in Stage 1, 2 and 3 based on identification of:                             <ol style="list-style-type: none"> <li>(a) exposures with significant increase in credit risk since their origination and</li> <li>(b) Individually impaired / default exposures.</li> </ol> </li> </ol>	<ul style="list-style-type: none"> <li>➤ We obtained an understanding of management's assessment of impairment of loans and advances including the Ind AS109 implementation process, internal rating model, impairment allowance policy and ECL modelling methodology.</li> <li>➤ 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.</li> <li>➤ We also verified the key judgements and assumptions relating to the macro-economic scenarios including the impact of Covid-19 Pandemic and the associated probability weights.</li> <li>➤ We also assessed the approach of the Group for categorisation of the loans in various stages reflecting the inherent risk in the respective loans.</li> </ul>

Key Audit Matter	How our Audit Addressed the Key Matter
<p>2. Techniques used to determine Loss Given Default ('LGD') and Probability of Default ('PD') to calculate an ECL based on experience.</p> <p>3. The impact of different future macroeconomic conditions in the determination of ECL.</p> <p>These judgements required the models to be reassessed including the impact of Covid-19 Pandemic to measure the ECL.</p> <p>Management has made several interpretations and assumptions when designing and implementing models that are compliant with the standard.</p> <p>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.</p>	<ul style="list-style-type: none"> <li>➤ For a sample of financial assets, we tested the correctness of Staging, reasonableness of PD, accuracy of LGD and ECL computation.</li> <li>➤ We have also verified the compliance of circulars issued by Reserve Bank of India from time to time during the year on this subject.</li> </ul> <p>As a result of the above audit procedures no material differences were noted. We confirm the adequacy of disclosures made in the financial statements.</p>
<p><b>IT Systems and Controls</b></p> <p>The Group's key financial accounting and reporting processes are highly dependent on the automated controls in information systems.</p> <p>Any control lapses, validation failures, incorrect input data and wrong extraction of data may result in the financial accounting and reporting records being misstated.</p>	<p>We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations.</p> <p>We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties.</p> <p>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.</p> <p>Reliance was also placed on the System Audit report of the Group.</p> <p>Based on our review no material weakness was found in the IT Systems and Controls.</p>

**Information Other than the Financial Statements and Auditor's Report Thereon**

- The Parent's/Holding Company's Board of Directors is responsible for the other information. The other information comprises the Board Report, but does not include the consolidated financial statements, standalone financial statements, and our auditor's report thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the Subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries are traced from their financial statements audited by the other auditor.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Management's Responsibility for the Consolidated Financial Statements**

The Parent's/Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards and other accounting principles

generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent/Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent/Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the entity included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent/Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Other Matter

- a) We did not audit the financial statements / financial information of three subsidiaries, whose financial statements / financial information reflect total assets of ₹ 15.73 crore as of 31<sup>st</sup> March 2024, total revenues of ₹ 0.96 crore and net cash outflows amounting to ₹ 0.12 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the Subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report of the other auditor.
- b) Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor and the financial statements certified by the Management.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditor on the separate financial statements of the subsidiaries referred to in the Other Matter section above we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent/Holding Company as on 31<sup>st</sup> March 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its Subsidiaries, none of the directors of the Group, is disqualified as on 31<sup>st</sup> March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent/Holding Company and Subsidiaries. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

The managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The Group has disclosed the impact of pending litigations on its financial position in its financial statements in Note No. 42.
  - ii) The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The derivative contracts being in the nature of the hedge contracts, the Group does not anticipate any material losses from the same.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its Subsidiaries incorporated in India.
  - iv)
    - a) The respective Managements of the Company and its Subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that and to their auditors, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - b) The respective Managements of the Company and its Subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that and their auditors, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v) The Group has not declared or paid any dividend during the year.
  - vi) With respect to Rule 11(g) of Companies (Audit & Auditors) Rules, 2014, on maintenance of audit trail, transaction and edit log, based on our examination which included test checks, the Company has used multiple accounting softwares for maintaining its books of account which has the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with.

for **Sundaram & Srinivasan**  
Chartered Accountants  
Firm Regn. No. 004207S

**S. Usha**  
Partner  
Membership No. 211785

Date: 08<sup>th</sup> May, 2024  
Place: Chennai

UDIN: 24211785BKCPSC8282

for **CNGSN & Associates LLP**  
Chartered Accountants  
Firm Regn. No. 004915S

**C.N. Gangadaran**  
Partner  
Membership No. 011205

Date: 08<sup>th</sup> May, 2024  
Place: Chennai

UDIN: 24211785BKCPSC8282

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of TVS Credit Services Limited as of and for the year ended 31<sup>st</sup> March 2024, we have audited the internal financial controls over financial reporting of TVS Credit Services (hereinafter referred to as "Parent") its three Subsidiaries, which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent company and its Subsidiaries, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its Subsidiaries, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depends on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the Subsidiaries, which is incorporated in India, in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its Subsidiaries, which are companies incorporated in India.

#### Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally

accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2024, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matter

The Internal Financial Control Over Financial Reporting for the Subsidiaries in the Group is not applicable since the Company's turnover as per last audited financial statements is less than ₹ 50 crore and its borrowings from banks and financial institutions at any time during the year is less than ₹ 25 crore, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls vide notification dated 13<sup>th</sup> 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: 08<sup>th</sup> May, 2024  
Place: Chennai

UDIN: 24211785BKCPSC8282

for **CNGSN & Associates LLP**  
Chartered Accountants  
Firm Regn. No. 004915S

**C.N. Gangadaran**  
Partner  
Membership No. 011205

Date: 08<sup>th</sup> May, 2024  
Place: Chennai

UDIN: 24211785BKCPSC8282

# CONSOLIDATED BALANCE SHEET AS ON 31<sup>ST</sup> MARCH 2024



(All amounts in ₹ crore unless otherwise stated)

Particulars		Note No.	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>ASSETS</b>				
<b>1</b>	<b>Financial Assets</b>			
(a)	Cash and Cash Equivalents	4	1,761.42	1,539.93
(b)	Bank Balances other than (a) above	5	5.90	5.72
(c)	Derivative Financial Instruments	6	90.67	170.86
(d)	Receivables			
	i) Trade Receivables	7	117.20	64.36
(e)	Loans	8	25,470.24	20,545.09
(f)	Investments	9	97.71	-
(g)	Other Financial Assets	10	25.02	22.82
	<b>Total</b>		<b>27,568.16</b>	<b>22,348.78</b>
<b>2</b>	<b>Non-Financial Assets</b>			
(a)	Current Tax Assets (Net)	11	19.81	-
(b)	Deferred Tax Assets (Net)	12	337.96	213.45
(c)	Investment Property	13	85.16	85.16
(d)	Property, Plant and Equipment	14	35.92	29.25
(e)	Right-to-use Assets	14	26.58	28.73
(f)	Other Intangible Assets	14	2.94	1.95
(g)	Other Non-Financial Assets	15	64.48	45.33
	<b>Total</b>		<b>572.85</b>	<b>403.87</b>
	<b>Total Assets</b>		<b>28,141.01</b>	<b>22,752.65</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
<b>1</b>	<b>Financial Liabilities</b>			
(a)	Payables			
	I. Trade Payables			
	i) Total outstanding dues of micro enterprises and small enterprises	16	14.19	19.13
	ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	16	1,035.09	616.56
(b)	Debt Securities	17	1,450.00	2,607.04
(c)	Borrowings other than Debt Securities	18	18,991.81	14,518.93
(d)	Subordinated Liabilities	19	2,146.62	1,744.80
(e)	Other Financial Liabilities	20	513.97	391.68
	<b>Total</b>		<b>24,151.68</b>	<b>19,898.14</b>
<b>2</b>	<b>Non-Financial Liabilities</b>			
(a)	Current Tax Liabilities (Net)	11	-	9.59
(b)	Provisions	21	67.59	52.67
(c)	Other Non-Financial Liabilities	22	52.80	31.39
	<b>Total</b>		<b>120.39</b>	<b>93.65</b>
<b>3</b>	<b>Equity</b>			
(a)	Equity Share Capital	23	228.22	228.22
(b)	Instruments entirely equity in nature	23	18.38	-
(c)	Other Equity	24	3,622.34	2,532.64
	<b>Total</b>		<b>3,868.94</b>	<b>2,760.86</b>
	<b>Total Liabilities and Equity</b>		<b>28,141.01</b>	<b>22,752.65</b>
<b>Material Accounting Policies forming part of financial statements</b>		<b>3</b>		
<b>Additional Notes forming part of financial statements</b>		<b>42</b>		

As per our report of even date

For and on behalf of the Board of Directors of  
TVS Credit Services Limited

**For Sundaram & Srinivasan**  
Chartered Accountants  
ICAI Regn No. FRN 004207S

**For CNGSN & Associates LLP**  
Chartered Accountants  
ICAI Regn No. FRN 004915S

**Sudarshan Venu**  
Chairman  
DIN-03601690

**Ashish Sapra**  
Chief Executive Officer

**S. Usha**  
Partner  
Membership No. 211785

**C.N. Gangadaran**  
Partner  
Membership No. 011205

**Roopa Sampath Kumar**  
Chief Financial Officer

**Sreejith Raj P**  
Company Secretary

Place : Chennai  
Date : 8<sup>th</sup> May 2024

Place : Chennai  
Date : 8<sup>th</sup> May 2024

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024



(All amounts in ₹ crore unless otherwise stated)

Particulars		Note No.	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
<b>Revenue from Operations</b>				
i)	Interest Income	25	5,111.07	3,755.51
ii)	Fee and Commission Income	26	594.38	392.22
iii)	Other Operating Income	27	85.09	-
I)	<b>Total Revenue from Operations</b>		<b>5,790.54</b>	<b>4,147.73</b>
II)	Other Income	28	5.47	4.70
III)	<b>Total Income (I + II)</b>		<b>5,796.01</b>	<b>4,152.43</b>
<b>Expenses</b>				
i)	Finance Costs	29	1,653.64	1,168.28
ii)	Fees and Commission Expenses		429.72	272.39
iii)	Impairment of Financial Instruments	30	1,127.05	629.14
iv)	Employee Benefit Expenses	31	1,200.78	1,039.51
v)	Depreciation, Amortisation and Impairment		27.39	21.43
vi)	Other Expenses	32	594.55	509.60
IV)	<b>Total Expenses</b>		<b>5,033.13</b>	<b>3,640.35</b>
V)	Profit/(Loss) before exceptional items and tax		<b>762.88</b>	<b>512.08</b>
VI)	Exceptional Items		-	-
VII)	<b>Profit/(Loss) before tax</b>		<b>762.88</b>	<b>512.08</b>
VIII)	Tax Expenses	33		
	Current Tax		307.87	197.96
	Deferred Tax		(117.55)	(75.17)
IX)	<b>Profit/(Loss) for the year</b>		<b>572.56</b>	<b>389.29</b>
X)	Other Comprehensive Income	34		
A.	Items that will not be reclassified to Profit or Loss - Itemwise			
	Remeasurement of the defined benefit plans		(9.72)	(0.96)
	Income Tax relating to these items		2.45	0.24
B.	Items that will be reclassified to Profit or Loss - Itemwise			
	Fair value change on cash flow hedge		(17.95)	8.71
	Income Tax relating to these items		4.52	(2.19)
	<b>Other Comprehensive Income (A+B)</b>		<b>(20.70)</b>	<b>5.80</b>
XI)	Total comprehensive Income for the year (Comprising Profit/(Loss) and other comprehensive income for the year)		<b>551.86</b>	<b>395.09</b>
XII)	Earnings Per Share	35		
	Basic (₹)		25.02	18.75
	Diluted (₹)		23.93	18.75
<b>Material Accounting Policies forming part of financial statements</b>		<b>3</b>		
<b>Additional Notes forming part of financial statements</b>		<b>42</b>		

As per our report of even date

For and on behalf of the Board of Directors of  
TVS Credit Services Limited

**For Sundaram & Srinivasan**  
Chartered Accountants  
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Partner  
Membership No. 011205

**Roopa Sampath Kumar**  
Chief Financial Officer

**Sreejith Raj P**  
Company Secretary

Place : Chennai  
Date : 8<sup>th</sup> May 2024

Place : Chennai  
Date : 8<sup>th</sup> May 2024

# CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024



(All amounts in ₹ crore unless otherwise stated)

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
<b>Cash Flow from Operating Activity</b>		
Profit Before Income Tax	762.88	512.07
<b>Adjusted For:-</b>		
Depreciation and Amortisation Expense	27.39	21.43
Impairment of Financial Assets	219.39	321.42
(Profit)/Loss on disposal of Property, Plant and Equipment	(0.47)	(0.71)
Finance Charges	1,653.64	1,168.28
Unwinding of discount on Security Deposits	(0.95)	(3.92)
Remeasurement of Defined Benefit Plans	(9.72)	(0.96)
<b>Cash generated from Operations before Working Capital Changes</b>	<b>1,889.28</b>	<b>1,505.54</b>
<b>Change in Operating Assets and Liabilities</b>		
(Increase)/Decrease in Trade Receivables	(55.22)	(26.49)
(Increase)/Decrease in Loans	(5,142.17)	(6,852.18)
(Increase)/Decrease in Other Financial Assets	(1.24)	39.53
(Increase)/Decrease in Other Non-Financial Assets	(19.15)	(5.52)
Increase/(Decrease) in Trade Payables	413.59	301.04
Increase/(Decrease) in Other Financial Liabilities	99.53	64.73
Increase/(Decrease) in Other Non-Financial Liabilities	36.32	16.15
Financing Charges paid	(1,628.48)	(1,081.67)
<b>Cash used in Operations</b>	<b>(3,644.66)</b>	<b>(5,526.80)</b>
Income Taxes paid	(337.27)	(181.27)
<b>Net cash outflow from Operating Activities</b>	<b>(3,981.93)</b>	<b>(5,708.07)</b>
<b>Cash Flow from Investing Activities</b>		
Investment in Property, Plant and Equipment	(26.89)	(25.11)
Proceeds from sale of Property, Plant and Equipment	0.56	1.47
Decrease in Deposits with Bank	(0.18)	0.28
Investment in Government Securities	(93.46)	-
Investment in Compulsory Convertible Debentures	(0.25)	-
Investment in Alternate Investment Fund	(4.00)	-
<b>Net cash outflow from Investing Activities</b>	<b>(124.22)</b>	<b>(23.36)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issue of Equity Shares	-	500.00
Proceeds from issue of Compulsorily Convertible Preference Shares	558.00	-
Proceeds from Issue/(Repayment) of Debt Securities (net)	(1,157.04)	393.36
Proceeds/(Repayment) of Borrowings other than Debt Securities (net)	4,535.59	4,972.77
Proceeds/(Repayment) of Subordinated Liabilities (net)	401.82	451.46
Payments of Lease Liabilities	(10.66)	(8.23)
<b>Net Cash Inflow from Financing Activities</b>	<b>4,327.71</b>	<b>6,309.36</b>
<b>Net Increase in Cash &amp; Cash Equivalents</b>	<b>221.56</b>	<b>577.93</b>
Cash and cash equivalents at the beginning of the financial year	1,539.77	961.84
<b>Cash and Cash Equivalents at end of the year</b>	<b>1,761.33</b>	<b>1,539.77</b>

As per our report of even date

For and on behalf of the Board of Directors of  
TVS Credit Services Limited

**For Sundaram & Srinivasan**  
Chartered Accountants  
ICAI Regn No. FRN 004207S

**For CNGSN & Associates LLP**  
Chartered Accountants  
ICAI Regn No. FRN 004915S

**Sudarshan Venu**  
Chairman  
DIN-03601690

**Ashish Sapra**  
Chief Executive Officer

**S. Usha**  
Partner  
Membership No. 211785

**C.N. Gangadaran**  
Partner  
Membership No. 011205

**Roopa Sampath Kumar**  
Chief Financial Officer

**Sreejith Raj P**  
Company Secretary

Place : Chennai  
Date : 8<sup>th</sup> May 2024

Place : Chennai  
Date : 8<sup>th</sup> May 2024

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024



(All amounts in ₹ crore unless otherwise stated)

## I) Equity Share Capital

	Notes	Amounts
Balance as at 1 <sup>st</sup> April 2022		201.20
Changes in equity share capital during the year	21	27.02
<b>Balance as at 31<sup>st</sup> March 2023</b>		<b>228.22</b>
Changes in equity share capital during the year	21	-
<b>Balance as at 31<sup>st</sup> March 2024</b>		<b>228.22</b>

## II) Instruments entirely equity in nature

	Notes	Amounts
Balance as at 1 <sup>st</sup> April 2022		-
Changes in equity share capital during the year	21	-
<b>Balance as at 31<sup>st</sup> March 2023</b>		<b>-</b>
Changes in equity share capital during the year	21	18.38
<b>Balance as at 31<sup>st</sup> March 2024</b>		<b>18.38</b>

## III) Other Equity

	Notes	Reserves and Surplus				Total
		Securities Premium Account	Statutory Reserve	Retained Earnings	Other Reserves - Hedge Reserve	
<b>Balance as at 1<sup>st</sup> April 2022</b>		<b>863.38</b>	<b>164.30</b>	<b>624.11</b>	<b>12.80</b>	<b>1,664.59</b>
Change in accounting policy						
Profit for the year	24	-	-	389.29	-	389.29
Other comprehensive income	24	-	-	(0.72)	6.52	5.80
<u>Transaction in the capacity as owners</u>						
Transfer to Statutory reserve	24	-	77.73	(77.73)	-	-
Issue of equity shares	24	472.97	-	-	-	472.97
<b>Balance as at 31<sup>st</sup> March 2023</b>		<b>1,336.35</b>	<b>242.03</b>	<b>934.95</b>	<b>19.32</b>	<b>2,532.65</b>
Profit for the year	24	-	-	572.56	-	572.56
Other comprehensive income	24	-	-	(7.28)	(13.43)	(20.71)
<u>Transaction in the capacity as owners</u>						
Transfer to Statutory reserve	24	-	114.37	(114.37)	-	-
Issue of equity shares	24	537.84	-	-	-	537.84
<b>Balance as at 31<sup>st</sup> March 2024</b>		<b>1,874.19</b>	<b>356.40</b>	<b>1,385.86</b>	<b>5.89</b>	<b>3,622.34</b>

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 : 8<sup>th</sup> May 2024

**For CNGSN & Associates LLP**  
Chartered Accountants  
ICAI Regn No. FRN 004915S

**C.N. Gangadaran**  
Partner  
Membership No. 011205

**Sudarshan Venu**  
Chairman  
DIN-03601690

**Roopa Sampath Kumar**  
Chief Financial Officer

Place : Chennai  
Date : 8<sup>th</sup> May 2024

For and on behalf of the Board of Directors of  
**TVS Credit Services Limited**

**Ashish Sapra**  
Chief Executive Officer

**Sreejith Raj P**  
Company Secretary

(All amounts in ₹ crore unless otherwise stated)

**1 Corporate Information**

TVS Credit Services Limited ('the Company') (CIN U65920TN2008PLC069758) is a public limited company incorporated and domiciled in India. The registered office is located at "Chaitanya", No. 12 Khader Nawaz Khan Road, Nungambakkam, Chennai – 600006, Tamil Nadu, India. The Company with its subsidiaries is collectively referred to as a Group.

The Company received Certificate of Registration (No. N-07-00783) dated 13<sup>th</sup> April 2010 from Reserve Bank of India (RBI) and commenced Non-Banking financial activity thereon. The Company is engaged in providing Automobile Finance, Consumer Durable Loans and Small Business Loans. The Company is categorised as "NBFC - Investment and Credit Company (NBFC-ICC)" vide RBI circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated 22<sup>nd</sup> February 2019. Effective 01<sup>st</sup> October 2022, the Company has been categorised as NBFC-Middle Layer under the RBI Scale Based Regulation dated 22<sup>nd</sup> October 2021.

**2 Basis of Preparation**

**2.1 Statement of Compliance**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, the updated Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time and other applicable RBI circulars/notifications, notification for Implementation of Indian Accounting Standards issued by RBI vide circular RBI/2019-20/170 DOR(NBFC). CC.PD.No.109/22.10.106/2019-20 dated 13<sup>th</sup> March 2020 ('RBI notification for Implementation of Ind AS') and other applicable RBI circulars/notifications.

The financial statements have been prepared in accordance with Division III of Schedule III of Companies Act 2013 notified by MCA on 11<sup>th</sup> October 2018. Further, the Company follows application guidance, clarifications, circulars and directions issued by the Reserve Bank of India (RBI) for Non-Banking Financial Companies (NBFC) or other regulators, as and when they are issued and applicable.

The financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value.

The financial statements are prepared on going concern basis based on the ability of the Company to continue its business for the foreseeable future and no material uncertainty exists that may cause significant doubt on the going concern assumption. In making this assessment, the Company has considered wide range of information relating to present & likely future conditions including projections of cash flows & profitability.

**Principles of Consolidation**

**Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together items of assets, liabilities, equity, income and expenses. Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

Non-controlling interests (if any) in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

The subsidiary companies considered in consolidated financial statements are:

S.No.	Name of the Subsidiary	Proportion of Ownership (Interest/Voting Power -%)		Reporting Date
		2023-24	2022-23	
1	Harita ARC Services Private Limited	100%	100%	31 <sup>st</sup> March 2024
2	TVS Housing Finance Private Limited	100%	100%	31 <sup>st</sup> March 2024
3	Harita Two Wheeler Mall Private Limited	100%	100%	31 <sup>st</sup> March 2024

All the subsidiaries are incorporated in India.

(All amounts in ₹ crore unless otherwise stated)

## **2.2 Presentation of Financial Statements**

Financial assets and financial liabilities are generally reported on a gross basis in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis in all the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and/or its counterparties

## **2.3 Significant Estimates and Judgements**

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future period. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates are:

- (a) Business model assessment - Refer Note 3.5.1A
- (b) Fair value of financial instruments - Refer Note 37
- (c) Impairment of financial asset - Refer Note 38
- (d) Provisions & Other Contingent Liabilities - Refer Note 21
- (e) Estimation of defined benefit obligation - Refer Note 36

## **3 Material Accounting Policies**

### **3.1 Property, Plant and Equipment (PPE)**

Items of property, plant & equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All repairs and maintenance are charged to the statement of profit or loss during the reporting period in which they are incurred.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included under other income/ expenses in the Statement of Profit and Loss when the asset is derecognised.

### **3.2 Depreciation**

Depreciation is provided on straight-line basis over the estimated useful lives of the assets. The useful life estimated by the Company is in line with the useful life prescribed under Part C of Schedule II of the Companies Act, 2013 except in the case of mobile phone (office equipment), on which depreciation is considered as 2 years based on the technical evaluation and leased vehicles (Vehicles) have been depreciated over lease period.

(All amounts in ₹ crore unless otherwise stated)

Useful life as used by the Company and as indicated in Schedule II are listed below:

Nature of Asset	Useful life as per Schedule II	Useful life adopted by the Company
Computers	3 years	3 years
Computer Software	3 years	3 years
Furniture & Fixtures	10 years	10 years
Furniture & Fixtures (Leasehold Improvements)	10 years	As per lease tenure
Office Equipments (Mobile Phones)	5 years	2 years
Office Equipments (Other than mobile phones)	5 years	5 years
Vehicles (Motor Cycle)	10 years	10 years
Vehicles (Motor Car)	8 years	8 years

Depreciation on PPE individually costing ₹ 5,000/- or less is provided 100% in the year of acquisition.

An asset's carrying amount is written down immediately to its estimated recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gain and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss.

Depreciation on fixed assets added/disposed of during the year is calculated on pro-rata basis with reference to the date of addition/disposal.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### 3.3 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

### 3.4 Intangible Assets

Intangible assets acquired are recorded at their acquisition cost and are amortised on straight line basis over its useful life. Software is amortised over 3 years period or the licence period whichever is lower on Straight Line basis.

### 3.5 Financial Instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are measured at amortised cost, unless otherwise specified.

All financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments along with the certainty of ultimate collection in case of financial assets. For tradable securities, the Company recognises the financial instruments on settlement date.

#### 3.5.1 Financial Assets

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity.

(All amounts in ₹ crore unless otherwise stated)

### 3.5.1A Classification

The Company classifies its financial assets in the following categories, those to be measured subsequently at

- (a) Amortised cost,
- (b) Fair value through Other Comprehensive Income (FVOCI), and
- (c) Fair value through Profit or Loss (FVTPL)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

#### Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because it reflects the best way the business is managed, and information is provided to the management.

#### Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

### 3.5.1B Measurement

At initial recognition, the Company measures financial assets, except those at FVTPL, at their fair value adjusted for transaction costs or origination income directly attributable to the acquisition. Transaction costs for financial assets measured at FVTPL are expensed in profit or loss.

#### **i. Debt instruments carried at amortised cost (AC):**

- (a) The business model of the Company for assets subsequently measured at amortised cost category is to hold and collect contractual cash flows. However, considering the economic viability of carrying the delinquent portfolios on the books of the Company, it may enter into immaterial and infrequent transactions to sell these portfolios to banks and/or asset reconstruction companies without affecting the business model of the Company.
- (b) After initial measurement, such financial assets are subsequently measured at amortised cost on Effective Interest Rate (EIR). Refer note 3.5.5A for further details.

#### **ii. Debt instruments at fair value through other comprehensive income (FVTOCI):**

- (a) A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Since, the loans are held to sale and collect contractual cash flows, they are measured at FVTOCI.
- (b) Financial assets included within the FVTOCI category are measured at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit or loss.

#### **iii. Debt instruments at fair value through profit or loss (FVTPL):**

Financial assets which do not meet the criteria for categorisation as at amortised cost or as FVTOCI, are measured at FVTPL. Subsequent changes in fair value are recognised in the statement of profit and loss.

(All amounts in ₹ crore unless otherwise stated)

**iv. Equity instruments at cost:**

Investments in subsidiary and associate are measured at cost as per Ind AS 27 – Separate Financial Statements.

**v. Equity instruments at fair value through other comprehensive income (FVTOCI):**

Investments in equity instruments other than in subsidiaries and associates are measured at fair value.

The Company has strategic investments in equity for which it has elected to present subsequent changes in fair value in other comprehensive income. The classification is made on initial recognition and is irrevocable.

All fair value changes of the aforesaid equity instruments are recognised in OCI and are not reclassified to the Statement of Profit and Loss subsequently, even on sale of those investments.

**vi. Investment in government securities:**

Investment in Government Securities are measured in the financial statements at amortised cost. The Company intends to hold these instruments till maturity and any sale of these instruments, if any necessitated by requirements or events are likely to be infrequent and immaterial.

**vii. Investment in Compulsory Convertible Debenture:**

Investment in Compulsorily Convertible Debentures are classified and measured in the financial statements at fair value through other comprehensive income.

**viii. Investment in Alternate Investment Fund:**

Investment in Alternative Investment Fund is classified and measured at fair value through other comprehensive income. Any gain/losses on disposal or subsequent re-measurement is recognised in the other comprehensive income.

**3.5.2 Financial Liabilities**

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments

**3.5.2A Initial recognition and measurement**

All financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liability, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

**3.5.2B Subsequent Measurement**

Financial liabilities are carried at amortised cost using the effective interest method.

**3.5.3 Reclassification of financial assets and liabilities**

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the year ended 31<sup>st</sup> March 2024 and 31<sup>st</sup> March 2023.

(All amounts in ₹ crore unless otherwise stated)

**3.5.4 Derecognition of Financial Assets & Liabilities**

**i) Derecognition of financial assets due to substantial modification of terms and conditions**

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes.

**ii) Derecognition of financial assets other than due to substantial modification of terms and conditions**

(a) A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in the statement of profit and loss.

(b) The Company enters into securitisation transactions where financial assets are transferred to a special purpose vehicle for a purchase consideration. The credit enhancement is provided in the form of cash collateral and investment in equity tranche PTCs, pursuant to the transfer of financial assets under securitisation. Basis this, the Company concluded that securitisation transactions entered by the Company does not qualify for derecognition since substantial risk and rewards of the ownership has not been transferred. The transactions are treated as financing arrangements and the sale consideration received is treated as borrowings.

**iii) Derecognition of Financial Liabilities**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

**3.5.5 Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

**A) Interest Income:**

- (1) Interest income is recognised using the Effective Interest Rate (EIR) method for all financial assets measured at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to its gross carrying amount. The calculation of the effective interest rate includes transaction costs and transaction income that are directly attributable to the acquisition of a financial asset.
- (2) Income by way of additional interest on account of delayed payment by the customers is recognised on realisation basis, due to uncertainty in collection.
- (3) Interest on govt securities is recognised as interest income in Profit & Loss statement.

**B) Dividend Income:**

Dividend income is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(All amounts in ₹ crore unless otherwise stated)

**C) Fees and Commission Income:**

- (1) Fees and commission income that are not integral part of the effective interest rate on the financial asset are recognised as the performance obligations are performed and there is no significant financing component of the consideration.
- (2) Income in the nature of bounce and related charges are recognised on realisation, due to uncertainty in collection.
- (3) The Company recognises revenue from contract with customers based on five-step model as set out in Ind AS 115, Revenue from Contracts with Customers to determine when to recognise revenue and at what amount. Revenue is measured based on the consideration specified in the contract with a customer. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

**D) Other Operating Income:**

The Company recognises proceeds from sale of written off & stressed financial asset.

**E) Other Income:**

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

**3.5.6 Impairment of financial assets**

The Company recognises loss allowance for Expected Credit Loss "ECL" on the following financial assets that are not measured at FVTPL:

- i. Loans
- ii. Trade receivables and Other Financial Assets

**i. Loans**

Expected credit losses are measured through a loss allowance at an amount equal to:

- 1) The 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- 2) Lifetime expected credit losses (expected credit losses that result from all possible default events over the expected life of the financial instrument).

Both Life Time ECLs (LTECL) and 12 months ECLs are calculated on collective basis.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3, as described below:

Stage	Days Past due	ECL	Risk
Stage 1	Up to 30 days	12-month ECL	Low credit risk
Stage 2	31-90 days	Life-time ECL	Significant increase in credit risk
Stage 3	More than 90 days	Life-time ECL	Impaired assets

**Stage 1:**

When loans are first recognised, the Company recognises an allowance based on 12-month ECL. Stage 1 loans include those loans where there is no significant credit risk observed and also includes facilities where the credit risk has been improved and the loan has been reclassified from Stage 2 or Stage 3. (If completely regularised to zero DPD for Stage 3)

**Stage 2:**

When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for life time ECL. Stage 2 loans also include where the loans have been re-structured as per extent RBI Regulations.

**Significant increase in credit risk:** The Company monitors all financial assets that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial

(All amounts in ₹ crore unless otherwise stated)

recognition. If there has been a significant increase in credit risk, the Company will measure the loss allowance based on lifetime ECLs rather than 12-month ECLs. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available with.

**Stage 3: Credit-impaired financial assets:** A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower;
- a breach of contract such as a default or past due event;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

Loans considered credit impaired are the loans which are past due for more than 90 days and has not been completely regularised to zero DPD & includes restructured contracts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7<sup>th</sup> June 2019 irrespective of days past due on the reporting date. Loan accounts where principal and/or interest are past due for more than 90 days along with all other loans of such customer, continue to be classified as Stage 3, till overdue across all loan accounts are cleared. The Company records an allowance for life time ECL.

#### Measurement of ECLs

The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including past events, current conditions and current profile of customers. Additionally, forecasts of future macro situations and economic conditions are considered as part of the ECL model. Forward-looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro-economic factors.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD.

#### **Probability Of Default ('PD'):**

PD is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

#### **Exposure At Default ('EAD'):**

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest.

#### **Loss Given Default ('LGD'):**

LGD is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The Company has calculated PD, EAD and LGD to determine impairment loss on the portfolio of loans and discounted at an approximation to the EIR. At every reporting date, the above calculated PDs, EAD and LGDs are reviewed and changes in the forward-looking estimates are analysed.

#### Mechanics of ECLs

The Company applies a three-stage approach to measure ECL on financial assets that are not measured at fair value through profit or loss:

(All amounts in ₹ crore unless otherwise stated)

**Stage 1: 12-month ECL**

At initial recognition and for financial instruments where there has not been a significant increase in credit risk since initial recognition, the Company recognises an allowance based on the 12-month ECL.

The 12-month ECL represents the portion of lifetime ECL that result from default events that are possible within the 12 months after the reporting date. The Company calculates this allowance based on the expectation of a default occurring within 12 months following the reporting date.

These expected 12-month default probabilities are applied to a forecasted Exposure at Default (EAD) and multiplied by the expected Loss Given Default (LGD).

**Stage 2: Lifetime ECL-not credit impaired**

When a financial asset shows a significant increase in credit risk since origination but is not considered credit-impaired, the Company records an allowance for lifetime ECL.

The mechanics are similar to Stage 1 but the Probability of Default (PD) and LGD are estimated over the remaining lifetime of the instrument.

**Stage 3: Lifetime ECL-credit impaired**

For financial assets that are credit-impaired, the Company recognises the lifetime ECL.

The methodology is similar to Stage 2, but with the PD set at 100% to reflect that the asset is already credit impaired.

**Forward-looking information:**

In its ECL models, the Company relies on a broad range of forward-looking macro parameters and estimated the impact on the default at a given point of time.

**ii. Trade Receivables and Other Financial Assets**

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable and other financial assets. The application of simplified approach does not require the Company to track changes in credit risk and calculated on case by case approach, taking into consideration different recovery scenarios.

**Presentation of allowance for ECL in the statement of financial position**

Loss allowances for ECL are presented in the statement of financial position for financial assets measured at amortised cost as a deduction from the gross carrying amount of the assets.

**Collateral repossessed:**

The Company does the regular repossession of collateral provided against the loans in case of default in agreed payments. The Company generally sells the asset repossessed to recover the underlying loan and does not use for internal operation. Any surplus funds are returned to the borrower and accordingly collateral repossessed are not recorded on the balance sheet and not treated as assets held for sale.

**Write-off:**

Loans are written off when there is no reasonable expectation of recovering in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level. Financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

**3.5.7 Derivatives**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

(All amounts in ₹ crore unless otherwise stated)

The Company designates derivatives taken on External Commercial Borrowings (ECB) as Cashflow Hedges (hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions).

The Company documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions.

The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 37. Movements in the hedging reserve in shareholders' equity are shown in Note 24.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the "other comprehensive income". The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

### **3.5.8 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### **3.6 Cash and Cash equivalents**

For the purpose of presentation in the statement of cash flows, Cash and Cash equivalents includes cash on hand, deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and positive balance in bank cash credit. Bank cash credit with negative balances are shown within borrowings in the balance sheet.

### **3.7 Taxation**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(i) Deferred income tax provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

(ii) Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

(All amounts in ₹ crore unless otherwise stated)

**3.8 Employee Benefits**

**(a) Short-term Employee Benefits**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

**(b) Long-term Employee Benefits**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

**(c) Post-employment Obligation:**

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity for its eligible employees, pension plan for its senior managers; and
- Defined contribution plans such as provident fund.

**(i) Pension and gratuity obligation:**

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in ₹ is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**(ii) Provident fund:**

Contributions to Provident Fund made to Regional Provident Fund Commissioner in respect of Employees' Provident Fund based on the statutory provisions are charged to Statement of Profit and Loss on accrual basis.

**(d) Other Employee Benefits**

The Company contributes to Employees State Insurance Scheme and recognises such contribution as an expense in the Statement of Profit and Loss in the period when services are rendered by the employees.

(All amounts in ₹ crore unless otherwise stated)

**3.9 Functional Currency**

**3.9.1 Functional and presentation currencies:**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). i.e., in Indian rupees (₹) and all values are rounded off to nearest lakhs except where otherwise indicated.

**3.9.2 Transactions and balances:**

- Foreign currency transactions are translated into functional currency using exchange rates at the date of transaction.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

**3.10 Borrowing cost**

Borrowing costs are expensed in the period in which they are incurred.

**3.11 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of the transactions of non-cash nature as permitted by Ind AS 7.

**3.12 Earnings Per Share**

In accordance with Ind AS 33, the basic earnings per share is computed by dividing the net profit / loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share, only potential equity shares that are dilutive and that reduce profit per share are included.

**3.13 Impairment of non-financial assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**3.14 Lease**

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116. The Company as a lessee, assesses, whether the contract is, or contains a lease. A contract is, or contains a lease if the contract involves:-

- (a) the use of an identified asset,
- (b) the right to obtain substantially all the economic benefits from use of the identified asset,
- (c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognises a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short-term) and low-value assets.

The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use assets.

(All amounts in ₹ crore unless otherwise stated)

For lease liabilities at inception, the Company measures the lease liability at the present value of the lease payments that are not paid at that date.

The lease payments are discounted using the incremental borrowing rate.

For short-term leases and low value assets (assets of less than ₹ 500,000 in value) the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

Lease payments have been classified as Cash flow used in financing activities.

**3.15 Segment reporting**

There is no separate reportable segment as per Ind AS 108 on 'Operating Segments' in respect of the Company.

**3.16 Provisions**

A provision is recorded when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

**3.17 Contingent liabilities**

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are considered as contingent liabilities. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

**3.18 Equity**

Equity shares are classified as equity. Distributions to holders of an equity instrument are recognised by the entity directly in equity. Transaction costs of an equity transaction shall be accounted for as a deduction from equity.

(All amounts in ₹ crore unless otherwise stated)

**NOTE 4 Cash and Cash Equivalents**

S.No.	Description	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
a)	Cash on hand*	4.91	2.49
b)	Balance with banks		
	- Current accounts	1,741.10	1,522.84
	- Deposits	15.41	14.60
	<b>Total</b>	<b>1,761.42</b>	<b>1,539.93</b>

\* Includes cash collected from borrowers as on Balance Sheet date subsequently deposited with Bank.

**Cash and Cash Equivalents for the purpose of Cash Flow Statement**

S.No.	Description	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
a)	Cash and Cash equivalents as shown above	1,761.42	1,539.93
b)	Less: Overdrafts utilised (Grouped under Borrowings (other than debt securities) - Note 18)	0.09	0.16
	<b>Total</b>	<b>1,761.33</b>	<b>1,539.77</b>

**NOTE 5 Bank Balance other than Cash and Cash equivalents\***

S.No.	Description	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
a)	Bank Balance other than Cash and Cash equivalents	5.90	5.72
	<b>Total</b>	<b>5.90</b>	<b>5.72</b>

\* Balance maintained in Fixed Deposits as Cash Collateral towards Cash Credit (CC) facilities.

**NOTE 6 Derivative Financial Instruments**

S.No.	Description	As at 31 <sup>st</sup> March 2024		
		Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
a)	Other Derivatives - Cross Currency Swap Derivatives designated as cash flow hedges	751.50	90.67	-
	<b>Total</b>	<b>751.50</b>	<b>90.67</b>	<b>-</b>

S.No.	Description	As at 31 <sup>st</sup> March 2023		
		Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
b)	Other Derivatives - Cross Currency Swap Derivatives designated as cash flow hedges	1,473.21	170.86	-
	<b>Total</b>	<b>1,473.21</b>	<b>170.86</b>	<b>-</b>

The Company has a Board-approved policy for entering into derivative transactions. Derivative transactions comprises Cross Currency Interest Rate Swaps (CCIRS). The Company undertakes such transactions for hedging interest/foreign exchange risk on borrowings. The Asset Liability Management Committee periodically monitors and reviews the risks involved

The notional amount for CCIRS represents underlying foreign currency borrowings for which the Company has entered to hedge the variable interest rate and foreign exchange risks.

(All amounts in ₹ crore unless otherwise stated)

**NOTE 7 Trade Receivables**

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31 <sup>st</sup> March 2024					
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
i.	Undisputed Trade Receivables – considered good	117.20	-	-	-	-	117.20
ii.	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
iii.	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
iv.	Disputed Trade Receivables – considered good	-	-	-	-	-	-
v.	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
vi.	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	<b>Total</b>	<b>117.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>117.20</b>

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31 <sup>st</sup> 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	-	-	-	-	-	-
	<b>Total</b>	<b>64.36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64.36</b>

**NOTE 8 Loans**

S.No.	Description	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
		Amortised Cost	
a)	Term Loans		
	i) Automobile Financing	18,408.49	15,449.23
	ii) Consumer Lending	7,719.97	4,793.90
	iii) Small Business Lending	277.86	1,012.02
	<b>Total Loans - Gross</b>	<b>26,406.31</b>	<b>21,255.15</b>
b)	Less: Impairment Loss Allowance	936.07	710.06
c)	<b>Total Loans - Net (a) - (b)</b>	<b>25,470.24</b>	<b>20,545.09</b>
	<b>Nature</b>		
a)	Secured by Tangible Assets	20,897.00	15,893.44
b)	Unsecured Loans	5,509.31	5,361.71
c)	<b>Total Gross (a) + (b)</b>	<b>26,406.31</b>	<b>21,255.15</b>
d)	Less: Impairment Loss Allowance	936.07	710.06
e)	<b>Total - Net (c) - (d)</b>	<b>25,470.24</b>	<b>20,545.09</b>

(All amounts in ₹ crore unless otherwise stated)

**NOTE 8 Loans (Contd.)**

S.No.	Description	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
i)	Loans in India		
	Public Sector	-	-
	Others	26,406.31	21,255.15
	<b>Total Gross</b>	<b>26,406.31</b>	<b>21,255.15</b>
	Less: Impairment Loss Allowance	936.07	710.06
	<b>Total - Net</b>	<b>25,470.24</b>	<b>20,545.09</b>
ii)	Loans Outside India	-	-
iii)	<b>Total Loans (i) + (ii)</b>	<b>25,470.24</b>	<b>20,545.09</b>

- Secured indicates loans secured, wholly or partly, by way of hypothecation of automobile assets and / or equitable mortgage of property and / or equipment.
- The stock of loan (automobile finance) includes 5,863 nos repossessed vehicles as at Balance Sheet date. (As at 31<sup>st</sup> March 2023: 6,958 nos).
- The term loans include loans given to related parties (refer note 41) and these loans which have been granted to related parties are specified with terms or period of repayment. These loans have been classified under Stage 1 category at the various reporting periods and related impairment provision as per the Company's accounting policy has been created.
- There is no divergence in asset classification and provisioning for NPAs with respect to RBI's supervisory inspection for the year ended 31<sup>st</sup> March 2022.
- Percentage (%) of Gold Loan to Total Assets as on 31<sup>st</sup> March 2024 is 0.00% (as per rounding up norms of the Company).

**NOTE 9 Investments**

S.No.	Description	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>A</b>	<b>At Cost:</b>		
a)	Investment in Government Securities	93.46	-
<b>B</b>	<b>At fair value through other comprehensive income:</b>		
a)	Investment in Alternative Instrument fund: 40,000 units of Eight Innovate Fund II (31 <sup>st</sup> March 2023: Nil)	4.00	-
b)	Investment in Compulsory Convertible Debentures 25 (31 <sup>st</sup> March 2023 : Nil) 0.001% Compulsorily convertible debentures of ₹1,00,000 each in Hyper Grocers Private Limited	0.25	-
	<b>Total - Gross (A)</b>	<b>97.71</b>	<b>-</b>
	(i) Investments outside India	-	-
	(ii) Investments in India	97.71	-
	<b>Total</b>	<b>97.71</b>	<b>-</b>
	Less: Impairment Loss Allowance	-	-
	<b>Total - Net (C) = (A) - (B)</b>	<b>97.71</b>	<b>-</b>

(All amounts in ₹ crore unless otherwise stated)

**NOTE 10 Other Financial Assets**

S.No.	Description	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
a)	Employees Related Receivables	10.49	7.97
b)	Security Deposit for Leased Premises	11.17	9.65
c)	Advances to Related Parties	-	-
d)	Other Financial Assets - Non-Related Parties	0.71	9.74
e)	Deposit with Service Providers	2.65	5.19
	<b>Total Gross</b>	25.02	32.55
	Less: Impairment Loss Allowance	-	9.73
	<b>Total</b>	<b>25.02</b>	<b>22.82</b>

**NOTE 11 Current Tax Assets**

S.No.	Description	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
a)	Opening Balance	(9.59)	7.10
b)	Add: Taxes Paid	337.27	181.27
c)	Less: Taxes Payable	(307.87)	(197.96)
	<b>Total</b>	<b>19.81</b>	<b>(9.59)</b>

**NOTE 12 Deferred Tax Assets/(Liabilities)**

The balance comprises temporary differences attributable to:

S.No.	Description	As at 31 <sup>st</sup> March 2022	Charge/ (Credit) to profit and loss	Charge/ (Credit) to OCI	As at 31 <sup>st</sup> March 2023	Charge/ (Credit) to profit and loss	Charge/ (Credit) to OCI	As at 31 <sup>st</sup> March 2024
	<b>Deferred Tax Assets/(Liabilities) on account of:</b>							
a)	Impairment allowance for financial instruments	101.12	74.04	-	175.16	48.82	-	223.98
b)	Difference between depreciation as per Books of Account and the Income Tax Act, 1961	5.24	(0.40)	-	4.84	0.04	-	4.88
c)	Provision for Compensated Absences and Gratuity	7.20	3.17	1.44	11.81	1.13	2.27	15.21
d)	Provision for Pension	3.47	0.19	(1.20)	2.46	0.18	0.19	2.83
e)	Expenses Disallowed under Section 40 (a) (ia)	10.57	11.93	-	22.50	24.16	-	46.66
f)	Impact of effective interest rate adjustment on Financial Assets	17.68	(12.78)	-	4.90	43.52	-	48.42
g)	Impact of unwinding the advances to related parties	0.81	(0.81)	-	-	-	-	-
h)	Mark-to-market on derivatives	(4.30)	-	(2.20)	(6.50)	-	4.52	(1.98)
i)	Impact of effective interest rate adjustment on Financial Liabilities	(2.52)	(0.30)	-	(2.82)	(0.42)	-	(3.24)
j)	Impact of Lease Accounting as per Ind AS 116	0.96	0.14	-	1.10	0.10	-	1.20
	<b>Total Deferred Tax Assets/(Liabilities)</b>	<b>140.23</b>	<b>75.18</b>	<b>(1.96)</b>	<b>213.45</b>	<b>117.53</b>	<b>6.98</b>	<b>337.96</b>

(All amounts in ₹ crore unless otherwise stated)

**NOTE 13 Investment Property**

Description	Land	Building	Total
As at 31 <sup>st</sup> March 2024			
Gross carrying amount as at 1 <sup>st</sup> April 2023	85.16	-	85.16
Additions	-	-	-
<b>Sub-total</b>	<b>85.16</b>	<b>-</b>	<b>85.16</b>
Disposals	-	-	-
<b>Closing gross carrying amount (A)</b>	<b>85.16</b>	<b>-</b>	<b>85.16</b>
Depreciation and Amortisation	-	-	-
Opening Accumulated Depreciation	-	-	-
Depreciation/Amortisation charge during the year	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>
Disposals	-	-	-
<b>Closing Accumulated Depreciation and Amortisation (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net carrying value as at 31<sup>st</sup> March 2024 (A)-(B)</b>	<b>85.16</b>	<b>-</b>	<b>85.16</b>
<b>Net carrying value as at 31<sup>st</sup> March 2023</b>	<b>85.16</b>	<b>-</b>	<b>85.16</b>

Description	Land	Building	Total
As at 31 <sup>st</sup> March 2023			
Gross carrying amount as at 1 <sup>st</sup> April 2022	85.16	0.00	85.16
Additions	-	-	-
<b>Sub-total</b>	<b>85.16</b>	<b>0.00</b>	<b>85.16</b>
Disposals	-	-	-
<b>Closing gross carrying amount (A)</b>	<b>85.16</b>	<b>0.00</b>	<b>85.16</b>
Depreciation and Amortisation	-	-	-
Opening Accumulated Depreciation	-	-	-
Depreciation/Amortisation charge during the year	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>
Disposals	-	-	-
<b>Closing accumulated depreciation and amortisation (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net carrying value as at 31<sup>st</sup> March 2023 (A)-(B)</b>	<b>85.16</b>	<b>0.00</b>	<b>85.16</b>

**(i) Fair value**

	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Investment Properties	411.15	411.15

a) The fair value of the investment property is based on the independent valuation obtained by the Company.

b) The title deed of the investment property is in the name of the Company.

(All amounts in ₹ crore unless otherwise stated)

**NOTE 14 Property, Plant and Equipment and Intangible Assets**

Description	Property, Plant and Equipment					Right-to-use Asset	Intangible Assets (Computer Software)
	Computer	Furniture & fixtures	Office equipment	Vehicles	Total		
<b>As at 31<sup>st</sup> March 2024</b>							
Gross carrying amount as at 31 <sup>st</sup> March 2023	43.10	13.26	15.45	1.49	73.30	56.86	18.37
Additions	14.05	7.52	3.19	-	24.75	6.10	2.14
Adjustment due to revaluation and acquisitions through business combinations	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>57.15</b>	<b>20.78</b>	<b>18.64</b>	<b>1.49</b>	<b>98.05</b>	<b>62.96</b>	<b>20.51</b>
Disposals	8.66	0.96	2.15	-	11.77	-	-
<b>Closing gross carrying amount (A)</b>	<b>48.49</b>	<b>19.82</b>	<b>16.49</b>	<b>1.49</b>	<b>86.28</b>	<b>62.96</b>	<b>20.51</b>
<b>Depreciation and Amortisation</b>							
Opening accumulated depreciation	23.32	9.77	10.87	0.10	44.06	28.13	16.42
Depreciation/Amortisation charge during the year	13.27	1.97	2.56	0.19	17.99	8.25	1.15
<b>Sub-Total</b>	<b>36.59</b>	<b>11.74</b>	<b>13.43</b>	<b>0.29</b>	<b>62.05</b>	<b>36.38</b>	<b>17.57</b>
Disposals	8.64	0.90	2.14	-	11.69	-	-
<b>Closing accumulated depreciation and amortisation (B)</b>	<b>27.95</b>	<b>10.84</b>	<b>11.29</b>	<b>0.29</b>	<b>50.36</b>	<b>36.38</b>	<b>17.57</b>
<b>Net carrying value as at 31<sup>st</sup> March 2024 (A)-(B)</b>	<b>20.54</b>	<b>8.98</b>	<b>5.20</b>	<b>1.20</b>	<b>35.92</b>	<b>26.58</b>	<b>2.94</b>
<b>Net carrying value as at 31<sup>st</sup> March 2023</b>	<b>19.78</b>	<b>3.49</b>	<b>4.58</b>	<b>1.39</b>	<b>29.24</b>	<b>28.73</b>	<b>1.95</b>

Description	Property, Plant and Equipment					Right-to-use Asset	Intangible Assets (Computer Software)
	Computer	Furniture & fixtures	Office equipment	Vehicles	Total		
<b>As at 31<sup>st</sup> March 2023</b>							
Gross carrying amount as at 31 <sup>st</sup> 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	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>50.63</b>	<b>13.40</b>	<b>17.20</b>	<b>2.74</b>	<b>83.97</b>	<b>56.86</b>	<b>18.37</b>
Disposals	7.53	0.14	1.75	1.25	10.67	-	-
<b>Closing gross carrying amount (A)</b>	<b>43.10</b>	<b>13.26</b>	<b>15.45</b>	<b>1.49</b>	<b>73.30</b>	<b>56.86</b>	<b>18.37</b>
<b>Depreciation and Amortisation</b>							
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
<b>Sub-Total</b>	<b>30.85</b>	<b>9.90</b>	<b>12.57</b>	<b>0.65</b>	<b>53.97</b>	<b>28.13</b>	<b>16.42</b>
Disposals	7.53	0.13	1.70	0.55	9.91	-	-
<b>Closing accumulated depreciation and amortisation (B)</b>	<b>23.32</b>	<b>9.77</b>	<b>10.87</b>	<b>0.10</b>	<b>44.06</b>	<b>28.13</b>	<b>16.42</b>
<b>Net carrying value as at 31<sup>st</sup> March 2023 (A)-(B)</b>	<b>19.78</b>	<b>3.49</b>	<b>4.58</b>	<b>1.39</b>	<b>29.24</b>	<b>28.73</b>	<b>1.95</b>

There are no proceedings that have been initiated or pending against the Company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1998 and rules made thereunder.

(All amounts in ₹ crore unless otherwise stated)

**NOTE 15 Other Non-Financial Assets**

S.No.	Description	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
a)	Advances to dealers	0.31	0.55
b)	Prepaid Expenses	22.43	27.37
c)	Vendor Advances	33.98	9.24
d)	Balances with GST / Service Tax Department	7.76	5.86
e)	Surplus in gratuity fund	-	2.31
	<b>Total</b>	<b>64.48</b>	<b>45.33</b>

**NOTE 16 Trade Payables**

S.No.	Description	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
(a)	Total outstanding dues of micro enterprises and small enterprises	14.19	19.13
(b)	Total outstanding dues of creditors other than micro enterprises and small enterprises	1,035.09	616.56
	<b>Total</b>	<b>1,049.28</b>	<b>635.69</b>

**NOTE 16.1 Trade Payables (Ageing Schedule)**

The following schedules reflect ageing of trade payables with respect to the date of transactions:

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31 <sup>st</sup> March 2024				
		<1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed dues - MSME*	14.19	-	-	-	14.19
(ii)	Undisputed dues - Others	1,035.09	-	-	-	1,035.09
(iii)	Disputed dues - MSME*	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-
	<b>Total</b>	<b>1,049.28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,049.28</b>

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31 <sup>st</sup> 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	-	-	-	-	-
	<b>Total</b>	<b>635.65</b>	<b>-</b>	<b>0.04</b>	<b>-</b>	<b>635.69</b>

\* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information received by the management. The entire closing balance represents the principal amount payable to these enterprises. There are no interests due or outstanding on the same.

**NOTE 16.2 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

Under Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars are furnished below:

(All amounts in ₹ crore unless otherwise stated)

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting period:		
- Principal	14.19	19.13
- Interest	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

**NOTE 17 Debt Securities**

Description	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>At Amortised Cost</b>		
Commercial Paper (Unsecured)	-	1,382.04
Non-Convertible Debentures (Secured)	1,450.00	1,225.00
<b>Total (A)</b>	<b>1,450.00</b>	<b>2,607.04</b>
Debt Securities in India	1,450.00	2,607.04
Debt Securities outside India	-	-
<b>Total (B)</b>	<b>1,450.00</b>	<b>2,607.04</b>

**NOTE 18 Borrowings (Other Than Debt Securities)**

Description	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>At Amortised Cost</b>		
(a) Term Loans (Secured)		
i) From Banks	13,521.94	10,243.50
ii) From other Parties	839.78	200.00
iii) External Commercial Borrowings	833.00	1,615.27
(b) Loans Repayable on Demand		
i) Cash Credit from Banks (Secured)	0.09	0.16
ii) Working Capital Demand Loan (Secured)	3,372.00	2,195.00
iii) Working Capital Demand Loan (Unsecured)	425.00	265.00
<b>Total (A)</b>	<b>18,991.81</b>	<b>14,518.93</b>
Borrowings in India	18,158.81	12,903.66
Borrowings outside India	833.00	1,615.27
<b>Total (B)</b>	<b>18,991.81</b>	<b>14,518.93</b>

(All amounts in ₹ crore unless otherwise stated)

**NOTE 19 Subordinated Liabilities**

Description	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>At Amortised Cost - Unsecured</b>		
(a) Perpetual Debt Instruments to the extent that do not qualify as equity	99.91	99.88
(b) Other Subordinated Liabilities		
(i) From Banks	-	100.00
(ii) From Others	2,046.71	1,544.92
<b>Total (A)</b>	<b>2,146.62</b>	<b>1,744.80</b>
Subordinated Liabilities in India	2,146.62	1,744.80
Subordinated Liabilities outside India	-	-
<b>Total (B)</b>	<b>2,146.62</b>	<b>1,744.80</b>

- Refer Annexure for the terms of the debt securities, borrowings and subordinated liabilities.
- The Company has utilised the borrowed funds for the purposes for which the fund is obtained.
- The Company has not been declared a wilful defaulter by any Bank or Financial Institution or other lenders.
- There are no charges or satisfaction yet to be registered with ROC beyond the statutory time period.
- There are no unhedged foreign currency exposures.
- The Company has not breached any covenant of loan availed or debt securities issued.
- Change in Liabilities Arising from Financing Activities.

Particulars	As at 1 <sup>st</sup> April 2023	Cash Flows	Exchange Differences	Other	As at 31 <sup>st</sup> March 2024
Debt Securities	2,607.04	(1,175.00)	-	17.96	1,450.00
Borrowings other than Debt Securities	14,518.93	4,537.97	(62.06)	(3.03)	18,991.81
Subordinated Liabilities	1,744.80	400.38	-	1.45	2,146.62
<b>Total</b>	<b>18,870.77</b>	<b>3,763.35</b>	<b>(62.06)</b>	<b>16.38</b>	<b>22,588.43</b>

Particulars	As at 1 <sup>st</sup> April 2022	Cash Flows	Exchange Differences	Other	As at 31 <sup>st</sup> March 2023
Debt Securities	2,213.68	400.00	-	(6.64)	2,607.04
Borrowings other than Debt Securities	9,457.10	4,985.11	78.41	(1.69)	14,518.93
Subordinated Liabilities	1,293.34	450.00	-	1.46	1,744.80
<b>Total</b>	<b>12,964.11</b>	<b>5,835.11</b>	<b>78.41</b>	<b>(6.86)</b>	<b>18,870.77</b>

- Other column represents the amortisation of processing fees
- Liabilities represents Debt Securities, Borrowings (other than Debt Securities) and Subordinated Liabilities

(All amounts in ₹ crore unless otherwise stated)

Annexure

Terms of the Debt Securities, Borrowings and Subordinated Liabilities as at 31<sup>st</sup> March 2024

Institution	Amount Outstanding as at 31 <sup>st</sup> March 2024	Type of Security	Interest Rate	Total Instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
<b>Debt Securities</b>								
Non-convertible Debentures	800.00	Secured	8.30%	2	2	Bullet	14/08/2025	12/09/2025
Non-convertible Debentures	425.00	Secured	8.15%	2	2	Bullet	19/09/2024	18/10/2024
Non-convertible Debentures	225.00	Secured	8.40%	1	1	Bullet	26/06/2026	26/06/2026
	<b>1,450.00</b>							
<b>Loan repayable on demand</b>								
	3,372.09	Secured	7.40%	Repayable on demand				
	425.00	Unsecured	8.71%					
	<b>3,797.09</b>							
<b>Term Loan</b>								
Bank	62.49	Secured	6.30%	8	2	Quarterly	31/12/2022	30/09/2024
Bank	125.00	Secured	6.30%	8	4	Quarterly	31/05/2023	28/02/2025
Bank	299.95	Secured	7.00%	10	6	Quarterly	30/04/2023	30/07/2025
Bank	489.08	Secured	7.59%	10	7	Quarterly	30/09/2023	31/12/2025
Bank	746.10	Secured	8.34%	15	14	Quarterly	31/03/2024	01/10/2027
Bank	99.22	Secured	7.70%	39	39	Monthly	31/07/2024	30/09/2027
Bank	499.95	Secured	8.25%	11	11	Quarterly	01/10/2024	01/04/2027
Bank	281.22	Secured	8.30%	16	15	Quarterly	29/03/2024	29/12/2027
Bank	124.99	Secured	7.94%	4	2	Quarterly	30/11/2023	31/08/2024
Bank	299.90	Secured	8.35%	14	14	Quarterly	31/08/2024	30/11/2027
Bank	200.00	Secured	7.00%	1	1	Bullet	27/10/2024	27/10/2024
Bank	400.00	Secured	8.10%	1	1	Bullet	29/05/2026	29/05/2026
Bank	124.97	Secured	8.26%	6	5	Half Yearly	30/08/2024	30/08/2025
Bank	41.67	Secured	7.75%	36	3	Monthly	25/07/2021	24/06/2024
Bank	83.34	Secured	7.50%	36	6	Monthly	28/10/2021	27/09/2024
Bank	62.53	Secured	8.27%	36	9	Monthly	31/01/2022	30/12/2024
Bank	175.58	Secured	5.60%	37	13	Monthly	30/04/2022	29/04/2025
Bank	324.30	Secured	6.35%	37	16	Monthly	29/07/2022	28/07/2025
Bank	291.18	Secured	7.25%	12	7	Quarterly	23/03/2023	21/01/2026
Bank	59.33	Secured	7.60%	37	22	Monthly	02/02/2023	21/01/2026
Bank	40.00	Secured	7.75%	12	8	Quarterly	20/05/2023	21/03/2026
Bank	58.38	Secured	7.75%	37	24	Monthly	20/03/2023	21/03/2026
Bank	249.45	Secured	7.25%	12	8	Quarterly	30/06/2023	28/04/2026
Bank	456.44	Secured	7.10%	16	13	Quarterly	30/09/2023	29/06/2027

(All amounts in ₹ crore unless otherwise stated)

Institution	Amount Outstanding as at 31 <sup>st</sup> March 2024	Type of Security	Interest Rate	Total Instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Bank	151.61	Secured	7.10%	16	13	Quarterly	30/09/2023	30/06/2027
Bank	335.70	Secured	7.10%	16	14	Quarterly	27/12/2023	26/09/2027
Bank	100.63	Secured	7.54%	16	14	Quarterly	27/12/2023	26/09/2027
Bank	374.60	Secured	7.15%	15	12	Quarterly	29/02/2024	30/11/2027
Bank	93.65	Secured	7.15%	12	12	Quarterly	26/03/2024	27/03/2027
Bank	749.18	Secured	7.10%	39	39	Monthly	30/04/2024	30/06/2027
Bank	249.97	Secured	8.25%	1	1	Bullet	29/09/2025	29/09/2025
Bank	249.92	Secured	8.25%	1	1	Bullet	30/06/2026	30/06/2026
Bank	299.95	Secured	8.50%	10	6	Quarterly	02/06/2023	02/09/2025
Bank	299.95	Secured	8.50%	10	6	Quarterly	29/06/2023	01/10/2025
Bank	100.00	Secured	7.28%	10	5	Quarterly	31/01/2023	30/04/2025
Bank	249.98	Secured	8.08%	10	10	Quarterly	29/04/2024	29/07/2026
Bank	249.98	Secured	8.20%	10	10	Quarterly	20/07/2024	20/10/2026
Bank	100.00	Secured	7.10%	13	13	Quarterly	30/06/2024	30/06/2027
Bank	300.00	Secured	8.15%	8	8	Quarterly	11/03/2025	08/12/2026
Bank	329.95	Secured	8.03%	10	7	Quarterly	31/07/2023	31/10/2025
Bank	349.94	Secured	8.65%	10	7	Quarterly	30/09/2023	31/12/2025
Bank	919.84	Secured	8.35%	10	8	Quarterly	31/03/2024	30/06/2026
Bank	458.23	Secured	8.35%	12	11	Quarterly	29/02/2024	30/11/2026
Bank	49.96	Secured	8.30%	12	12	Quarterly	30/06/2024	31/03/2027
Bank	124.93	Secured	8.40%	8	4	Quarterly	23/06/2023	23/03/2025
Bank	156.25	Secured	8.40%	8	5	Quarterly	20/07/2023	20/04/2025
Bank	333.20	Secured	8.40%	12	8	Quarterly	10/05/2023	10/02/2026
Bank	999.73	Secured	8.25%	11	11	Quarterly	27/06/2024	27/03/2027
Bank	299.73	Secured	8.25%	1	1	Bullet	27/03/2025	27/03/2025
Others	299.94	Secured	8.00%	43	43	Monthly	20/06/2024	20/12/2027
Others	499.84	Secured	8.25%	12	12	Quarterly	10/06/2024	10/03/2027
Others	40.00	Secured	7.85%	5	1	Quarterly	05/05/2023	30/04/2024
Bank-ECB	833.00	Secured	6.92%	1	1	Bullet	02/12/2024	02/12/2024
	<b>15,194.72</b>							

(All amounts in ₹ crore unless otherwise stated)

Institution	Amount Outstanding as at 31 <sup>st</sup> March 2024	Type of Security	Interest Rate	Total Instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
<b>Subordinated Liabilities</b>								
Perpetual Debt	99.91	Unsecured	11.50%	1	1	Bullet	25/11/2027	25/11/2027
<b>Other Subordinated Liabilities:</b>								
Others	99.90	Unsecured	10.90%	1	1	Bullet	07/08/2024	07/08/2024
Others	99.00	Unsecured	8.85%	1	1	Bullet	02/06/2027	02/06/2027
Others	350.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	148.57	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	148.87	Unsecured	9.40%	1	1	Bullet	26/08/2026	26/08/2026
Others	95.00	Unsecured	9.50%	1	1	Bullet	18/01/2028	18/01/2028
Others	305.00	Unsecured	9.50%	1	1	Bullet	31/01/2028	31/01/2028
Others	200.00	Unsecured	9.35%	1	1	Bullet	29/08/2028	29/08/2028
Others	100.00	Unsecured	10.00%	1	1	Bullet	01/07/2026	01/07/2026
Others	500.37	Unsecured	9.30%	1	1	Bullet	27/06/2029	27/06/2029
<b>Total</b>	<b>2,046.71</b>							
<b>Subordinated Liabilities Total</b>	<b>2,146.62</b>							

Terms of the Debt Securities, Borrowings and Subordinated Liabilities as at 31st March 2023

Institution	Amount Outstanding as at 31 <sup>st</sup> March 2023	Type of Security	Interest Rate	Total Instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Commercial Paper	396.25	Unsecured	7.75%	1	1	Bullet	16/05/2023	16/05/2023
Commercial Paper	739.51	Unsecured	8.27%	1	1	Bullet	05/06/2023	05/06/2023
Commercial Paper	246.28	Unsecured	8.27%	1	1	Bullet	07/06/2023	07/06/2023
Non-convertible Debentures	800.00	Secured	8.30%	2	2	Bullet	14/08/2025	12/09/2025
Non-convertible Debentures	425.00	Secured	8.15%	2	2	Bullet	19/09/2024	18/10/2024
	<b>2,607.04</b>							
<b>Loan repayable on demand</b>	2,195.16	Secured	7.40%	Repayable on demand				
	265.00	Unsecured	8.10%					
	<b>2,460.16</b>							

(All amounts in ₹ crore unless otherwise stated)

Institution	Amount Outstanding as at 31 <sup>st</sup> March 2023	Type of Security	Interest Rate	Total Instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
<b>Term Loan</b>								
Bank	74.99	Secured	8.40%	8	3	Quarterly	18/02/2022	18/11/2023
Bank	149.98	Secured	7.85%	8	4	Quarterly	29/06/2022	29/03/2024
Bank	187.47	Secured	6.30%	8	6	Quarterly	21/12/2022	30/09/2024
Bank	250.00	Secured	6.30%	8	8	Quarterly	31/05/2023	28/02/2025
Bank	499.92	Secured	7.00%	10	10	Quarterly	30/04/2023	30/07/2025
Bank	698.56	Secured	7.59%	10	10	Quarterly	01/07/2023	01/10/2025
Bank	416.63	Secured	7.70%	12	10	Quarterly	26/11/2022	26/08/2025
Bank	149.91	Secured	7.90%	12	6	Quarterly	30/09/2024	31/12/2025
Bank	249.84	Secured	7.80%	10	10	Quarterly	31/07/2023	31/10/2025
Bank	166.53	Secured	8.00%	12	8	Quarterly	25/09/2022	25/03/2025
Bank	200.00	Secured	7.00%	1	1	Bullet	27/10/2024	27/10/2024
Bank	24.99	Secured	7.25%	10	1	Quarterly	04/08/2022	04/05/2023
Bank	199.97	Secured	8.00%	1	1	Bullet	01/05/2024	01/05/2024
Bank	150.00	Secured	8.76%	1	1	Bullet	25/10/2024	25/10/2024
Bank	50.00	Secured	8.76%	6	2	Half Yearly	12/08/2022	01/02/2024
Bank	300.00	Secured	7.25%	4	4	Quarterly	20/11/2023	20/05/2025
Bank	41.67	Secured	8.40%	36	5	Monthly	21/09/2020	21/08/2023
Bank	50.00	Secured	8.57%	36	9	Monthly	31/01/2021	31/12/2023
Bank	208.31	Secured	7.75%	36	15	Monthly	25/07/2021	24/06/2024
Bank	250.00	Secured	7.50%	36	18	Monthly	28/10/2021	27/09/2024
Bank	145.80	Secured	8.37%	36	21	Monthly	31/01/2022	30/12/2024
Bank	337.76	Secured	5.60%	37	25	Monthly	30/04/2022	29/04/2025
Bank	567.53	Secured	6.35%	37	28	Monthly	29/07/2022	28/07/2025
Bank	457.58	Secured	7.25%	12	11	Quarterly	23/03/2023	21/01/2026
Bank	91.74	Secured	7.60%	37	34	Monthly	02/02/2023	21/01/2026
Bank	60.00	Secured	7.75%	12	12	Quarterly	20/05/2023	21/03/2026
Bank	87.57	Secured	7.75%	37	36	Monthly	20/03/2023	21/03/2026
Bank	374.18	Secured	7.25%	12	12	Quarterly	30/06/2023	28/04/2026
Bank	120.00	Secured	8.50%	10	6	Quarterly	29/04/2022	29/07/2024
Bank	120.00	Secured	8.50%	10	6	Quarterly	13/05/2022	13/08/2024
Bank	249.95	Secured	7.50%	1	1	Bullet	30/09/2025	30/09/2025
Bank	499.91	Secured	7.65%	10	10	Quarterly	02/06/2023	02/09/2025
Bank	100.00	Secured	7.75%	10	10	Quarterly	29/06/2023	29/09/2025
Bank	399.91	Secured	7.75%	10	10	Quarterly	01/07/2023	01/10/2025
Bank	180.00	Secured	7.00%	10	9	Quarterly	31/01/2023	30/04/2025
Bank	33.32	Secured	8.50%	36	12	Monthly	30/04/2021	30/03/2024
Bank	199.91	Secured	8.03%	10	10	Quarterly	30/06/2023	30/09/2025
Bank	300.00	Secured	8.03%	10	10	Quarterly	31/07/2023	31/10/2025
Bank	499.90	Secured	8.10%	10	10	Quarterly	30/09/2023	30/12/2025

(All amounts in ₹ crore unless otherwise stated)

Institution	Amount Outstanding as at 31 <sup>st</sup> March 2023	Type of Security	Interest Rate	Total Instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Bank	249.86	Secured	7.60%	8	8	Quarterly	23/06/2023	23/03/2025
Bank	250.00	Secured	7.60%	8	8	Quarterly	20/07/2023	20/04/2025
Bank	499.83	Secured	7.50%	12	12	Quarterly	10/05/2023	10/02/2026
Bank	99.98	Secured	8.75%	10	4	Quarterly	19/12/2021	19/03/2024
Others	200.00	Secured	7.60%	5	5	Quarterly	05/05/2023	30/06/2024
Bank-ECB	410.43	Secured	6.94%	1	1	Bullet	13/07/2023	13/07/2023
Bank-ECB	385.94	Secured	6.94%	1	1	Bullet	19/10/2023	19/10/2023
Bank-ECB	818.90	Secured	6.92%	1	1	Bullet	02/12/2024	02/12/2024
	<b>12,058.77</b>							
<b>Subordinated Liabilities</b>								
<b>Perpetual Debt</b>	99.88	Unsecured	11.50%	1	1	Bullet	25/11/2027	25/11/2027
<b>Other Subordinated Liabilities:</b>								
Bank	50.00	Unsecured	9.70%	1	1	Bullet	29/05/2023	29/05/2023
Bank	50.00	Unsecured	10.48%	1	1	Bullet	24/07/2023	24/07/2023
Others	99.60	Unsecured	10.90%	1	1	Bullet	07/08/2024	07/08/2024
Others	99.00	Unsecured	8.85%	1	1	Bullet	02/06/2027	02/06/2027
Others	350.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	148.17	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	148.15	Unsecured	9.40%	1	1	Bullet	26/08/2026	26/08/2026
Others	95.00	Unsecured	9.50%	1	1	Bullet	18/01/2028	18/01/2028
Others	305.00	Unsecured	9.50%	1	1	Bullet	31/01/2028	31/01/2028
Others	200.00	Unsecured	9.35%	1	1	Bullet	29/08/2028	29/08/2028
Others	100.00	Unsecured	10.00%	1	1	Bullet	01/07/2026	01/07/2026
<b>Total</b>	<b>1,644.92</b>							
<b>Subordinated Liabilities Total</b>	<b>1,744.80</b>							

#### Details of Security

- Non-convertible Debentures of ₹ 1,450.00 crore inclusive of Current and Non-Current Dues (As at 31<sup>st</sup> March 2023 ₹ 1,225.00 crore) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Company.
- Term Loan received from Banks and Other Parties of ₹ 15,194.72 crore inclusive of Current and Non-Current Dues (As at 31<sup>st</sup> March 2023 ₹ 12,058.77 crore) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Company.
- Working Capital Demand Loan and Cash Credit of ₹ 3,372.09 crore (As at 31<sup>st</sup> March 2023 ₹ 2,195.16 crore) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Company.

#### External Commercial Borrowings

During the previous year, the Company had raised funds in the overseas market amounting to ₹ 751.50 crore (equivalent to USD 100 million) under External Commercial Borrowings (ECB) accessed through automatic route after receiving the Loan Registration Number from RBI as per ECB Master Directions. These are unlisted instruments, for total duration of 3 years and the loan has been fully hedged. The net proceeds from the issue of these ECB were applied for the purpose of on-lending, in accordance with the directions issued by the RBI.

(All amounts in ₹ crore unless otherwise stated)

**NOTE 20 Other Financial Liabilities**

S.No.	Description	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
a)	Interest Accrued But Not Due	179.30	154.78
b)	Employee Related Liabilities	166.08	139.40
c)	Security Deposit	137.23	64.39
d)	Lease Liability (refer Note 40)	31.36	33.11
	<b>Total</b>	<b>513.97</b>	<b>391.68</b>

**NOTE 21 Provisions**

S.No.	Description	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
a)	Pension	11.23	9.78
b)	Gratuity	0.57	-
c)	Compensated Absences	55.79	42.89
	<b>Total</b>	<b>67.59</b>	<b>52.67</b>

**NOTE 22 Other Non-Financial Liabilities**

S.No.	Description	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
a)	Statutory Dues	52.80	31.39
	<b>Total</b>	<b>52.80</b>	<b>31.39</b>

**NOTE 23 Equity Share Capital**

**a) Terms/Rights Attached to Equity Shares**

The Company has only one class of equity shares having a par value of ₹10 per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except for interim dividend. Repayment of capital will be in proportion to the number of equity shares held.

S.No.	Description	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>b)</b>	<b>Authorised Share Capital:</b>		
	300,000,000 (As at 31 <sup>st</sup> March 2023 : 250,000,000) equity shares of ₹10 each	300.00	250.00
	20,000,000 (As at 31 <sup>st</sup> March 2023 : Nil) 0.001% Compulsorily convertible preference shares of ₹10 each	20.00	-
	<b>Total</b>	<b>320.00</b>	<b>250.00</b>
<b>c)</b>	<b>Issued, Subscribed and Paid-up:</b>		
	<b>Equity Share:</b>		
	228,223,926 (As at 31 <sup>st</sup> March 2023 : 228,223,926) equity shares of ₹10 each	228.22	201.20
	<b>Total</b>	<b>228.22</b>	<b>201.20</b>
	<b>Instruments entirely equity share in nature:</b>		
	18,384,684 (As at 31 <sup>st</sup> March 2023 : Nil) 0.001% Compulsorily convertible preference shares of ₹10 each	18.38	-
	<b>Total</b>	<b>18.38</b>	<b>-</b>

(All amounts in ₹ crore unless otherwise stated)

**NOTE 23 Equity Share Capital (Contd.)**

**d) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:**

**Equity Share:**

Particulars	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	228,223,926	228.22	201,196,900	201.20
Changes due to prior period errors	-	-	-	-
<b>Restated shares at the beginning of the year</b>	<b>228,223,926</b>	<b>228.22</b>	<b>201,196,900</b>	<b>201.20</b>
Add: Issued during the year	-	-	27,027,026	27.03
<b>At the end of the year</b>	<b>228,223,926</b>	<b>228.22</b>	<b>228,223,926</b>	<b>228.22</b>

**0.001% Compulsorily convertible preference shares:**

Particulars	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	-	-	-	-
Changes due to prior period errors	-	-	-	-
<b>Restated shares at the beginning of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Add: Issued during the year	18,384,684	18.38	-	-
<b>At the end of the year</b>	<b>18,384,684</b>	<b>18.38</b>	<b>-</b>	<b>-</b>

**e) Number of Shares held by Holding Companies**

Particulars	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Equity Shares:</b>		
TVS Motor Company Limited	195,424,754	195,424,754
<b>0.001% Compulsorily convertible preference shares:</b>		
TVS Motor Company Limited	3,169,773	-

**f) Number of Shares held by Shareholders holding more than 5% of total shares as at the end of the year**

Name of the Shareholders	As at 31 <sup>st</sup> March 2024		As at 31 <sup>st</sup> March 2023	
	No. of Shares	% of Holding	No. of Shares	% of Holding
<b>Equity Shares:</b>				
TVS Motor Company Limited	195,424,754	85.63%	195,424,754	85.63%
<b>0.001% Compulsorily convertible preference shares:</b>				
TVS Motor Company Limited	3,169,773	17.24%	-	-
PI Opportunities Fund I Scheme II	15,214,911	82.76%	-	-

**g) Shares held by promoters at the end of year**

Promoter Name	No. of Shares	% of Total Shares	% change during the year
<b>Equity Shares:</b>			
TVS Motor Company Limited	195,424,754	85.63%	-
<b>0.001% Compulsorily convertible preference shares:</b>			
TVS Motor Company Limited	3,169,773	17.24%	17.24%

(All amounts in ₹ crore unless otherwise stated)

**NOTE 24 Other Equity**

Description	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
a) Securities Premium Reserves	1,874.19	1,336.35
b) Statutory Reserve	356.40	242.03
c) Retained Earnings	1,385.86	934.94
d) Other Reserves	5.89	19.32
<b>Total Reserves and Surplus</b>	<b>3,622.34</b>	<b>2,532.64</b>

a) Securities Premium Reserves	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Opening balance	1,336.35	863.38
Additions during the year	537.84	472.97
Deductions/Adjustments during the year	-	-
<b>Closing balance</b>	<b>1,874.19</b>	<b>1,336.35</b>

b) Statutory Reserve	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Opening balance	242.03	164.30
Transfer from retained earnings	114.37	77.73
Deductions/Adjustments during the year	-	-
<b>Closing balance</b>	<b>356.40</b>	<b>242.03</b>

c) Retained Earnings	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Opening balance	934.94	624.11
Net profit for the year	572.56	389.28
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation net-off tax	(7.28)	(0.72)
Transfer to Statutory Reserve	(114.37)	(77.73)
<b>Closing balance</b>	<b>1,385.86</b>	<b>934.94</b>

d) Other Reserves - Hedge Reserve	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
Opening balance	19.32	12.80
Add: Change in fair value of hedging instruments, net of tax for the year	(13.43)	6.52
<b>Closing balance</b>	<b>5.89</b>	<b>19.32</b>

**Securities Premium:**

The reserve represents premium on issue of shares. It will be utilised in accordance with the provisions of the Companies Act, 2013.

**Statutory Reserves:**

According to Section 45 - IC of the Reserve Bank of India Act, 1934, the Company transfers a sum not less than 20% of its net profit every year as disclosed in the statement of Profit and Loss and before declaration of any dividend to the Statutory reserves.

**Retained Earnings:**

Represents Company's cumulative undistributed earnings since its inception. This is available for distribution to shareholders through dividends/capitalisation.

(All amounts in ₹ crore unless otherwise stated)

**NOTE 25 Interest Income**

Description	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
<b>On Financial assets measured at amortised cost:</b>		
Interest on Loans	5,046.04	3,736.84
Interest on Deposits with Bank	64.98	18.67
Interest on Government Securities	0.05	-
<b>Total</b>	<b>5,111.07</b>	<b>3,755.51</b>

**NOTE 26 Fees and Commission Income**

Description	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Fee-based Income	408.18	307.80
Service Income	186.20	84.42
<b>Total</b>	<b>594.38</b>	<b>392.22</b>

**NOTE 27 Other Operating Income**

Description	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Realisation on sale of written off and stressed loans	85.09	-
<b>Total</b>	<b>85.09</b>	<b>-</b>

**NOTE 28 Other Income**

Description	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Unwinding of discount on security deposits and receivable for investments	0.95	3.92
Other Non-Operating Income	3.88	0.78
Interest on Income Tax Refund	0.64	-
<b>Total</b>	<b>5.47</b>	<b>4.70</b>

**NOTE 29 Finance Costs**

Description	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
<b>Interest cost on financial liabilities measured at amortised cost:</b>		
- Interest on Borrowings (other than Debt Securities)	1,253.76	826.56
- Interest on Debt Securities	216.98	191.67
- Interest on Subordinated Liabilities	172.23	141.51
<b>Other Interest Cost:</b>		
- Interest on Lease Liabilities	2.82	2.08
- Interest on income tax	0.86	-
- Others	6.99	6.46
<b>Total</b>	<b>1,653.64</b>	<b>1,168.28</b>

(All amounts in ₹ crore unless otherwise stated)

**NOTE 30 Impairment of Financial Instruments**

Description	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
<b>On Financial Instruments measured at Amortised Cost</b>		
Bad Debts written off (net)	633.57	136.26
Net Loss on sale of Repossessed assets	274.09	171.46
Impairment Provision on Loans	217.01	321.40
Impairment Provision on Trade Receivables and Other Financial Assets	2.38	0.02
<b>Total</b>	<b>1,127.05</b>	<b>629.14</b>

**NOTE 31 Employee Benefit Expenses**

Description	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Salaries and Wages	1,051.73	922.69
Contribution to Provident and Other Funds	59.01	49.21
Staff Welfare	90.04	67.61
<b>Total</b>	<b>1,200.78</b>	<b>1,039.51</b>

**NOTE 32 Other Expenses**

Description	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Travelling and Conveyance	130.46	124.21
Communication Costs	128.83	152.60
Rent, Taxes and Energy Costs (Refer Note 40c)	34.17	33.03
Repairs & Maintenance	17.26	14.51
Insurance Expenses	0.39	0.69
Legal and Prof Charges	140.59	101.76
Information Technology Expenses	66.70	47.60
Brand Royalty	15.60	-
Auditors Fees and Expenses *	0.67	0.65
Directors Sitting Fees & Commission Expenses	0.95	0.71
Corporate Social Responsibility **	10.00	5.00
Donation ***	13.70	2.83
Printing and Stationery	6.05	9.95
Others	29.18	16.06
<b>Total</b>	<b>594.55</b>	<b>509.60</b>

**\* Auditors Fees and Expenses**

Description	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
Statutory Audit	0.51	0.50
Tax Audit	0.08	0.08
Certification	0.04	0.04
Reimbursement of Expenses	0.04	0.03
<b>Auditors Fees and Expenses</b>	<b>0.67</b>	<b>0.65</b>

(All amounts in ₹ crore unless otherwise stated)

**\*\* Expenditure incurred on Corporate Social Responsibility activities:**

Particulars	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
(i) Amount required to be spent by the Company during the year	5.12	5.00
(ii) Amount of expenditure incurred	10.00	5.00
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	NA	NA
(vi) Nature of CSR activities	-	-
a. Expenses incurred through Trusts	10.00	5.00
<b>Total</b>	<b>10.00</b>	<b>5.00</b>

\*\*\* The Company has made a donation amounting to ₹ 10 crore to Prudent Electoral Trust during the year.

**NOTE 33 Income Tax Expenses**

Description	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
(a) Income tax expense		
Current tax on profits for the year	307.87	197.96
Tax profits relating to prior period	-	-
<b>Total current tax expense</b>	<b>307.87</b>	<b>197.96</b>
Deferred tax		
Decrease/(increase) in deferred tax assets	(117.55)	(75.17)
(Decrease)/increase in deferred tax liabilities	-	-
<b>Total deferred tax expense/(benefit)</b>	<b>(117.55)</b>	<b>(75.17)</b>
<b>Income tax expense for the year</b>	<b>190.32</b>	<b>122.79</b>
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	762.88	512.07
Tax at the Indian tax rate of 25.168% (Year ended 31 <sup>st</sup> March 2023 – 25.168%)	192.00	128.88
Tax effect of amounts which are permanent differences in nature in calculation of taxable income	(1.67)	(6.08)
<b>Income tax expense</b>	<b>190.33</b>	<b>122.80</b>

**NOTE 34 Other Comprehensive Income**

Description	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurement of the defined benefit plans	(9.72)	(0.96)
Income tax relating to these items	2.45	0.24
<b>Items that will be reclassified to profit or loss</b>		
Fair value change on cash flow hedge	(17.95)	8.71
Income tax relating to these items	4.52	(2.19)
<b>Other Comprehensive Income</b>	<b>(20.70)</b>	<b>5.80</b>

(All amounts in ₹ crore unless otherwise stated)

**NOTE 35 Earnings Per Share**

Description	Year ended 31 <sup>st</sup> March 2024	Year ended 31 <sup>st</sup> March 2023
<b>(a) Basic earnings per share</b>		
Basic earnings per share attributable to the equity holders of the Company	25.02	18.75
<b>(b) Diluted earnings per share</b>		
Diluted earnings per share attributable to the equity holders of the Company	23.93	18.75
<b>(c) Reconciliations of earnings used in calculating earnings per share</b>		
Basic earnings per share		
Profit attributable to equity holders of the Company used in calculating basis earnings per share	572.56	389.28
Diluted earnings per share		
Profit attributable to equity holders of the Company used in calculating diluted earnings per share	572.56	389.28
<b>(d) Weighted average number of equity shares used as the denominator in calculating basic earnings per share</b>	228,849,197	207,631,553
<b>(e) Weighted average number of equity shares used as the denominator in calculating diluted earnings per share</b>	239,228,062	207,631,553

**NOTE 36 Employee Benefit Obligations**

**Defined Benefit Obligation**

The Company provides gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised fund in India.

The Company operates defined benefit pension plan, which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

Particulars	Gratuity			Pension			Compensated Absences		
	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total
<b>As at 1<sup>st</sup> April 2022</b>	27.74	(30.56)	(2.81)	13.80	-	13.80	24.54	-	24.54
Current service cost	4.52	-	4.52	-	-	-	-	-	-
Interest expense/(income)	1.99	(2.16)	(0.18)	0.75	-	0.75	2.10	-	2.10
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-	-	-	-	(1.15)	-	(1.15)
Experience (gains)/losses	-	-	-	-	-	-	17.39	-	17.39
<b>Total amount recognised in profit or loss</b>	<b>6.51</b>	<b>(2.16)</b>	<b>4.34</b>	<b>0.75</b>	<b>-</b>	<b>0.75</b>	<b>18.34</b>	<b>-</b>	<b>18.34</b>
Remeasurements									
Return on plan assets, excluding amounts included in interest expense/(income)	-	2.59	2.59	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	(1.29)	-	(1.29)	(1.72)	-	(1.72)	-	-	-
Experience (gains)/losses	4.43	-	4.43	(3.06)	-	(3.06)	-	-	-
<b>Total amount recognised in other comprehensive (income)/losses</b>	<b>3.14</b>	<b>2.59</b>	<b>5.73</b>	<b>(4.78)</b>	<b>-</b>	<b>(4.78)</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employer contributions	-	(9.57)	(9.57)	-	-	-	-	-	-
Benefit payments	(3.54)	3.54	-	-	-	-	-	-	-
<b>As at 31<sup>st</sup> March 2023</b>	<b>33.85</b>	<b>(36.16)</b>	<b>(2.31)</b>	<b>9.77</b>	<b>-</b>	<b>9.77</b>	<b>42.88</b>	<b>-</b>	<b>42.88</b>

(All amounts in ₹ crore unless otherwise stated)

**NOTE 36 Employee Benefit Obligations (Contd.)**

Particulars	Gratuity			Pension			Compensated Absences		
	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total
<b>As at 1<sup>st</sup> April 2023</b>	<b>33.85</b>	<b>(36.16)</b>	<b>(2.31)</b>	<b>9.77</b>	-	<b>9.77</b>	<b>42.88</b>	-	<b>42.88</b>
Current service cost	5.38		5.38			-			-
Interest expense/(income)	2.54	(2.82)	(0.28)	0.74		0.74	3.28		3.28
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-	-	-	-	0.18	-	0.18
Experience (gains)/losses	-	-	-	-	-	-	9.45	-	9.45
<b>Total amount recognised in profit or loss</b>	<b>7.92</b>	<b>(2.82)</b>	<b>5.10</b>	<b>0.74</b>	-	<b>0.74</b>	<b>12.91</b>	-	<b>12.91</b>
Remeasurements									
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.74	0.74	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	0.16	-	0.16	0.22	-	0.22	-	-	-
Experience (gains)/losses	8.10	-	8.10	0.50	-	0.50	-	-	-
<b>Total amount recognised in other comprehensive (income)/losses</b>	<b>8.26</b>	<b>0.74</b>	<b>9.00</b>	<b>0.72</b>	-	<b>0.72</b>	-	-	-
Employer contributions	-	(11.22)	(11.22)	-	-	-	-	-	-
Benefit payments	(5.51)	5.51	-	-	-	-	-	-	-
<b>As at 31<sup>st</sup> March 2024</b>	<b>44.52</b>	<b>(43.95)</b>	<b>0.57</b>	<b>11.23</b>	-	<b>11.23</b>	<b>55.79</b>	-	<b>55.79</b>

Details	Gratuity		Pension		Compensated Absences	
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Discount Rate	6.95%	7.11%	6.95%	7.13%	6.95%	7.10%
Salary Growth Rate	6.00%	6.00%	5.50%	5.50%	6.00%	6.00%
Attrition Rate	36.00%	36.00%	0.00%	0.00%	36.00%	36.00%
Retirement Age	58	58	60	60	58	58
Mortality inclusive of provision for disability	100% of Indian Assured Lives Mortality (IALM)					

**(i) Sensitivity Analysis**

**FY 2023-24**

Particulars	Gratuity			Pension			Compensated Absences		
	Change in Assumption	Due to increase in Assumption	Due to decrease in Assumption	Change in Assumption	Due to increase in Assumption	Due to decrease in Assumption	Change in Assumption	Due to increase in Assumption	Due to decrease in Assumption
Discount Rate	0.50%	44.00	45.03	1.00%	10.07	12.62	0.50%	55.22	56.37
Salary Growth Rate	0.50%	45.02	44.00	1.00%	12.69	10.00	0.50%	56.37	55.22
Mortality	5.00%	44.51	44.51	5.00%	11.15	11.32	5.00%	55.79	55.79

**FY 2022-23**

Particulars	Gratuity			Pension			Compensated Absences		
	Change in Assumption	Due to increase in Assumption	Due to decrease in Assumption	Change in Assumption	Due to increase in Assumption	Due to decrease in Assumption	Change in Assumption	Due to increase in Assumption	Due to decrease in Assumption
Discount Rate	0.50%	33.45	34.23	1.00%	8.69	11.07	0.50%	42.46	43.34
Salary Growth Rate	0.50%	34.22	33.46	1.00%	11.13	8.63	0.50%	43.34	42.46
Mortality	5.00%	33.84	33.84	5.00%	9.71	9.85	5.00%	42.89	42.89

(All amounts in ₹ crore unless otherwise stated)

**NOTE 36 Employee Benefit Obligations (Contd.)**

(ii) The following payments are expected contributions to the defined benefit plan in future years:

Particulars	Amount
Within the next 12 months (next annual reporting period)	36.85
Between 2 and 5 years	71.62
Beyond 5 years	24.14
<b>Total</b>	<b>132.60</b>

(iii) **Risk Exposure:**

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

**Asset Volatility**

The plan liabilities are calculated using a discount rate set with reference to bond yield.

**Changes in Bond Yields**

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

(iv) **Defined Contribution Plans:**

The Company's contribution to defined contribution plan viz., provident fund, of ₹ 40.16 crore (As at 31<sup>st</sup> March 2023: ₹ 30.41 crore) has been recognised in the Statement of Profit and Loss.

**NOTE 37 Fair Value Measurements**

Financial assets and financial liabilities measured at amortised cost, including their levels in the fair value hierarchy:

Particulars	Carrying Amount		Fair Value Hierarchy	Fair Value	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Financial Assets:</b>					
Cash and Cash equivalents	1,761.42	1,539.93	Level 3	1,761.42	1,539.93
Other Bank Balances	5.90	5.72	Level 3	5.90	5.72
Trade Receivables	117.20	64.36	Level 3	117.20	64.36
Loans	25,470.24	20,545.09	Level 3	25,470.24	20,545.09
Investment in Government Securities	93.46	-	Level 1	93.46	-
<u>Other Financial Assets</u>					
Employees Related Receivables	10.49	7.97	Level 3	10.49	7.97
Security Deposit for Leased Premises	11.17	9.65	Level 3	11.17	9.65
Other Financial Assets Non-Related Parties	0.71	0.01	Level 3	0.71	0.01
Deposit with Service Providers	2.65	5.19	Level 3	2.65	5.19
<b>Total</b>	<b>27,473.24</b>	<b>22,177.92</b>		<b>27,473.24</b>	<b>22,177.92</b>

(All amounts in ₹ crore unless otherwise stated)

**NOTE 37 Fair Value Measurements (Contd.)**

Particulars	Carrying Amount		Fair Value Hierarchy	Fair Value	
	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Financial Liabilities:</b>					
Trade Payables	1,049.28	635.69	Level 3	1,049.28	635.69
Debt Securities	1,450.00	2,607.04	Level 3	1,450.00	2,607.04
Borrowings other than Debt Securities	18,991.81	14,518.93	Level 3	18,991.81	14,518.93
Subordinated Liabilities	2,146.62	1,744.80	Level 3	2,146.62	1,744.80
Other Financial Liabilities	513.97	391.68	Level 3	513.97	391.68
<b>Total</b>	<b>24,151.68</b>	<b>19,898.14</b>		<b>24,151.68</b>	<b>19,898.14</b>

**Financial Assets and Liabilities measured at fair value**

Particulars	Fair Value Hierarchy	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023
<b>Financial Assets</b>			
Derivative Financial Instruments	Level 2	90.67	170.86
Investment in Alternate Investment Fund	Level 1	4.00	-
Investment in Compulsory Convertible Debentures	Level 3	0.25	-
<b>Total Financial Assets</b>		<b>94.92</b>	<b>170.86</b>
<b>Financial Liabilities</b>			
Derivative Financial Instruments		-	-
<b>Total Financial Liabilities</b>		<b>-</b>	<b>-</b>

There were no transfers between any levels during the year.

**(i) Fair value hierarchy**

Ind AS 113, 'Fair Value Measurement' requires classification of the valuation method of financial instruments measured at fair value in the Statement of Balance Sheet, using a three-level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 measurements). Fair value of derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. The three levels of the fair-value-hierarchy under Ind AS 113 are described below:

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes publicly traded derivatives and mutual funds that have a quoted price. The quoted market price used for financial assets held by the Company is the current bid price.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**(ii) Valuation Technique used to determine Fair Value**

Specific valuation techniques used to value financial instruments include:

- The Management assessed that Cash and Cash equivalents, bank balance other than Cash and Cash equivalents, receivable, other financial assets, payables and other financial liabilities approximates their carrying amount largely due to short-term maturities of these instruments. The fair value of the investments have been considered as the carrying value of these investments since these investments have been made in the subsidiaries of the Company.
- The majority of borrowings are floating rate borrowings, the carrying value is representative of the fair value.
- The fair values for advance to related parties and rent advance were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.
- The fair value of forward foreign exchange contracts and cross currency interest rate swaps (CCIRS) is determined using forward exchange rates at the balance sheet date.

(All amounts in ₹ crore unless otherwise stated)

**NOTE 38 Financial Risk Management**

The Company's financial assets include loan and advances, investments and cash and cash equivalents that derive directly from its operations. The Company's financial liabilities comprise mainly borrowings from banks, debentures and commercial papers.

The Company is exposed to various risks such as credit risk, liquidity risk, foreign currency risks and interest rate risks.

The Board of Directors have the overall responsibility for the establishment of governance and oversight in relation to the Company's Risk management framework. The Board of Directors have established committees such as the Risk management committee and Asset liability committee for developing and monitoring the Company's risk management policies and treasury policies. The Committees reports regularly to the Board of Directors on its activities.

The Company's Risk management policies are established to identify and analyse the various risks faced by the Company, to set appropriate risk benchmarks limits and controls and to monitor risks and adherence to limits from time to time. The Risk management committee oversees how management monitors compliance with the risk management policies and procedures and other governance framework and reviews the adequacy of the Risk management framework in relation to the various risks faced by the Company from time to time.

**(A) Credit Risk**

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored to determine significant increase in credit risk. The Company monitors the credit assessment on a portfolio basis, assesses all credit exposures in excess of designated limits. The Company does a risk grading based upon the credit worthiness of the borrowers. All these factors are taken into consideration for computation of Expected Credit Loss (ECL).

**Loans**

The following table sets out information about credit quality of retail loan assets measured at amortised cost based on Number of Days past due information. The amount represents the gross carrying value of assets as on each reporting date.

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>Gross Carrying value of Loans</b>		
Stage 1 (Up to 30 Days)	24,357.57	19,691.90
Stage 2 (31-90 Days) <sup>#</sup>	1,305.94	989.54
Stage 3 (More than 90 Days) <sup>*</sup>	742.80	573.71
<b>Total Gross carrying value as on year end</b>	<b>26,406.31</b>	<b>21,255.15</b>

<sup>#</sup> Includes restructured contracts under one time resolution framework vide RBI circular dated 6<sup>th</sup> August, 2020 and RBI/2 021- 22/31/ DOR.STR.REC.11 /21.04.048/2021-22 dated 5<sup>th</sup> May 2021 even though days past due is less than and equal to 30 days on the reporting date.

<sup>\*</sup> 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 7<sup>th</sup> June 2019 irrespective of days past due on the reporting date.

**Other financial assets**

Credit risk with respect to other financial assets are extremely low except "Other Financial Assets - Non Related Parties". Based on the credit assessment, the historical trend of low default is expected to continue. No provision for ECL has been created for Other financial Assets except full provision on "Other Financial Assets - Non Related Parties".

**Credit quality**

The Company has a comprehensive framework for monitoring credit quality of its retail and other loans based on days past due monitoring. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery is taken through follow-ups and legal recourse.

**Inputs considered in the ECL model**

In assessing the impairment of loans assets under ECL model, the loan assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages relate to the recognition of expected credit losses and the calculation and presentation of interest revenue.

(All amounts in ₹ crore unless otherwise stated)

**NOTE 38 Financial Risk Management (Contd.)**

The Company categorises loan assets into stages based on the Days Past Due status:

- Stage 1: Up to 30 Days Past Due
- Stage 2: 31-90 Days Past Due
- Stage 3: More than 90 Days Past Due

**Assumptions considered in the ECL model**

The Company has made the following assumptions in the ECL Model:

- “Loss given default” (LGD) is common for all three stages and is based on loss in past portfolio. Actual cash flows are discounted with average rate for arriving loss rate. EIR has been taken as discount rate for all loans.

**Estimation Technique**

The Company has applied the following estimation technique in its ECL model:

- “Probability of default” (PD) is applied on Stage 1 and Stage 2 on portfolio basis and for Stage 3 PD is 100%.
- Probability of default for Stage 1 loan assets is calculated as average of historical trend from Stage 1 to Stage 3 in next 12 months.
- Probability of default for Stage 2 loan assets is calculated based on the lifetime PD as average of historical trend from Stage 2 to Stage 3 for the remaining tenor.
- Loss given default is calculated based on discounted actual cash flow on past portfolio in default along with reversals.

There is no change in estimation techniques or significant assumptions during the reporting period.

The Company considers a broad range of forward-looking information with reference to external forecasts of economic parameters such as GDP growth, government borrowing, private consumption expenditure, policy interest rates, etc., as considered relevant so as to determine the impact of macroeconomic factors on the Company's ECL estimates. The internal estimates of PD, LGD rates used in the ECL model may not always capture all the characteristics of the market / external environment as at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

**Assessment of Significant Increase in Credit Risk**

When determining whether the risk of default has increased significantly since initial recognition, the Company considers both quantitative and qualitative information and analysis based on the business historical experience, including forward-looking information. The Company considers reasonable and supportable information that is relevant and available without undue cost and effort.

The financial services business uses the number of days past due to classify a financial instrument in low credit risk category and to determine significant increase in credit risk in retail. As a backstop, the financial services business considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due.

In accordance with the Board-approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated 27<sup>th</sup> March 2020 and 17<sup>th</sup> April 2020 relating to ‘COVID-19 – Regulatory Package’, the Company has offered moratorium up to six months on the payment of instalments falling due between 1<sup>st</sup> March 2020 and 31<sup>st</sup> 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 7<sup>th</sup> June 2019 in Stage 3 and with regard to restructured contracts done under one time resolution framework vide RBI circular dated 6<sup>th</sup> August 2020 and RBI/2021-22/31/DOR.STR.REC.11/21.04.048/2021-22 dated 5<sup>th</sup> May 2021 in Stage 2 irrespective of days past due status on the reporting date.

COVID-19 has severe impact on global as well as domestic macro and micro economies, businesses and consumers. Due to this uncertainty, Company's assessments of impairment loss allowance on its loans are subject to a number of management judgements and estimates. Since the Company's impairment loss allowance estimates are inherently uncertain, actual results may differ from these estimates.

**Definition of Default**

The Company considers a financial instrument is in default when the borrower becomes 90 days past due on its contractual payments. The Company considers Loans under default as ‘credit impaired’ and classified as Stage-3 except for restructured contracts as disclosed above.

(All amounts in ₹ crore unless otherwise stated)

**NOTE 38 Financial Risk Management (Contd.)**

**Impairment Loss**

The expected credit loss allowance provision is determined as follows:

	Stage 1	Stage 2	Stage 3	Grand Total
<b>Gross Balance as at 31<sup>st</sup> March 2024</b>	<b>24,357.57</b>	<b>1,305.94</b>	<b>742.80</b>	<b>26,406.31</b>
Expected Credit Loss	289.48	253.54	393.05	936.07
Expected Credit Loss Rate	1.19%	19.41%	52.91%	3.54%
Net of Impairment Provision	24,068.09	1,052.40	349.75	25,470.24

	Stage 1	Stage 2	Stage 3	Grand Total
<b>Gross Balance as at 31<sup>st</sup> March 2023</b>	<b>19,691.90</b>	<b>989.54</b>	<b>573.71</b>	<b>21,255.15</b>
Expected Credit Loss	264.74	138.78	306.54	710.06
Expected Credit Loss Rate	1.34%	14.02%	53.43%	3.34%
Net of Impairment Provision	19,427.16	850.76	267.17	20,545.09

**Reconciliation of Expected Credit Loss**

Particulars	Stage 1	Stage 2	Stage 3	Grand Total
<b>Balance as at 1<sup>st</sup> April 2022</b>	<b>87.81</b>	<b>33.25</b>	<b>267.61</b>	<b>388.67</b>
Transfer from Stage 1	(6.38)	3.96	2.42	-
Transfer from Stage 2	2.16	(8.41)	6.25	-
Transfer from Stage 3	11.64	2.96	(14.60)	-
Loans that have derecognised during the period	(22.10)	(9.86)	(141.35)	(173.31)
New Loans originated during the year	118.95	46.44	48.07	213.46
Net Remeasurement of Loss Allowance	72.66	70.44	138.14	281.24
<b>Balance as at 31<sup>st</sup> March 2023</b>	<b>264.74</b>	<b>138.78</b>	<b>306.54</b>	<b>710.06</b>
Transfer from Stage 1	(15.17)	8.74	6.43	-
Transfer from Stage 2	13.19	(55.32)	42.13	-
Transfer from Stage 3	8.78	4.45	(13.23)	-
Loan that have derecognised during the period	(39.36)	(48.00)	(116.07)	(203.43)
New Loans originated during the year	114.54	59.15	49.21	222.90
Net Remeasurement of Loss Allowance	(57.24)	145.74	118.04	206.54
<b>Balance as at 31<sup>st</sup> March 2024</b>	<b>289.48</b>	<b>253.54</b>	<b>393.05</b>	<b>936.07</b>

**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	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>Carrying value</b>		
Concentration by geographical region in India		
South	10,636.43	8,470.99
West	7,256.11	5,917.79
East	4,252.84	3,307.58
North	4,260.93	3,558.79
<b>Total Loans as at reporting period</b>	<b>26,406.31</b>	<b>21,255.15</b>

(All amounts in ₹ crore unless otherwise stated)

**NOTE 38 Financial Risk Management (Contd.)**

**(B) Liquidity Risk**

Liquidity risk is a risk that an entity will encounter difficulty in meeting financial obligations.

As per companies policy, management ensures availability of sufficient fund either through Instalment receivables/ sourcing through debts at each point of time. The Fund requirement ascertain at the beginning of the period by taking into consideration Instalment receivable, likely disbursement, Loan instalment payment & other operational expenses. The Company is continuously getting good support from Bankers & Financial Institutions at the time of need.

**i. Financing Arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>Floating rate</b>		
Expiring within one year (bank overdraft and other facilities)	1,950	2,440
Expiring beyond one year (bank loans)	-	-
	<b>1,950</b>	<b>2,440</b>

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:

- All non-derivative financial liabilities, and
- Net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The table below summaries the maturity profile of the Company's non derivative financial assets and financial liabilities based on contractual undiscounted payments as at the balance sheet date.

Particulars	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total
<b>As at 31<sup>st</sup> March 2024</b>						
<b>Financial Assets:</b>						
Cash and Cash Equivalents	1,761.42	-	-	-	-	1,761.42
Fixed Deposits	-	-	5.90	-	-	5.90
Derivative Financial Instruments	-	-	90.67	-	-	90.67
Trade Receivables	29.51	29.31	58.38	-	-	117.20
Loans	6,440.74	4,432.37	7,119.02	15,218.23	10.23	33,220.59
Investments	-	-	100.25	-	4.25	104.50
Other Financial Assets	3.09	1.88	7.60	12.45	-	25.02
<b>Total</b>	<b>8,234.76</b>	<b>4,463.56</b>	<b>7,381.82</b>	<b>15,230.68</b>	<b>14.48</b>	<b>35,325.30</b>
<b>Financial Liabilities:</b>						
Borrowings	1,764.88	2,156.42	8,884.91	11,991.57	523.22	25,321.00
Security Deposit	23.21	15.47	98.55	-	-	137.23
Trade Payables	614.44	247.99	185.68	1.17	-	1,049.28
Other Financial Liabilities	183.31	2.45	168.74	17.16	11.82	383.48
<b>Total</b>	<b>2,585.84</b>	<b>2,422.33</b>	<b>9,337.88</b>	<b>12,009.90</b>	<b>535.04</b>	<b>26,890.99</b>

(All amounts in ₹ crore unless otherwise stated)

**NOTE 38 Financial Risk Management (Contd.)**

Particulars	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total
<b>As at 31<sup>st</sup> March 2023</b>						
<b>Financial Assets:</b>						
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
<b>Total</b>	<b>6,205.24</b>	<b>3,280.17</b>	<b>5,697.19</b>	<b>12,986.22</b>	<b>24.79</b>	<b>28,193.61</b>
<b>Financial Liabilities:</b>						
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
<b>Total</b>	<b>3,162.91</b>	<b>2,007.25</b>	<b>5,777.12</b>	<b>11,030.54</b>	<b>217.22</b>	<b>22,195.03</b>

**(a) Foreign Currency Risk Exposure:**

Foreign exchange risk arises on financial instruments being denominated in a currency that is not the functional currency of the entity. The Company is exposed to foreign exchange risk due to continuous fluctuation in the foreign currency(USD) of the loan originated. The Company has entered into cross currency swaps (CCS) /forward contracts/ Interest rate swap to fully hedge all foreign currency exchange risk on the principal and interest amount payable on borrowings.

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>Financial Liabilities</b>		
Variable Foreign Currency Borrowings (USD 197 million) (Year ended 31 <sup>st</sup> March 2023: USD 287 million)	751.50	1,473.21
<b>Derivative Liabilities</b>		
Hedged through forward contracts and CCS	751.50	1,473.21
<b>Net Exposure to Foreign Currency Risk (Liabilities)</b>	<b>-</b>	<b>-</b>

**(b) Sensitivity Analysis:**

The Company has hedged all its foreign currency exposures by entering into CCS/Forwards contracts, it shall not be subject any sensitivity on settlement due to foreign currency fluctuation due to the movements in foreign exchanges i.e. USD. Forward Contract & Cross Current Swap are to buy USD for Hedging Foreign Currency Loan. The Company shall not maintain as per Ind AS 109 to be considered as Foreign Currency Loan.

Impact on Profit After Tax		
USD Sensitivity	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
INR/USD Increases by 5%	-	-
INR/USD Decreases by 5%	-	-

**(C) Fair Value Interest Rate Risk:**

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During year ended 31<sup>st</sup> March 2024 and 31<sup>st</sup> March 2023, the Company's borrowings at variable rate were mainly denominated in INR.

The Company's floating rate borrowings are carried at amortised cost. For NBFC business, loan is the major source for running the business. In India, loans are generally available at Floating Rate Interest. And there are no such option available to obtain swap option for floating rate interest linked to respective bank MCLR with Fixed Interest. Hence except foreign currency loans, other loans are not hedged.

(All amounts in ₹ crore unless otherwise stated)

**NOTE 38 Financial Risk Management (Contd.)**

**(a) Interest Rate Risk Exposure**

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Variable rate borrowings	13,871.00	8,211.28
Total borrowings	22,588.43	18,870.77

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

Particulars	31 <sup>st</sup> March 2024		
	Weighted Average Interest Rate	Balance	% of Total Loans
Cash credits, bank loans etc.	8.15%	13,871.00	61.41%

Particulars	31 <sup>st</sup> March 2023		
	Weighted Average Interest Rate	Balance	% of Total Loans
Cash credits, bank loans etc.	7.88%	8,211.28	43.51%

An analysis by maturities is provided in note 38 B (ii) above.

**(b) Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

Particulars	Impact on Profit After Tax	
	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Interest rates – increase by 50 basis points (50 bps) *	(51.90)	(30.72)
Interest rates – decrease by 50 basis points (50 bps) *	51.90	30.72

\* Holding all other variables constant

**NOTE 39 Capital Management**

**(a) Risk Management**

The Risk Management policy includes identification of element of risks, including those which in the opinion of Board may lead to Company not meeting its financial objectives. The risk management process has been established across the Company and design to identify, access & frame a response to threat that affect the achievement of its objectives. Further it is embedded across all the major functions and revolve around the goals and objectives of the Company.

Maintaining optimal capital to debt is one such measure to ensure healthy returns to the shareholders. Company envisages maintaining gearing ratio of maximum 7 times to the total equity, the Company monitors the ratio as below:

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Net Debt (total borrowings, less cash and cash equivalents)	20,827.01	17,330.84
Total Equity (as shown in the balance sheet)	3,868.94	2,760.86
<b>Net Debt to Equity Ratio</b>	<b>5.38</b>	<b>6.28</b>

**(b) Externally Imposed Capital Restrictions**

- 1) As per RBI requirements Capital Adequacy Ratio should be minimum 15%, not meeting RBI requirements will lead cancellation of NBFC licences issued by RBI.
- 2) As per various lending arrangements with banks, TOL (Total Outside Liability) to TNW (Tangible Net Worth) ratio should be less than 8.5 times, not meeting the said requirements may lead to higher interest rates.
- 3) Shareholding of the promoter shall not be less than 51% without prior approval from lenders.

The Company has complied with these covenants throughout the reporting period.

(All amounts in ₹ crore unless otherwise stated)

**NOTE 40 Leases**

**a Lease Disclosures pertaining to Right to use Asset**

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>Building</b>		
<b>Gross Block</b>		
Opening/(On transition to Ind AS 116)	28.73	18.12
Revaluation due to change in future lease rentals	-	-
Additions during the year	6.10	17.29
(Deletions during the year)	-	-
Closing Balance during the year	34.83	35.41
<b>Amortisation</b>		
Additions	-	-
Amortisation for the year	8.25	6.68
<b>Closing Balance during the year</b>	<b>26.58</b>	<b>28.73</b>

- b The Company has offices across the country with varied lease period. The lease term considered for arriving at the Right to use Asset and Lease liabilities are based on the non-cancellable period of the respective agreements.
- c Company has exercised the option of short-term leases and low value asset exemption.

**Lease Disclosures pertaining to Statement of Profit & Loss**

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
<b>Finance charges</b>		
Interest expense	2.82	2.08
<b>Depreciation</b>		
Amortisation of Right to use Assets	8.25	6.68
<b>Other expenses</b>		
<u>Rent expenses</u>		
Expense relating to short-term leases (included in other expenses)	17.70	17.75
Expense relating to leases of low-value assets that are not short-term leases (included in other expenses)	-	-
Expense relating to variable lease payments not included in the measurement of lease liabilities	-	-
<b>Total</b>	<b>28.77</b>	<b>26.51</b>

**d Additional Disclosures in Cash Flow Statement**

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Cash flow financing activities		
Principal repayments related to lease liabilities	7.84	6.11
Interest payments related to lease liabilities	2.82	2.12

**e Contractual Maturities of Lease Liabilities outstanding**

Particulars	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Less Than One Year	9.12	7.24
One to Five Years	17.16	19.39
More Than Five Years	5.08	6.48
<b>Total</b>	<b>31.36</b>	<b>33.11</b>

(All amounts in ₹ crore unless otherwise stated)

**41. Related Party Disclosure**

Disclosure in respect of Related Parties and their relationship where transaction exists:

Nature of Relationship	Parties Name
Reporting Enterprise	TVS Credit Services Limited
Holding Company	TVS Motor Company Limited
Ultimate Holding Company	TVS Holdings Limited (Formerly known as Sundaram-Clayton Limited)
Subsidiaries	TVS Housing Finance Private Limited Harita ARC Private Limited Harita Two Wheeler Mall Private Limited
Fellow Subsidiary	TVS Motor Services Limited Sundaram Auto Components Limited TVS Digital Pte Limited
Associate of Holding Company	Emerald Haven Realty Limited Emerald Haven Development Limited Drive X Mobility Millennial Solutions Private Limited
Subsidiary of Holding Company's Associate Company	Scienaptic Systems Private Limited
Enterprise under common control	Sundaram-Clayton Limited (Formerly known as Sundaram-Clayton DCD Limited)
Non-Executive Directors	Mr. Venu Srinivasan Mr. Sudarshan Venu Mr. K.N. Radhakrishnan Mr. R. Gopalan Mr. B. Sriram Ms. Kalpana Unadkat
Key Managerial Personnel	Mr. Ashish Sapra, Chief Executive Officer Ms. Roopa Sampath Kumar, Chief Financial Officer Mr. Sreejith Raj P, Company Secretary (from 24 <sup>th</sup> July 2023) Mr. Anand Vasudev, Company Secretary (up to 10 <sup>th</sup> May 2023)

Transactions with related parties and balance outstanding as at the end of the year:

S.No.	Name of the Related Party	Nature of Transactions	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
1	TVS Motor Services Limited	Advance received	-	41.33
		Unwinding of advance	-	3.24
		Balance outstanding [Dr/(Cr)]	-	-
2	TVS Motor Company Limited	Contribution towards Issuance of Equity Shares	-	500.00
		Contribution towards Issuance of Compulsorily Convertible Preference Shares	200.00	-
		Receipt of subvention income	1.35	14.58
		Reimbursement of IT expense	6.40	8.61
		Payment towards business support service	1.58	1.64
		Balance outstanding [Dr/(Cr)]	(6.45)	1.57
3	Sundaram Clayton Limited	Payment towards business support service	0.31	-
		Balance outstanding [Dr/(Cr)]	(0.17)	-
4	Sundaram Auto Components Limited	Loan recovered	-	0.04
		Interest received	-	0.00
		Balance outstanding [Dr/(Cr)]	-	-

(All amounts in ₹ crore unless otherwise stated)

**41. Related Party Disclosure (Contd.)**

S.No.	Name of the Related Party	Nature of Transactions	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
5	Scienaptic Systems Private Limited	Payment towards business support service	0.68	3.03
		Balance outstanding [Dr/(Cr)]	-	0.45
6	Drive X Mobility Millennial Solutions Private Limited	Receipt towards sale of repossessed vehicles	29.34	0.14
		Sale of fixed assets	-	0.52
		Balance outstanding [Dr/(Cr)]	-	0.44
7	Emerald Haven Realty Limited	Loan disbursed	-	3.00
		Loan recovered	-	3.00
		Interest received	-	0.06
		Balance outstanding [Dr/(Cr)]	-	-
8	Emerald Haven Development Limited	Loan disbursed	-	14.00
		Loan recovered	-	14.00
		Interest received	-	0.32
		Balance outstanding [Dr/(Cr)]	-	-
9	TVS Holdings Limited	Loan recovered	-	0.08
		Interest received	-	0.01
		Payment towards brand royalty fees	15.55	-
		Payment towards business support service	2.54	1.91
		Reimbursement of canteen expense	0.34	0.50
		Balance outstanding [Dr/(Cr)]	(6.61)	(0.02)
10	TVS Housing Finance Private Limited	Reimbursement of expenses	0.14	-
		Balance outstanding [Dr/(Cr)]	-	-
11	Harita Two Wheeler Mall Private Limited	Reimbursement of expenses	0.00	-
		Balance outstanding [Dr/(Cr)]	0.01	-
12	Harita ARC Private Limited	Reimbursement of expenses	0.00	-
		Balance outstanding [Dr/(Cr)]	0.01	-
13	TVS Digital Pte Limited	Payment towards software licence fees	2.55	-
		Payment towards digital advertisement	0.06	-
		Balance outstanding [Dr/(Cr)]	(0.75)	-

**Directors' Sitting Fees and Commission**

Sl. No.	Name of the Director	Nature	2023-24	2022-23
1	Mr. Venu Srinivasan	Sitting Fees*	0.01	-
		Commission	-	-
2	Mr. Sudarshan Venu	Sitting Fees	-	0.01
		Commission	-	-
3	Mr. K.N. Radhakrishnan	Sitting Fees	0.02	0.02
		Commission	-	-
4	Mr. B. Sriram	Sitting Fees	0.02	0.02
		Commission	0.16	0.16
5	Mr. R. Gopalan	Sitting Fees	0.02	0.02
		Commission	0.16	0.16
6	Ms. Kalpana Unadkat	Sitting Fees	0.02	0.02
		Commission	0.16	0.16
7	Mr. V. Srinivasa Rangan	Sitting Fees	0.01	0.02
		Commission	0.16	0.16
<b>TOTAL</b>			<b>0.75</b>	<b>0.75</b>

1. The amounts mentioned are actual payments made during the year.

2. \* The sitting fees paid during financial year 2022-23 are below the rounding off norms of the Company.

(All amounts in ₹ crore unless otherwise stated)

**41. Related Party Disclosure (Contd.)**

Related Party Disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/DoR/2023-24/106DoR.FIN.REC.No.45/03.10.119/2023-24:

**Related Party Balance Outstanding:**

Related Party Items	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint Ventures		KMP*		Relatives of KMP*		Others		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Borrowings:</b>														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Deposits:</b>														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Placement of deposits:</b>														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Advances:</b>														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	2.31	0.63	2.31	0.63
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	2.45	52.19	2.45	52.19
<b>Investments:</b>														
Outstanding at the year end	-	-	12.01	12.01	-	-	-	-	-	-	-	-	12.01	12.01
Maximum outstanding during the year	-	-	12.01	12.01	-	-	-	-	-	-	-	-	12.01	12.01

(All amounts in ₹ crore unless otherwise stated)

**41. Related Party Disclosure (Contd.)**

**Related Party Transactions During the Year:**

Related Party Items	Parent (as per ownership or control)		Subsidiaries		Associates/ Joint Ventures		KMP*		Relatives of KMP*		Others		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase of fixed/other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	0.52	-	0.52
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest received	-	0.01	-	-	-	-	-	-	-	-	-	0.38	-	0.39
Loan disbursed	-	-	-	-	-	-	-	-	-	-	-	17.00	-	17.00
Loan recovered	-	0.08	-	-	-	-	-	-	-	-	-	17.04	-	17.12
Payment towards brand royalty fees	15.55	-	-	-	-	-	-	-	-	-	-	-	15.55	-
Payment towards business support service	4.12	3.55	-	-	-	-	-	-	-	-	0.99	3.03	5.10	6.58
Payment towards digital advertisement	-	-	-	-	-	-	-	-	-	-	0.06	-	0.06	-
Payment towards software licence fees	-	-	-	-	-	-	-	-	-	-	2.55	-	2.55	-
Receipt towards sale of repossessed vehicles	-	-	-	-	-	-	-	-	-	-	29.34	0.14	29.34	0.14
Receipt towards subvention income	1.35	14.58	-	-	-	-	-	-	-	-	-	-	1.35	14.58
Reimbursement of canteen expense	0.34	0.50	-	-	-	-	-	-	-	-	-	-	0.34	0.50
Reimbursement of expenses	-	-	-	-	-	-	-	-	-	-	0.15	-	0.15	-
Reimbursement of IT expense	6.40	8.61	-	-	-	-	-	-	-	-	-	-	6.40	8.61
Advance recovered	-	-	-	-	-	-	-	-	-	-	-	41.33	-	41.33
Unwinding of advance	-	-	-	-	-	-	-	-	-	-	-	3.24	-	3.24
Contribution towards Equity Share Capital	-	27.03	-	-	-	-	-	-	-	-	-	-	-	27.03
Contribution towards Preference Share Capital	6.34	-	-	-	-	-	-	-	-	-	-	-	6.34	-
Contribution towards Security Premium	193.66	472.97	-	-	-	-	-	-	-	-	-	-	193.66	472.97

\* There is no transaction with directors and relatives of directors.

(All amounts in ₹ crore unless otherwise stated)

**42. Additional notes forming part of Consolidated Financial Statements for the year ended March 31, 2024**

**1. Capital Commitments**

Description	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Estimated amount of contracts remaining to be executed on Capital Account not provided for	4.47	13.55

**2. Other Commitments**

Description	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Undrawn Loans sanctioned to borrowers	63.47	43.58

**3. Contingent Liabilities not provided for**

Claims against the Company not acknowledged as debts.

Description	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2023
Disputed Service Tax and GST Demand inclusive of Penalty (Pre-deposit of ₹ 0.58 crore)	9.46	8.34
Legal cases filed by borrowers against the Company	6.15	4.04

The Company's pending litigations comprise claims against the Company and proceedings pending with Statutory Authorities. The future cash flows on the above items are determinable only on receipt of decisions/judgements that are pending at various forums/authorities. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

- Pursuant to para 2 of general instructions for preparation of financial statements of a NBFC as mentioned in Division III of Schedule III of The Companies Act, 2013, the current and non-current classification has not been provided.
- The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- 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.
- There have been no events after the reporting date that require disclosure in the Financial Statements.
- Prior period figures have been regrouped, wherever necessary, to conform to the current period presentation.
- 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.
- 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.
- The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

(All amounts in ₹ crore unless otherwise stated)

42. Additional notes forming part of Consolidated Financial Statements for the year ended March 31, 2024 (Contd.)

12. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 for the year ended 31<sup>st</sup> March 2024

Name of the Entity	Net Assets		Share in Profit/(Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of 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
<b>Parent</b>								
TVS Credit Services Limited	99.29%	3,865.48	99.88%	571.83	100.00%	(20.69)	99.87%	551.14
<b>Subsidiaries</b>								
TVS Housing Finance Private Limited	0.40%	15.49	0.13%	0.72	0.00%	-	0.13%	0.72
Haritha ARC Private Limited	0.00%	(0.01)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Haritha Two Wheeler Mall Private Limited	0.00%	(0.01)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Inter Company Eliminations	0.31%	12.01	0.00%	-	0.00%	-	0.00%	-
<b>Total</b>	<b>100.00%</b>	<b>3,892.95</b>	<b>100.01%</b>	<b>572.54</b>	<b>100.00%</b>	<b>(20.69)</b>	<b>100.00%</b>	<b>551.86</b>

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 : 8<sup>th</sup> May 2024

**For CNGSN & Associates LLP**  
Chartered Accountants  
ICAI Regn No. FRN 004915S

**C.N. Gangadaran**  
Partner  
Membership No. 011205

For and on behalf of the Board of Directors of  
**TVS Credit Services Limited**

**Sudarshan Venu**  
Chairman  
DIN-03601690

**Roopa Sampath Kumar**  
Chief Financial Officer

Place : Chennai  
Date : 8<sup>th</sup> May 2024

**Ashish Sapra**  
Chief Executive Officer

**Sreejith Raj P**  
Company Secretary

## Directors' Report to the Shareholders

The directors present the Seventh Annual Report together with the Annual audited statement of accounts for the year ended 31<sup>st</sup> March 2024.

### Financial Highlights

The Company is yet to commence its operations and the Company incurred an expense of Rs. 30,826/- towards regulatory requirements.

### Dividend

The directors of the Company do not recommend any dividend for the period ended 31<sup>st</sup> March 2024.

### 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 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024, 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 2<sup>nd</sup> May 2023, 23<sup>rd</sup> June 2023, 28<sup>th</sup> September 2023, 22<sup>nd</sup> December 2023 and 08<sup>th</sup> March 2024 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 4<sup>th</sup> 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 fourth 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 2024-25.

The Auditors' Reports for the financial year 2023-24 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.



# HARITA ARC PRIVATE LIMITED

## INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### 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 31<sup>st</sup> March 2024, 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 Material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('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 31<sup>st</sup> March 2024, 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 31<sup>st</sup> March 2024 from being appointed as a director in terms of section 164(2) of the Act;
    - (f) Reporting on internal financial controls over financial reporting as on 31<sup>st</sup> March 2024 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 2024;
      - (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 2024
      - (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) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software Further, during our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For RAGHAVAN, CHAUDHURI & NARAYANAN  
Chartered Accountants  
FRN: 007761S

UDIN	24027716BKCNNW7849
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Place : Bangalore  
Date : 3<sup>rd</sup> May 2024

V. SATHYANARAYANAN  
Partner  
Membership No. 027716

# HARITA ARC PRIVATE LIMITED

## Annexure "A" to Independent Auditors' Report 31<sup>st</sup> March 2024

(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) of the Order is not applicable to the company;
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 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) 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 not entered any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable
- 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) 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, 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;
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group has 1 Core Investment Company;
- xvii. The Company has incurred cash losses during the financial year and in immediately preceding financial year amounting to Rs. 30,826 & Rs.11,800 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

UDIN 24027716BKCNNW7849

Chartered Accountants  
FRN: 007761S

V. SATHYANARAYANAN  
Partner  
Membership No. 027716

Place : Bangalore  
Date : 3<sup>rd</sup> May 2024

# HARITA ARC PRIVATE LIMITED

## Balance Sheet as at 31<sup>st</sup> March 2024

(All numbers are in hundreds unless otherwise stated)

Particulars	Note No	As at 31st March 2024	As at 31st March 2023
<b>ASSETS</b>			
<b>Current Assets</b>			
<b>Financial Assets</b>			
Cash and Cash Equivalents	1	239.38	240.56
<b>TOTAL ASSETS</b>		<b>239.38</b>	<b>240.56</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	2	250.00	250.00
Other Equity	3	(1,675.43)	(1,367.17)
<b>TOTAL EQUITY</b>		<b>(1,425.43)</b>	<b>(1,117.17)</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings		-	-
(ii) Trade Payables			
a) Total outstanding dues of creditors other than micro enterprises and small enterprises	4	236.00	118.00
b) Total outstanding dues of other than (ii) (a) above		-	-
(iii) Other Financial Liabilities	5	1,428.81	1,239.76
<b>TOTAL LIABILITIES</b>		<b>1,664.81</b>	<b>1,357.76</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>239.38</b>	<b>240.59</b>

As per our report annexed

**V GOPALAKRISHNAN**  
Director  
DIN: 03291640

**N SRINIVASA RAMANUJAM**  
Director  
DIN: 07384809

**For Raghavan, Chaudhuri & Narayanan**  
Chartered Accountants  
Firm Regn No.: 007761S

Chennai  
Dated: 03<sup>rd</sup> May 2024

**V. SATHYANARAYANAN**  
Partner  
Membership No.: 027716  
UDIN: 24027716BKCNNW7849

# HARITA ARC PRIVATE LIMITED

## Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2024

(All numbers are in hundreds unless otherwise stated)

Particulars	Note No	For the year ended 31st March 2024	For the year ended 31st March 2023
<b>INCOME</b>			
Revenue from operations		-	-
<b>TOTAL INCOME</b>		-	-
<b>EXPENSES</b>			
Other expenses	6	308.26	118.00
<b>TOTAL EXPENSE</b>		<b>308.26</b>	<b>118.00</b>
<b>Profit/(Loss) before tax</b>		<b>(308.26)</b>	<b>(118.00)</b>
<b>Tax expense:</b>		-	-
<b>Profit/(Loss) after tax for the year</b>		<b>(308.26)</b>	<b>(118.00)</b>
Other Comprehensive Income			
<b>Total Comprehensive Income</b>		<b>(308.26)</b>	<b>(118.00)</b>
<b>Earning per equity share:</b>			
Basic & Diluted earnings per share (in Rs)	7	(12.33)	(4.72)

V GOPALAKRISHNAN  
Director  
DIN: 03291640

N SRINIVASA RAMANUJAM  
Director  
DIN: 07384809

As per our report annexed  
For Raghavan, Chaudhuri & Narayanan  
Chartered Accountants  
Firm Regn No.: 007761S

Chennai  
Dated: 03<sup>rd</sup> May 2024

V. SATHYANARAYANAN  
Partner  
Membership No.: 027716  
UDIN: 24027716BKCNNW7849

# HARITA ARC PRIVATE LIMITED

## STATEMENT OF CHANGES IN EQUITY

(All numbers are in hundreds unless otherwise stated)

A	Equity	Note No.	Amount
	Balance as at April 1, 2022	2	250.00
	Changes in Equity share capital during the year	2	
	<b>Balance as at March 31, 2023</b>		<b>250.00</b>
	Changes in Equity share capital during the year	2	-
	<b>Balance as at March 31, 2024</b>		<b>250.00</b>

B	Other Equity	Note No.	Retained Earnings	Total
	Balance as at April 1, 2022	3	(1,249.17)	(1,249.17)
	Total Comprehensive Income	3	(118.00)	(118.00)
	<b>Balance as at March 31, 2023</b>		<b>(1,367.17)</b>	<b>(1,367.17)</b>
	Total Comprehensive Income	3	(308.26)	(308.26)
	<b>Balance as at March 31, 2024</b>		<b>(1,675.43)</b>	<b>(1,675.43)</b>

As per our report annexed

**V GOPALAKRISHNAN**  
Director  
DIN: 03291640

**N SRINIVASA RAMANUJAM**  
Director  
DIN: 07384809

**For Raghavan, Chaudhuri & Narayanan**  
Chartered Accountants  
Firm Regn No.: 007761S

Chennai  
Dated: 03<sup>rd</sup> May 2024

**V. SATHYANARAYANAN**  
Partner  
Membership No.: 027716  
UDIN: 24027716BKCNNW7849

# HARITA ARC PRIVATE LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

(All numbers are in hundreds unless otherwise stated)

	Year ended 31st March 24	Year ended 31st March 23
<b>A. Cash Flow from Operating Activities</b>		
1. Profit/(Loss) Before Tax	(308.26)	(118.00)
<b>B. Operating Profit before Working Capital Changes</b>	(308.26)	(118.00)
<b>C. Change in Working Capital</b>		
(Increase)/Decrease in Loans & Advances	307.08	118.00
Changes in liability arising from financing activities	-	-
Change in Working Capital	<b>307.08</b>	<b>118.00</b>
<b>D. Cash generated from Operations (B+C)</b>	(1.18)	-
<b>E. Net Cash from Operating Activities</b>	(1.18)	-
<b>F. Net Cash Flow from Financing Activities</b>		
Proceeds from Issue of Equity Shares		
<b>Net Cash from Financing Activities</b>	-	-
<b>G. Net Cash Flow from Investing Activities</b>		
Payments for Property, Plant and Equipment and Investment Property		
<b>Net Cash from Investing Activities</b>	-	-
<b>H. Net change in Cash and Cash Equivalents (E+F+G)</b>	(1.18)	-
<b>I. Cash and Cash Equivalents as at End</b>	<b>239.38</b>	<b>240.56</b>
<b>J. Less: Cash and Cash Equivalents as at Beginning</b>	<b>240.56</b>	<b>240.56</b>
<b>K. NET CHANGE IN CASH &amp; CASH EQUIVALENTS (I-J)</b>	(1.18)	-

**V GOPALAKRISHNAN**  
Director  
DIN: 03291640

**N SRINIVASA RAMANUJAM**  
Director  
DIN: 07384809

As per our report annexed  
**For Raghavan, Chaudhuri & Narayanan**  
Chartered Accountants  
Firm Regn No.: 007761S

Chennai  
Dated: 03<sup>rd</sup> May 2024

**V. SATHYANARAYANAN**  
Partner  
Membership No.: 027716  
UDIN: 24027716BKCNNW7849

# HARITA ARC PRIVATE LIMITED

## NOTES TO BALANCE SHEET

(All numbers are in hundreds unless otherwise stated)

	As at 31st March 2024	As at 31st March 2023
<b>1 Cash and cash equivalents</b>		
Balances with banks	239.38	240.56
<b>Total cash and cash equivalents</b>	<b>239.38</b>	<b>240.56</b>

### 2 Share Capital

	Number of Shares	Amount
<b>i) Authorised Share Capital:</b>		
Equity shares of Rs.10/- each	2,500	250
<b>ii) Issued, Subscribed and Fully Paid up Share Capital:</b>		
Equity shares of Rs.10/- each	2,500	250
<b>iii) Movement in equity share capital</b>		
	Number of Shares	Amount
Equity Shares as at April 1, 2022	2,500	250.00
Additions	-	-
<b>Equity Shares as at March 31, 2023</b>	<b>2500</b>	<b>250.00</b>
Additions	-	-
<b>Equity Shares as at March 31, 2024</b>	<b>2500</b>	<b>250.00</b>

### iv) Details of share holders holding more than 5% & Shares held by holding company

Name of the Share Holder	As at March 31, 2023	
	No. of Shares	%
TVS Credit Services Limited	2,500	100%

Name of the Share Holder	As at March 31, 2024	
	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.

	As at 31st March 2024	As at 31st March 2023
<b>3 Other Equity</b>		
Retained Earnings	(1,675.43)	(1,367.17)
<b>Total Other Equity</b>	<b>(1,675.43)</b>	<b>(1,367.17)</b>
<b>Retained Earnings</b>		
Opening Balance	(1,367.17)	(1,249.17)
Add: Net profit for the year	(308.26)	(118.00)
<b>Closing Balance</b>	<b>(1,675.43)</b>	<b>(1,367.17)</b>

### 4 Trade Payables

Particulars	Outstanding for the following periods from due date of payment as at 31st march 2024				
	<1 year	1-2 years	2-3 years	More than 3 Years	Total
Undisputed dues- MSME	-	-	-	-	-
Undisputed dues- Others	118	118	-	-	236
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
<b>TOTAL</b>	<b>118</b>	<b>118</b>	<b>-</b>	<b>-</b>	<b>236</b>

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	-	-	-	-	-
<b>TOTAL</b>	<b>118</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118</b>

### 5 Other Financial Liabilities

	As at March 31, 2024	As at March 31, 2023
Payable to Holding Company	1,428.81	1,239.76
<b>Total Other Financial Liabilities</b>	<b>1,428.81</b>	<b>1,239.76</b>

## NOTES TO STATEMENT OF PROFIT AND LOSS

	For the year ended 31st March 2024	For the year ended 31st March 2023
<b>6 Other Expenses</b>		
Professional charges	156.59	-
Rates and taxes	32.67	-
Payment to Auditors		
- As Auditor	118.00	118.00
Bank Charges	1.00	-
<b>Total Other Expenses</b>	<b>308.26</b>	<b>118.00</b>
<b>7 Earnings per share (Basic and Diluted)</b>		
Earnings attributable to equity share holders	(308)	(118)
Number of Shares	2,500	2,500
Earnings per Share in Rs	(12.33)	(5)

# HARITA ARC PRIVATE LIMITED

## 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.

## 9. Additional Notes forming part of Financial Statements for year ended 31st March 24

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

Nature of Transaction	Name of the Related Party	FY 2023-24	FY 2022-23
Advance Received	TVS Credit Services Limited	189.00	118.00
Balance Payable as at the end of the year	TVS Credit Services Limited	1428.81	1239.76

## 3 DISCLOSURE OF RATIOS

Ratio	Description of numerator	Description of denominator	Ratio 31.03.2024	Ratio 31.03.2023	Variance	Reasons for variance
(a) Current ratio	Current Assets	Current Liabilities	0.14	0.18	-18.84%	Increase in Liabilities
(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	0.22	0.11	104.74%	Increase 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	21.63%	10.56%	104.74%	Increase in expenses
(k) Return on investment	Profit after tax	Equity shareholders' Fund	21.63%	10.56%	104.74%	Increase in expenses

V GOPALAKRISHNAN  
Director

N SRINIVASA RAMANUJAM  
Director

As per our report annexed  
For Raghavan, Chaudhuri & Narayanan  
Chartered Accountants  
Firm Regn No.: 007761S

Chennai  
Dated: 03<sup>rd</sup> May 2024

V. SATHYANARAYANAN  
Partner  
Membership No.: 027716

## Directors' Report to the Shareholders

The directors present the Seventh Annual Report together with the Annual Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2024.

### Financial Highlights

The Company is yet to commence its operations. However, the Company has generated an interest income of Rs. 96,10,290/- and earned a profit of Rs. 72,17,150/- for FY 2023-24.

### 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 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024, 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 5 times on 3<sup>rd</sup> May 2023, 20<sup>th</sup> July 2023, 26<sup>th</sup> October, 2023, 21<sup>st</sup> January, 2023 and 21<sup>st</sup> March, 2024 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 resigned as Company Secretary of the Company with effect from 10<sup>th</sup> May 2023 and Ms Priyaavarshini was appointed as Company Secretary with effect from 30<sup>th</sup> October 2023s.

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 4<sup>th</sup> 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 fourth 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 2024-25.

The Auditors' Reports for the financial year 2023-24 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 31<sup>st</sup> March 2024 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 2023-24, 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 thereunder 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  
Date : 3<sup>rd</sup> May 2024

Venu Srinivasan  
Director  
DIN: 00051523

Sudarshan Venu  
Director  
DIN: 03601690

## INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

### 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 2024, 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 Material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('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 2024, 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 31<sup>st</sup> March 2024 from being appointed as a director in terms of section 164(2) of the Act;
    - (f) Reporting on internal financial controls over financial reporting as on 31<sup>st</sup> March 2024 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 31<sup>st</sup> March 2024;
      - (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 2024
      - (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) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software Further, during our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024

For RAGHAVAN, CHAUDHURI & NARAYANAN.,  
Chartered Accountants  
FRN.007761S

UDIN	24027716BKCNNV9377
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Place : Bangalore  
Date : 3<sup>rd</sup> May, 2024

V. SATHYANARAYANAN  
Partner  
Membership No. 027716

# TVS HOUSING FINANCE PRIVATE LIMITED

## Annexure "A" to Independent Auditors' Report 31<sup>st</sup> March 2024

(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) of the Order is not applicable to the company;
- (e) No proceedings have been initiated during the year or are pending against the Companies at March 31, 2024 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) 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 not entered any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable;
- 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 by the Company. Hence, reporting under clause (vi) of the Order is 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) 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, 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 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;
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group has 1 Core Investment Company;
- 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	24027716BKCNNV9377
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V. SATHYANARAYANAN  
Partner  
Membership No. 027716

Place : Bangalore  
Date : 3<sup>rd</sup> May, 2024

# TVS HOUSING FINANCE PRIVATE LIMITED

## Balance Sheet as at 31<sup>st</sup> March 2024

(Amount in Thousands unless otherwise stated)

Particulars	Note No.	As on March 31, 2024	As on March 31, 2023
<b>ASSETS</b>			
<b>Current Assets</b>			
<b>Financial Assets</b>			
Cash and Cash equivalents	1	376.13	1,578.19
Bank balances other than Cash and Cash Equivalents	2	113,900.00	113,900.00
Other Financial Assets	3	40,201.50	32,084.60
Current Tax Assets (Net)	4	2,404.84	1,941.19
<b>Non Financial Assets</b>			
Other Non Financial Assets	5	354.00	-
<b>TOTAL ASSETS</b>		<b>157,236.47</b>	<b>149,503.98</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital	6	120,000.00	120,000.00
Other Equity	7	34,866.35	27,649.20
<b>TOTAL EQUITY</b>		<b>154,866.35</b>	<b>147,649.20</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings		-	-
(ii) Trade Payables			
a) Total outstanding dues of creditors other than micro enterprises and small enterprises	8	23.60	11.80
b) Total outstanding dues of other than (ii) (a) above		-	-
(iii) Other Financial Liabilities	9	-	-
<b>Current tax liabilities (Net)</b>	10	2,346.52	1,842.98
<b>TOTAL LIABILITIES</b>		<b>2,370.12</b>	<b>1,854.78</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>157,236.47</b>	<b>149,503.98</b>

Venu Srinivasan  
Director

Sudarshan Venu  
Director

Priyaavarshini  
Company secretary

V Gopalakrishnan  
Chief Financial Officer

Chennai  
Dated: 03<sup>rd</sup> May 2024

As per our report annexed  
For Raghavan, Chaudhuri & Narayanan  
Chartered Accountants  
ICAI Regn No: 007761S

V. SATHYANARAYANAN  
Partner  
Membership No.: 027716  
UDIN: 24027716BKCNNV9377

# TVS HOUSING FINANCE PRIVATE LIMITED

## Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2024

(Amount in Thousands unless otherwise stated)

Particulars	Note No	Year ended March 31, 2024	Year ended March 31, 2023
<b>INCOME</b>			
Revenue from operations		-	-
Other Income	11	9,610.29	7,322.14
<b>Total revenue</b>		<b>9,610.29</b>	<b>7,322.14</b>
<b>EXPENSES</b>			
Other expenses	12	46.62	19.95
<b>Total Expense</b>		<b>46.62</b>	<b>19.95</b>
<b>Profit before tax</b>		<b>9,563.67</b>	<b>7,302.19</b>
<b>Tax expense:</b>			
Current year taxes		2,346.52	1,842.84
Tax relating to earlier years		-	-
<b>Profit/(Loss) after tax for the year</b>		<b>7,217.15</b>	<b>5,459.35</b>
<b>Earning per equity share (in Rs):</b>	13	0.60	0.45

Venu Srinivasan  
Director

Sudarshan Venu  
Director

Priyaavarshini  
Company secretary

V Gopalakrishnan  
Chief Financial Officer

Chennai  
Dated: 03<sup>rd</sup> May 2024

As per our report annexed  
For Raghavan, Chaudhuri & Narayanan  
Chartered Accountants  
ICAI Regn No: 007761S

V. SATHYANARAYANAN  
Partner  
Membership No.: 027716  
UDIN: 24027716BKCNNV9377

# TVS HOUSING FINANCE PRIVATE LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

(Amount in Thousands unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
<b>A. Cash Flow from Operating Activities</b>		
1. Profit/(Loss) Before Tax	9,563.67	7,302.19
Interest Income	-	-
<b>B. Operating Profit before Working Capital Changes</b>	<b>9,563.67</b>	<b>7,302.19</b>
<b>C. Change in Working Capital</b>		
(Increase)/Decrease in Short Term Receivable	(8,470.90)	(6,089.83)
Increase/(Decrease) in Trade and other Payables	11.80	
Change in Working Capital	<b>(8,459.10)</b>	<b>(6,089.83)</b>
<b>D. Income Tax Paid</b>	<b>(2,306.62)</b>	<b>(1,967.16)</b>
<b>E. Cash generated from Operations (B+C)</b>	<b>(1,202.06)</b>	<b>(754.80)</b>
<b>F. Net Cash from Operating Activities</b>	<b>(1,202.06)</b>	<b>(754.80)</b>
<b>G. Net Cash Flow from Financing Activities</b>		
Borrowings	-	-
Proceeds from Issue of Equity Shares	-	-
<b>Net Cash from Financing Activities</b>	<b>-</b>	<b>-</b>
<b>H. Net Cash Flow from Investing Activities</b>		
Payments for Property, Plant and Equipment and Investment Property	-	-
<b>Net Cash from Investing Activities</b>	<b>-</b>	<b>-</b>
<b>I. Net change in Cash and Cash Equivalents (F+G+H)</b>	<b>(1,202.06)</b>	<b>(754.80)</b>
<b>J. Cash and Cash Equivalents as at End</b>	<b>376.13</b>	<b>1,578.19</b>
<b>K. Less: Cash and Cash Equivalents as at Beginning</b>	<b>1,578.19</b>	<b>2,333.00</b>
<b>L. NET CHANGE IN CASH &amp; CASH EQUIVALENTS (J-K)</b>	<b>(1,202.06)</b>	<b>(754.80)</b>

Venu Srinivasan  
Director

Sudarshan Venu  
Director

Priyaavarshini  
Company secretary

V Gopalakrishnan  
Chief Financial Officer

Chennai  
Dated: 03<sup>rd</sup> May 2024

As per our report annexed  
For Raghavan, Chaudhuri & Narayanan  
Chartered Accountants  
ICAI Regn No: 007761S

V. SATHYANARAYANAN  
Partner  
Membership No.: 027716  
UDIN: 24027716BKCNNV9377

# TVS HOUSING FINANCE PRIVATE LIMITED

## STATEMENT OF CHANGES IN EQUITY

(Amount in Thousands unless otherwise stated)

A	Equity	Note No.	Amount
	<b>Balance as at March 31, 2022</b>	5	120,000
	Changes in Equity share capital during the year	5	-
	<b>Balance as at March 31, 2023</b>		<b>120,000</b>
	Changes in Equity share capital during the year		-
	<b>Balance as at March 31, 2024</b>		<b>120,000</b>

B	Other Equity	Note No.	Retained Earnings	Total
	<b>Balance as at April 1, 2022</b>	6	22,189.85	22,189.85
	Profit for the period	6	5,459.35	5,459.35
	Other comprehensive income	6	-	-
	<b>Balance as at March 31, 2023</b>		<b>27,649.20</b>	<b>27,649.20</b>
	Profit for the period	6	7,217.15	7,217.15
	Other comprehensive income	6	-	-
	<b>Balance as at March 31, 2024</b>		<b>34,866.35</b>	<b>34,866.35</b>

Venu Srinivasan  
Director

Sudarshan Venu  
Director

Priyaavarshini  
Company secretary

V Gopalakrishnan  
Chief Financial Officer

Chennai  
Dated: 03<sup>rd</sup> May 2024

As per our report annexed  
For Raghavan, Chaudhuri & Narayanan  
Chartered Accountants  
ICAI Regn No: 007761S

V. SATHYANARAYANAN  
Partner  
Membership No.: 027716  
UDIN: 24027716BKCNNV9377

# TVS HOUSING FINANCE PRIVATE LIMITED

## NOTES TO BALANCE SHEET

(in Rs.)

(Amount in Thousands unless otherwise stated)

	As on March 31, 2024	As on March 31, 2023
<b>1 Cash and cash equivalents</b>		
Balances with banks	376.13	1,578.19
<b>Total cash and cash equivalents</b>	<b>376.13</b>	<b>1,578.19</b>
<b>2 Balances with Banks other than Cash and Cash Equivalents</b>		
Deposits with banks	113,900.00	113,900.00
<b>Total Balances with Banks other than Cash and Cash Equivalents</b>	<b>113,900.00</b>	<b>113,900.00</b>
<b>3 Other Financial Assets</b>		
Interest accrued on Fixed Deposits	40,201.50	32,084.60
<b>Total Other Financial Assets</b>	<b>40,201.50</b>	<b>32,084.60</b>
<b>4 Current tax Assets (Net)</b>		
Advance tax and TDS receivable	2,404.84	1,941.19
<b>Total Current tax Assets (Net)</b>	<b>2,404.84</b>	<b>1,941.19</b>
<b>5 Other Advances</b>		
Other advances	354.00	-
<b>Total Current tax Assets (Net)</b>	<b>354.00</b>	<b>-</b>
	<b>Number of Shares</b>	<b>Amount</b>
<b>6 Share Capital</b>		
<b>i) Authorised Share Capital:</b>		
Equity shares of Rs. 10/- each	1,200,000	12,000
<b>ii) Issued, Subscribed and Fully Paid up Share Capital:</b>		
Equity shares of Rs. 10/- each	1,200,000	12,000
<b>iii) Movement in equity share capital</b>		
<b>Equity Shares as at April 1, 2023</b>	<b>12,000,000</b>	<b>120,000</b>
Additions	-	-
<b>Equity Shares as at March 31, 2024</b>	<b>12,000,000</b>	<b>120,000</b>
<b>iv) Details of share holders holding more than 5%</b>		
<b>Name of the Share Holder</b>	<b>As on March 31, 2023</b>	
	<b>No. of Shares</b>	<b>%</b>
TVS Credit Services Limited	1,200,000	100.00
<b>Name of the Share Holder</b>	<b>As on March 31, 2024</b>	
	<b>No. of Shares</b>	<b>%</b>
TVS Credit Services Limited	1,200,000	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.

	As on March 31, 2024	As on March 31, 2023
<b>7 Other Equity</b>		
Retained Earnings	34,866.35	27,649.20
<b>Total Other Equity</b>	<b>34,866.35</b>	<b>27,649.20</b>
<b>Retained Earnings</b>		
i) Opening Balance	27,649.20	22,189.85
Add: Net profit for the year	7,217.15	5,459.35
<b>Closing Balance</b>	<b>34,866.35</b>	<b>27,649.20</b>

### 8 Trade Payables

Particulars	Outstanding for the following periods from due date of payment as at 31st march 2024				
	<1 year	1-2 years	2-3 years	More than 3 Years	Total
Undisputed dues- MSME	-	-	-	-	-
Undisputed dues- Others	11.8	11.8	-	-	23.6
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
<b>TOTAL</b>	<b>11.8</b>	<b>11.8</b>	<b>-</b>	<b>-</b>	<b>23.6</b>

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	11.8	-	-	-	11.8
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
<b>TOTAL</b>	<b>11.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11.8</b>

	Amount as at March 31, 2024	Amount as at March 31, 2023
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### 9 Other Financial Liabilities

Payable to Holding Company	-	-
<b>Total other Financial Liabilities</b>	<b>-</b>	<b>-</b>

### 10 Current Tax Liability

Provision for Taxation	2,346.52	1,842.98
<b>Total Current Tax Liability</b>	<b>2,346.52</b>	<b>1,842.98</b>

# TVS HOUSING FINANCE PRIVATE LIMITED

## NOTES TO STATEMENT OF PROFIT AND LOSS

(Amount in Thousands unless otherwise stated)

### 11 Other Income

	Year ended March 31, 2024	Year ended March 31, 2023
Interest Income	9,610.29	7,322.14
<b>Total Other Income</b>	<b>9,610.29</b>	<b>7,322.14</b>

### 12 Other Expenses

Professional charges	0.35	7.50
Rates and taxes	20.47	0.06
Payment to Auditors	-	-
- As Auditor	11.80	11.80
Bank Charges	14.00	0.59
License Fees	-	-
Other Expenses	-	-
<b>Total Other Expenses</b>	<b>46.62</b>	<b>19.95</b>

### 13 Earnings per share

Earnings attributable to equity share holders	7,217	5,459
Number of Shares	12,000,000	12,000,000
Earnings per Share (in Rs)	0.60	0.45

### Brief Description of the company:

The Company was incorporated on 22<sup>nd</sup> 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

### 14. 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.

### 15. Additional Notes forming part of Financial Statements for year ended March 31, 2024

- 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.
- 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.
- Liquidity Risk:-

#### Trade Payables

Particulars	Outstanding for the following periods from due date of payment as at March 31, 2024				
	<1 year	1-2 years	2-3 years	More than 3 Years	Total
Undisputed dues- MSME	-	-	-	-	-
Undisputed dues- Others	11.80	11.80	-	-	23.60
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
<b>TOTAL</b>	<b>11.80</b>	<b>11.80</b>	<b>-</b>	<b>-</b>	<b>23.60</b>

# TVS HOUSING FINANCE PRIVATE LIMITED

Particulars	Outstanding for the following periods from due date of payment as at March 31, 2023				
	<1 year	1-2 years	2-3 years	More than 3 Years	Total
Undisputed dues- MSME	-	-	-	-	-
Undisputed dues- Others	11.80	-	-	-	11.80
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
<b>TOTAL</b>	<b>11.80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11.80</b>

#### 4. Disclosure of Ratios:

Ratio	Description of numerator	Description of denominator	Ratio 31.03.2024	Ratio 31.03.2023	Variance	Reasons for variance
(a) Current ratio	Current Assets	Current Liabilities	66.34	80.60	-17.70%	Increase in Current Liabilities
(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	0.05	0.04	26.04%	Increase in Interest Income
(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	6.18%	4.95%	24.87%	Increase in Interest Income
(k) Return on investment	Profit after tax	Equity shareholders' Fund	4.66%	3.70%	26.04%	Increase in Interest Income

#### 5. 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

(in Thousands)

Nature of Transaction	Name of the Related Party	Amount (Rs.)	Amount (Rs.)
		FY 2023-24	FY 2022-23
Advance Received	TVS Credit Services Limited	1434.47	1,225.88
Balance Payable as at the end of the year	TVS Credit Services Limited	Nil	Nil

Venu Srinivasan  
Director

Sudarshan Venu  
Director

Priyaavarshini  
Company secretary

V Gopalakrishnan  
Chief Financial Officer

Chennai  
Dated: 03<sup>rd</sup> May 2024

As per our report annexed  
For Raghavan, Chaudhuri & Narayanan  
Chartered Accountants  
ICAI Regn No: 007761S

V. SATHYANARAYANAN  
Partner  
Membership No.: 027716  
UDIN: 24027716BKCNNV9377

# HARITA TWO WHEELER MALL (Formerly known as TVS Two Wheeler Mall)

## Directors' Report to the Shareholders

The directors present the Sixth Annual Report together with the Annual Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2024.

### Financial Highlights

The Company is yet to commence its operations and the Company incurred an expense of Rs. 30,000/- towards regulatory compliance

### Dividend

The directors of the Company do not recommend any dividend for the period ended 31<sup>st</sup> March 2024.

### 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 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024, 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 2<sup>nd</sup> May 2023, 23<sup>rd</sup> June 2023, 27<sup>th</sup> September 2023, 22<sup>nd</sup> December 2023 and 08<sup>th</sup> March 2024 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 4<sup>th</sup> 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 fourth 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 2024-25.

The Auditors' Reports for the financial year 2023-24 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.

## HARITA TWO WHEELER MALL (Formerly known as TVS Two Wheeler Mall)

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### Change of Name of the Company

During the year under review, at the Extra-Ordinary General Meeting held on 19<sup>th</sup> April 2023 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 dated 06.05.2023.

### 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:

There were no such transactions entered into between the Company and the related parties during the year under review and accordingly no particulars are being provided in Form AOC-2, in terms of section 134(h) of the Act 2013 read with rule 8(2) of the Companies (Accounts) Rules 2014.

### 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 31<sup>st</sup> March 2024.

### 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  
Date : 3<sup>rd</sup> May 2024

V Gopalakrishnan  
Director  
DIN: 03291640

N Srinivasa Ramanujam  
Director  
DIN: 07384809

# HARITA TWO WHEELER MALL (Formerly known as TVS Two Wheeler Mall)

## INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2023

### To the Members of Harita Two Wheeler Mall

#### 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"), 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 2024, 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 Material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('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 2024, 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.

# HARITA TWO WHEELER MALL (Formerly known as TVS Two Wheeler Mall)

## 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 31<sup>st</sup> March 2024 from being appointed as a director in terms of section 164(2) of the Act;
  - (f) Reporting on internal financial controls over financial reporting as on 31<sup>st</sup> March 2024 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 31<sup>st</sup> March 2024;
    - (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 2024
    - (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) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024

For RAGHAVAN, CHAUDHURI & NARAYANAN  
Chartered Accountants  
FRN: 007761S

UDIN	24027716BKCNNX5899
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Place : Bangalore  
Date : 3<sup>rd</sup> May, 2024

V. SATHYANARAYANAN  
Partner  
Membership No. 027716

# HARITA TWO WHEELER MALL (Formerly known as TVS Two Wheeler Mall)

## Annexure "A" to Independent Auditors' Report 31<sup>st</sup> March 2024 (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) of the Order is not applicable to the company;
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 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) 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 not entered any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable;
- 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 by the Company. Hence, reporting under clause (vi) of the Order is 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) 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, 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;
- (d) Based on the information and explanations given to us and as represented by the management of the Company, the Group has 1 Core Investment Company;
- xvii. The Company has incurred cash losses during the financial year and in immediately preceding financial year amounting to Rs. 30,826 & Rs.15,014 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	24027716BKCNNX5899
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Place : Bangalore  
Date : 3<sup>rd</sup> May, 2024

V. SATHYANARAYANAN  
Partner  
Membership No. 027716

## HARITA TWO WHEELER MALL (Formerly known as TVS Two Wheeler Mall)

### Balance Sheet as at 31<sup>st</sup> March 2024

(All numbers are in hundreds unless otherwise stated)

Particulars	Note No	As at 31st March 2024	As at 31st March 2023
<b>ASSETS</b>			
<b>Current Assets</b>			
<b>Financial Assets</b>			
Cash and Cash Equivalents	1	239.38	240.56
<b>TOTAL ASSETS</b>		<b>239.38</b>	<b>240.56</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	2	250.00	250.00
Other Equity	3	(1,685.32)	(1,377.06)
<b>TOTAL EQUITY</b>		<b>(1,435.32)</b>	<b>(1,127.06)</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings		-	-
(ii) Trade Payables			
a) Total outstanding dues of creditors other than micro enterprises and small enterprises	4	258.00	140.00
b) Total outstanding dues of other than (ii) (a) above		-	-
(iii) Other Financial Liabilities	5	1,416.70	1,227.62
<b>TOTAL LIABILITIES</b>		<b>1,674.70</b>	<b>1,367.62</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>239.38</b>	<b>240.56</b>

As per our report annexed

**V GOPALAKRISHNAN**  
Director  
DIN: 03291640

**N SRINIVASA RAMANUJAM**  
Director  
DIN: 07384809

**For Raghavan, Chaudhuri & Narayanan**  
Chartered Accountants  
ICAI Regn No. FRN 007761S

Chennai  
Dated: 03<sup>rd</sup> May, 2024

**V. SATHYANARAYANAN**  
Partner  
Membership No. 027716  
UDIN: 24027716BKCNNX5899

## HARITA TWO WHEELER MALL (Formerly known as TVS Two Wheeler Mall)

### Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2024

(All numbers are in hundreds unless otherwise stated)

Particulars	Note No	Year ended March 31, 2024	Year ended March 31, 2023
<b>INCOME</b>			
Revenue from operations		-	-
<b>TOTAL INCOME</b>			
<b>EXPENSES</b>			
Other expenses	6	308.26	150.14
<b>TOTAL EXPENSE</b>		<b>308.26</b>	<b>150.14</b>
Profit/(Loss) before tax		(308.26)	(150.14)
Tax expense:		-	-
<b>Profit/(Loss) after tax for the year</b>		<b>(308.26)</b>	<b>(150.14)</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income</b>		<b>(308.26)</b>	<b>(150.14)</b>
<b>Earning per equity share:</b>			
Basic & Diluted earnings per share (in Rs)	7	(12.33)	(6.01)

V GOPALAKRISHNAN  
Director  
DIN: 03291640

N SRINIVASA RAMANUJAM  
Director  
DIN: 07384809

As per our report annexed  
For Raghavan, Chaudhuri & Narayanan  
Chartered Accountants  
ICAI Regn No. FRN 007761S

Chennai  
Dated: 03<sup>rd</sup> May, 2024

V. SATHYANARAYANAN  
Partner  
Membership No. 027716  
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## HARITA TWO WHEELER MALL (Formerly known as TVS Two Wheeler Mall)

### CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

(All numbers are in hundreds unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
<b>A. Cash Flow from Operating Activities</b>		
1. Profit/(Loss) Before Tax	(308.26)	(291.24)
<b>B. Operating Profit before Working Capital Changes</b>	(308.26)	(291.24)
<b>C. Change in Working Capital</b>		
(Increase)/Decrease in Loans & Advances		
Changes in liability arising from financing activities	307.08	291.24
Change in Working Capital	<b>307.08</b>	<b>291.24</b>
<b>D. Cash generated from Operations (B+C)</b>	(1.18)	-
<b>E. Net Cash from Operating Activities</b>	(1.18)	-
<b>F. Net Cash Flow from Financing Activities</b>		
Proceeds from Issue of Equity Shares		
<b>Net Cash from Financing Activities</b>	-	-
<b>G. Net Cash Flow from Investing Activities</b>		
Payments for Property, Plant and Equipment and Investment Property		
<b>Net Cash from Investing Activities</b>	-	-
<b>H. Net change in Cash and Cash Equivalents (E+F+G)</b>	(1.18)	-
<b>I. Cash and Cash Equivalents as at End</b>	<b>239.38</b>	<b>240.56</b>
<b>J. Less: Cash and Cash Equivalents as at Beginning</b>	<b>240.56</b>	<b>240.56</b>
<b>NET CHANGE IN CASH &amp; CASH EQUIVALENTS (I+J)</b>	(1.18)	-

As per our report annexed

**V GOPALAKRISHNAN**  
Director  
DIN: 03291640

**N SRINIVASA RAMANUJAM**  
Director  
DIN: 07384809

**For Raghavan, Chaudhuri & Narayanan**  
Chartered Accountants  
ICAI Regn No. FRN 007761S

Chennai  
Dated: 03<sup>rd</sup> May, 2024

**V. SATHYANARAYANAN**  
Partner  
Membership No. 027716  
UDIN: 24027716BKCNNX5899

## HARITA TWO WHEELER MALL (Formerly known as TVS Two Wheeler Mall)

### STATEMENT OF CHANGES IN EQUITY

(All numbers are in hundreds unless otherwise stated)

A	Equity	Note No.	Amount
	Balance as at April 1, 2022	2	250.00
	Changes in Equity share capital during the year	2	
	<b>Balance as at March 31, 2023</b>		<b>250.00</b>
	Changes in Equity share capital during the year	2	-
	<b>Balance as at March 31, 2024</b>		<b>250.00</b>

B	Other Equity	Note No.	Retained Earnings	Total
	Balance as at April 1, 2022	3	(1,226.92)	(1,226.92)
	Total Comprehensive Income	3	(150.14)	(150.14)
	<b>Balance as at March 31, 2023</b>		<b>(1,377.06)</b>	<b>(1,377.06)</b>
	Total Comprehensive Income	3	(308.26)	(308.26)
	<b>Balance as at March 31, 2024</b>		<b>(1,685.32)</b>	<b>(1,685.32)</b>

V GOPALAKRISHNAN  
Director  
DIN: 03291640

N SRINIVASA RAMANUJAM  
Director  
DIN: 07384809

As per our report annexed  
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Chartered Accountants  
ICAI Regn No. FRN 007761S

Chennai  
Dated: 03<sup>rd</sup> May, 2024

V. SATHYANARAYANAN  
Partner  
Membership No. 027716  
UDIN: 24027716BKCNNX5899

# HARITA TWO WHEELER MALL (Formerly known as TVS Two Wheeler Mall)

## NOTES TO BALANCE SHEET

(All numbers are in hundreds unless otherwise stated)

	As at 31st March 2024	As at 31st March 2023
<b>1 Cash and cash equivalents</b>		
Balances with banks	239.38	240.56
<b>Total cash and cash equivalents</b>	<b>239.38</b>	<b>240.56</b>

### 2 Share Capital

	Number of Shares	Amount
<b>i) Authorised Share Capital:</b>		
Equity shares of Rs.10/- each	2,500	250
<b>ii) Issued, Subscribed and Fully Paid up Share Capital:</b>		
Equity shares of Rs.10/- each	2,500	250
<b>iii) Movement in equity share capital</b>		
	Number of Shares	Amount
Equity Shares as at April 1, 2022	2500	250
Additions	-	-
Equity Shares as at March 31, 2023	2500	250
Additions	-	-
Equity Shares as at March 31, 2024	2500	250

### iv) Details of share holders holding more than 5% & Shares held by holding company

Name of the Share Holder	As on March 31, 2023	
	No. of Shares	%
TVS Credit Services Limited	2,500	100%

Name of the Share Holder	As on March 31, 2024	
	No. of Shares	%
TVS Credit Services Limited	2,500	100%

### 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.

	As at 31st March 2024	As at 31st March 2023
<b>3 Other Equity</b>		
Retained Earnings	(1,685.32)	(1,377.06)
<b>Total Other Equity</b>	<b>(1,685.32)</b>	<b>(1,377.06)</b>
<b>Retained Earnings</b>		
Opening Balance	(1,377.06)	(1,226.92)
Add: Net profit for the year	(308.26)	(150.14)
<b>Closing Balance</b>	<b>(1,685.32)</b>	<b>(1,377.06)</b>

### 4 Trade Payables

Particulars	Outstanding for the following periods from due date of payment as at 31st march 2024				
	<1 year	1-2 years	2-3 years	More than 3 Years	Total
Undisputed dues- MSME	-	-	-	-	-
Undisputed dues- Others	118	140	-	-	258
Disputed dues- MSME	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-
<b>TOTAL</b>	<b>118</b>	<b>140</b>	<b>-</b>	<b>-</b>	<b>258</b>

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	-	-	-	-	-
<b>TOTAL</b>	<b>140</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>140</b>

### 5 Other Financial Liabilities

	Amount as at March 31, 2024	Amount as at March 31, 2023
Payable to Holding Company	1,416.70	1,227.62
<b>Total Other Financial Liabilities</b>	<b>1,416.70</b>	<b>1,227.62</b>

## NOTES TO STATEMENT OF PROFIT AND LOSS

	Year ended March 31, 2024	Year ended March 31, 2023
<b>6 Other Expenses</b>		
Professional charges	130.00	-
Rates and taxes	59.26	32.14
Payment to Auditors		
- As Auditor	118.00	118.00
Bank Charges	1.00	-
<b>Total Other Expenses</b>	<b>308.26</b>	<b>150.14</b>

### 7 Earnings per share (Basic and Diluted)

Earnings attributable to equity share holders	(308)	(150)
Number of Shares	2,500	2,500
Earnings per Share (in Rs.)	(12.33)	(6.01)

# HARITA TWO WHEELER MALL (Formerly known as TVS Two Wheeler Mall)

## Additional Notes forming part of Financial Statements for year ended 31<sup>st</sup> March 2024

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.

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

(In Hundreds)

Nature of Transaction	Name of the Related Party	Amount (Rs.)	Amount (Rs.)
		FY 2023-24	FY 2022-23
Advance Received	TVS Credit Services Limited	189.00	118.00
Balance Payable as at the end of the year	TVS Credit Services Limited	1416.70	1227.62

## DISCLOSURE OF RATIOS

Ratio	Description of numerator	Description of denominator	Ratio 31.03.2024	Ratio 31.03.2023	Variance	Reasons for variance
(a) Current ratio	Current Assets	Current Liabilities	0.14	0.18	-18.74%	Increase in Current Liabilities
(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	0.21	0.13	61.22%	Increase 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	21.48%	13.32%	61.22%	Increase in expenses
Date: 03-May-2024	Profit after tax	Equity shareholders' Fund	21.48%	13.32%	61.22%	Increase in expenses

**V GOPALAKRISHNAN**  
Director  
DIN: 03291640

**N SRINIVASA RAMANUJAM**  
Director  
DIN: 07384809

As per our report annexed  
**For Raghavan, Chaudhuri & Narayanan**  
Chartered Accountants  
ICAI Regn No. FRN 007761S

Chennai  
Dated: 03<sup>rd</sup> May, 2024

**V. SATHYANARAYANAN**  
Partner  
Membership No. 027716  
UDIN: 24027716BKCNNX5899

# TVS MOTOR (SINGAPORE) PTE. LIMITED

## 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 2024.

### 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 2024 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

Anuraag Agarwal (Appointed on 24 November 2023)

Deepali Pant Joshi (Appointed on 15 March 2024)

### 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.

### 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

Singapore,

29<sup>th</sup> April 2024

ANURAAG AGARWAL

Director

## 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 2024, 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 material accounting policy information.

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 2024 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:

- 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 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,

29<sup>th</sup> April 2024

# TVS MOTOR (SINGAPORE) PTE. LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Note	2024 S\$	2023 S\$
<b>ASSETS</b>			
<b>Non-current assets:</b>			
Plant and equipment	(8)	33,494,480	38,281,040
Investment in subsidiaries	(9)	379,929,001	274,028,072
Investments in associates	(10)	107,428,604	76,064,643
Other investments	(11)	13,465,085	16,406,825
Deferred tax assets	(12)	38,463	-
Other receivables	(13)	9,135,815	8,673,676
Loans receivables	(14)	-	34,479,976
Total non-current assets		543,491,448	447,934,232
<b>Current assets:</b>			
Other receivables	(13)	60,453,153	20,865,581
Loans receivables	(14)	77,156,276	16,399,137
Prepayments	(15)	697,815	796,958
Bank balances	(16)	5,859,284	3,394,708
Total current assets		144,166,528	41,456,384
<b>Total assets</b>		<b>687,657,976</b>	<b>489,390,616</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity:</b>			
Share capital	(17)	671,685,616	420,155,810
Share application money	(18)	19,333,690	71,287,921
Accumulated losses		(40,873,085)	(39,359,975)
Total equity		650,146,221	452,083,756
<b>Non-current liability:</b>			
Lease liabilities	(19)	23,735,108	27,980,612
<b>Current liabilities:</b>			
Lease liabilities – current portion	(19)	6,590,909	6,950,759
Borrowings	(20)	5,371,693	-
Trade and other payables	(21)	1,813,206	2,375,489
Income tax payable	(26)	839	-
Total current liabilities		13,776,647	9,326,248
Total liabilities		37,511,755	37,306,860
<b>Total equity and liabilities</b>		<b>687,657,976</b>	<b>489,390,616</b>

The accompanying notes form an integral part of these financial statements.

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 S\$	2023 S\$
<b>Revenue</b>	(22)	20,834,785	9,968,542
<b>Cost of services</b>	(23)	(20,508,149)	(10,371,316)
<b>Gross profit/ (loss)</b>		326,636	(402,774)
Other income	(24)	3,816,389	981,703
Administrative expenses		(5,323,466)	(4,095,514)
Finance cost	(25)	(24,746)	-
Other expense		(346,531)	(591,163)
<b>Loss before income tax</b>		(1,551,718)	(4,107,748)
Income tax	(26)	38,608	-
<b>Loss for the year</b>	(27)	(1,513,110)	(4,107,748)
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive loss for the year</b>		(1,513,110)	(4,107,748)

The accompanying notes form an integral part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

	Share Capital S\$	Share Application Money S\$	Accumulated Losses S\$	Total S\$
Balance as at 1 April 2023	396,903,850	3,542,785	(35,252,227)	365,194,408
Transaction with owner, recognised directly in equity				
- Issuance of shares (Note 17)	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
Transaction with owner, recognised directly in equity				
- Issuance of shares (Note 17)	251,529,806	(71,287,921)	-	80,241,885
Share application money received	19,333,690	-	-	19,333,690
Total comprehensive loss for the year	-	-	(1,513,110)	(1,513,110)
Balance as at 31 March 2024	671,685,616	19,333,690	(40,873,085)	650,146,221

The accompanying notes form an integral part of these financial statements

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 S\$	2023 S\$
<b>Cash flow from operating activities:</b>			
Loss before income tax		(1,551,718)	(4,107,748)
Adjustments for:			
Depreciation of plant and equipment	(8)	7,706,987	3,704,265
Foreign currency exchange difference		912,433	470,862
Gain on disposal of plant and equipment		(74,340)	-
Interest on loan		6,864	-
Interest on lease liabilities	(28)	1,410,357	488,352
Interest income	(24)	(2,279,193)	(980,355)
Operating cash flow before working capital changes		6,131,390	(424,624)
Other receivables		(37,834,348)	(15,093,903)
Prepayments		99,143	(516,265)
Trade and other payables		(569,147)	423,973
<b>Net cash used in operating activities</b>		<b>(32,172,962)</b>	<b>(15,610,819)</b>
<b>Investing activities:</b>			
Investment in associate	(10)	(18,970,261)	-
Investment in subsidiaries	(9)	(88,303,551)	(24,332,932)
Investment in other investments	(11)	(9,451,960)	(13,763,644)
Loans receivables	(13)	(43,874,541)	(35,810,063)
Proceeds from disposal of plant and equipment	(8)	580,000	-
Purchase of plant and equipment	(8)	(1,595,000)	(365,948)
Interest received		202	317,047
<b>Net cash used in investing activities</b>		<b>(161,615,111)</b>	<b>(73,955,540)</b>
<b>Financing activities:</b>			
Payment of principal portion of lease liability	(28)	(7,284,262)	(3,495,076)
Payment of interest portion of lease liability	(28)	(1,410,357)	(488,352)
Proceed from borrowings	(28)	5,371,693	-
Proceed from issued of new shares	(17)	180,241,885	19,709,175
Share application money received	(18)	19,333,690	70,607,511
<b>Net cash from financing activities</b>		<b>196,252,649</b>	<b>86,333,258</b>
Net increase/ (decrease) in bank balances		2,464,576	(3,233,101)
Bank balance at beginning of year		3,394,708	6,627,809
<b>Bank balance at end of year</b>	(16)	<b>5,859,284</b>	<b>3,394,708</b>

The accompanying notes form an integral part of these financial statements

# TVS MOTOR (SINGAPORE) PTE. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024

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 2024 were authorised for issue by the Board of Directors on \_\_\_\_\_.

### 2. MATERIAL ACCOUNTING POLICY INFORMATION

#### 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 2023. 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
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 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
Building (Right-of-use asset)	5

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.

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (Continued)

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.

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (Continued)

### 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 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

**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (Continued)**

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 recognise 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 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 will recognise 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 drawn 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 effective 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:

	2024	2023
	S\$	S\$
<b>Financial asset</b>		
At amortised cost:		
- Other receivables	69,588,968	29,539,257
- Loans receivables	77,156,276	50,879,113
- Bank balances	5,859,284	3,394,708
At fair value through other comprehensive income:		
- Other investments	13,465,085	16,406,825
	<u>166,069,613</u>	<u>100,219,903</u>
<b>Financial liabilities</b>		
At amortised cost:		
- Trade and other payables	1,813,206	2,375,489
- Lease liabilities	30,326,017	34,931,371
- Borrowings	5,371,693	-
	<u>37,510,916</u>	<u>37,306,860</u>

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (Continued)

### 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

# TVS MOTOR (SINGAPORE) PTE. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (Continued)

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 and United states 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:

	2024	2023	2024	2023
	CHF	CHF	US\$	US\$
<b>In Singapore dollar</b>				
Financial assets				
Other receivables	2,522,737	722,034	21,270,325	21,451,136
Loans to subsidiaries	67,083,955	45,736,076	2,829,960	2,654,000
Bank balances	-	-	5,791,210	3,386,319
	<u>69,606,692</u>	<u>46,458,110</u>	<u>29,891,495</u>	<u>27,491,455</u>
Financial liabilities				
Lease liabilities	-	-	29,953,451	34,931,371
Trade and other payables	-	-	1,052,792	1,233,238
	-	-	<u>31,006,243</u>	<u>36,164,609</u>
Net exposure	<u>69,606,692</u>	<u>46,458,110</u>	<u>(1,114,748)</u>	<u>(8,673,154)</u>

	2024	2023	2024	2023
	Euro	Euro	GBP	GBP
<b>In Singapore dollar</b>				
Financial assets				
Other receivables	20,257,633	5,420,883	286,633	136,317
Loans to subsidiaries	109,373	108,548	7,132,988	2,380,489
	<u>20,367,006</u>	<u>5,529,431</u>	<u>7,419,621</u>	<u>2,516,806</u>
Financial liabilities				
Trade and other payables	56,143	205,526	385,507	891,409
	<u>56,143</u>	<u>205,526</u>	<u>385,507</u>	<u>891,409</u>
Net exposure	<u>20,310,863</u>	<u>5,323,905</u>	<u>7,034,114</u>	<u>1,625,397</u>

### 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:

	2024	2023
	S\$	S\$
CHF impact	(6,960,669)	(4,645,811)
US\$ impact	111,475	867,315
Euro impact	(2,031,086)	(532,391)
GBP impact	(703,411)	(162,540)

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.

2024	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\$
<b>Financial liabilities:</b>						
Lease liabilities	3% to 7.8%	30,326,017	7,754,701	22,063,831	4,086,581	33,905,113
Borrowings	9.15% to 9.25%	5,371,693	5,558,702	-	-	5,558,702
Trade and other payables	-	1,813,206	1,813,206	-	-	1,813,206
		<u>37,510,916</u>	<u>15,126,609</u>	<u>22,063,831</u>	<u>4,086,581</u>	<u>41,277,021</u>
<b>Contractual undiscounted cash flows</b>						
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\$
<b>Financial liabilities:</b>						
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
		<u>37,306,860</u>	<u>10,640,044</u>	<u>22,988,373</u>	<u>8,286,062</u>	<u>41,914,479</u>

# TVS MOTOR (SINGAPORE) PTE. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (Continued)

### 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 13 to the financial statements.

#### a) Fair value hierarchy

The company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

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			Valuation Technique and Key Impact	Significant unobservable input	Relationship of unobservable inputs to fair value
	2024 S\$	2023 S\$	Fair Value Hierarchy			
At fair value through other comprehensive income						
Other investments - Equity securities (unquoted)	13,465,085	16,406,825	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.

	2024	2023
	S\$	S\$
Trade and other payables	1,813,206	2,375,489
Lease liabilities	30,326,017	34,931,371
Borrowings	5,371,693	-
Less: Bank balances	(5,859,284)	(3,394,708)
Net debt	31,651,632	33,912,152
Total equity	650,146,221	452,083,756
Total capital	681,797,853	485,995,908
Gearing ratio	4.6%	7%

### 6. HOLDING COMPANY

The company is wholly-owned subsidiary of TVS Motor Company Ltd, incorporated in India. The company's ultimate holding company is TVS Holdings 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. SIGNIFICANT 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.

Significant related party transactions affecting the profit or loss account are as follows:

#### (a) Significant related parties' transactions:

	2024	2023
	S\$	S\$
Service income from related party	20,834,785	9,968,542
Interest income from:		
- subsidiaries	1,927,127	800,286
- related companies	31,682	1,300
Recovery of professional and consultancy fee by subsidiaries	(251,333)	(296,555)

# TVS MOTOR (SINGAPORE) PTE. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (Continued)

### 8. PLANT AND EQUIPMENT

	Office equipment S\$	Office artwork S\$	Vehicle S\$	Leasehold Property S\$	Total S\$
<b>Cost</b>					
At 01.04.2022	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
Additions	-	-	1,595,000	407,138	2,002,138
Lease reassessment	1,423,950	-	1,423,950	-	-
Disposal	-	-	(777,939)	-	(777,939)
<b>At 31.03.2024</b>	<b>25,239</b>	<b>120,060</b>	<b>52,907,673</b>	<b>407,138</b>	<b>53,460,110</b>
<b>Accumulated depreciation</b>					
At 01.04.2022	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	-
Charged for the year	-	-	7,659,488	47,499	7,706,987
Disposal	-	-	(272,278)	-	(272,278)
<b>At 31.03.2024</b>	<b>25,239</b>	<b>-</b>	<b>19,892,892</b>	<b>47,499</b>	<b>19,965,630</b>
<b>Carrying amount</b>					
At 31.03.2023	-	120,060	38,160,980	-38,281,040	-
<b>At 31.03.2024</b>	<b>-</b>	<b>120,060</b>	<b>33,014,781</b>	<b>359,639</b>	<b>33,494,480</b>

The company leases aircrafts for business use and an office premises for its operations. The leases have a total tenure of 60 to 84 months and the remaining lease term as at 31 March 2024 is 24 to 71 months (2023: 36 to 83 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

	2024 S\$	2023 S\$
Unquoted equity shares at cost:		
At beginning of the year	274,028,072	244,523,947
Additions	105,900,929	29,504,125
At end of the year	379,929,001	274,028,072

Details of the subsidiary are as follows:

Name of subsidiary / Country of incorporation	Principal activity	Proportion of ownership Interest	
		2024	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	87.8%	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

100% 75%

EBCO Limited  
England

Producing and distributing electric bikes designed for the rapidly expanding British e-bike market

70% 70%

Celerity Motor GmbH  
Germany

Undertake activities related to two-wheeler & three-wheeler vehicles, including research, development, engineering, sales and service thereof

100% 100%

During the financial year,

- The company subscribed to and was allotted 35,500,000 ordinary shares in The Norton Motorcycle Co. Limited for a total consideration of GBP 35,500,000 (equivalent to S\$59,435,899).
- The company subscribed to and was allotted 6,385,514 ordinary shares in The GO AG for a total consideration of CHF 10,140,000 (equivalent to S\$17,597,378) by way of converting from the loan to The GO AG.
- The company subscribed to and was allotted 38,217 ordinary shares in Swiss E-Mobility Group (Holding) AG for a total consideration of CHF 19,771,947 (equivalent to S\$28,867,652).

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 their registered office at No.12, Chaitanya Building, Khader Nawaz Khan Road, Chennai – 600 006, India.

At the end of the reporting period, the company carried out a review on the recoverable amount of its investment in subsidiaries. The recoverable amount of the relevant investment in subsidiaries 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.

# TVS MOTOR (SINGAPORE) PTE. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (Continued)

### 10. INVESTMENTS IN ASSOCIATES

	2024	2023
	S\$	S\$
Unquoted equity shares at cost:		
At beginning of the year	76,064,643	76,064,643
Addition	18,970,261	-
Transfer from other investments (Note 11)	12,393,700	-
At end of the year	<u>107,428,604</u>	<u>76,064,643</u>

Details of the associates are as follows:

Name of associate/ Country of incorporation	Principal activity	Proportion of ownership Interest	
		2024	2023
PT. TVS Motor Company Indonesia	Manufacturers of motorcycles, motorcycles spare parts and accessories	31.7%	31.7%
Ion Mobility Pte. Ltd. Singapore	Manufacture and assembly of motorcycles, scooters and other parts and accessories	27.5%	-
Killwatt GmbH Germany	Development, design and marketing of products and components in the field of two-, three-, and four-wheeled vehicles	49%	-

During the financial year,

- the company subscribed to and was allotted 1,820,326 preference AA shares in Ion Mobility Pte. Ltd. for a total consideration of USD 5,500,000 (equivalent to S\$7,451,400).
- the company subscribed to and was allotted 24,500 ordinary shares in Killwatt GmbH for a total consideration of Euro 8,000,000 (equivalent to S\$11,518,861).

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

	2024	2023
	S\$	S\$
Equity instruments		
At fair value through other comprehensive income:		
Unquoted equity investments:		
At beginning of the year	16,406,825	-
Addition	9,451,960	16,406,825
Transfer to investments in associate (Note 10)	(12,393,700)	-
At end of the year	<u>13,465,085</u>	<u>16,406,825</u>

The above investments offer the company the opportunity for return through dividend income and fair value gains.

Equity investments 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	
		2024	2023
Mottu Holdings Ltd	United States of America	0.63%	0.63%
ARC Ride Limited	England	3%	3%
Ion Mobility Pte. Ltd.	Singapore	-	19*.6
Quadrant Esports Limited	United Kingdom	1.06	-

Other investments are denominated in United States dollar.

	2024	2023
	S\$	S\$
British pound	167,860	-
United States dollar	<u>13,297,225</u>	<u>16,406,825</u>
	<u>13,465,085</u>	<u>16,406,825</u>

### 12. DEFERRED TAX ASSET

	2024	2023
	S\$	S\$
At the beginning of year	-	-
Credited to income for the year (Note 26)	39,447	-
Foreign exchange loss	(984)	-
At end of year	<u>38,463</u>	<u>-</u>

### 13. OTHER RECEIVABLES

	2024	2023
	S\$	S\$
<b>Non-current</b>		
Long-term deposit	9,135,815	8,673,676
<b>Current</b>		
Amount due from subsidiaries (Note 9)	26,641,841	6,243,424
Amount due from a related party (Note 7)	6,738,000	981,683
Bonds receivable	11,965	-
Convertible notes receivable	6,507,000	666,500
Interest receivables from subsidiaries (Note 9)	2,761,110	802,397
Interest receivables from related parties (Note 7)	33,019	-
Interest receivables from third party	-	4,217
Other receivables – third parties	5,455,141	57,259
Refundable deposits	10,605,077	2,456,180
Share application money paid	1,700,000	9,653,921
	<u>60,453,153</u>	<u>20,865,581</u>
Total other receivables	<u>69,588,968</u>	<u>29,539,257</u>

Long-term deposits of US\$7,900,000 (2023: US\$7,900,000) 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% (2023: 3% to 4.4%) per annum.

Amount due from subsidiaries and related parties are unsecured, interest free and repayable on demand.

Other receivables are denominated in the following currencies:

	2024	2023
	S\$	S\$
British pound	286,633	136,317
Euro	20,257,633	5,420,883
Philippine peso	5,465,348	-
Singapore dollar	19,786,292	1,808,887
Swiss franc	2,522,737	722,034
United States dollar	<u>21,270,325</u>	<u>21,451,136</u>
	<u>69,588,968</u>	<u>29,539,257</u>

### 14. LOANS RECEIVABLES

	2024	2023
	S\$	S\$
<b>Non-current</b>		
Loans to subsidiaries (Note 9)	-	34,479,976
<b>Current</b>		
Loans to subsidiaries (Note 9)	74,216,943	13,636,589
Loan to related party (Note 6)	2,939,333	108,548
Loans to third party	-	2,654,000
	<u>77,156,276</u>	<u>16,399,137</u>
Total loans receivables	<u>77,156,276</u>	<u>50,879,113</u>

Loans receivables are interest bearing at 3.25% to 6% (2023: 3.25% to 4%) per annum, unsecured and tenure ranging from 4 to 40 months (2023: 3 to 24 months).

# TVS MOTOR (SINGAPORE) PTE. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (Continued)

Loans receivables are denominated in following currencies:

	2024	2023
	S\$	S\$
British pound	7,132,988	2,380,489
Euro	109,373	108,548
Swiss franc	67,083,955	45,736,076
United States dollar	2,829,960	2,654,000
	<u>77,156,276</u>	<u>50,879,113</u>

### 15. PREPAYMENTS

	2024	2023
	S\$	S\$
Prepayments	697,815	796,958

Prepayments are denominated in United States dollar.

### 16. BANK BALANCES

	2024	2023
	S\$	S\$
Cash at bank	5,859,284	3,394,708
Bank balances are denominated in the following currencies:		
Singapore dollar	54,281	8,389
United States dollar	5,791,210	3,386,319
Philippine peso	13,793	-
	<u>3,394,708</u>	<u>3,394,708</u>

### 17. SHARE CAPITAL

	2023	2022	2023	2022
	Number of ordinary shares		S\$	S\$
Issued and paid up:				
At beginning of the year	420,155,810	396,903,850	420,155,810	396,903,850
Issued during the year	251,529,806	23,251,960	251,529,806	23,251,960
At the end of the year	<u>671,685,616</u>	<u>420,155,810</u>	<u>671,685,616</u>	<u>420,155,810</u>

The company issued 251,529,806 (2023: 23,251,960) ordinary shares in the capital of the company for a consideration of S\$251,529,806 (2023: S\$23,251,960).

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.

### 18. SHARE APPLICATION MONEY

The share application money is advance receipt for application for shares in the company.

### 19. LEASE LIABILITY

	2024	2023
	S\$	S\$
<i>Maturity analysis:</i>		
Within one year	7,754,701	8,264,555
Within two to five years	22,063,831	22,988,373
After five years	4,086,581	8,286,062
	<u>33,905,113</u>	<u>39,538,990</u>
Less: future finance charges	(3,579,096)	(4,607,619)
	<u>30,326,017</u>	<u>34,931,371</u>
<i>Analysed as:</i>		
Current	6,590,909	6,950,759
Non-current	23,735,108	27,980,612
	<u>30,326,017</u>	<u>34,931,371</u>

The company leases vehicles for its business use and an office premises for its operations (Note 8). The effective borrowing rate is 3% to 7.8% (2023: 3% to 4%) per annum.

Total cash outflows for the leases during the financial year ended 31 March 2024 amounted to S\$8,694,619 (2023: S\$3,983,428).

Lease liabilities are denominated in the following currencies:

	2024	2023
	S\$	S\$
Philippine peso	372,566	-
United States dollar	29,953,451	34,931,371
	<u>30,326,017</u>	<u>34,931,371</u>

### 20. BORROWING

	2024	2023
	S\$	S\$
Short term bank loan	5,371,693	-

Short term bank loans were obtained from a financial institution. The loans bear interest at the rate of 9.15% to 9.25% per annum and are repayable with 12 months from the end of reporting period. The principal is repayable in full on maturity.

Borrowing is denominated in Philippine peso.

### 21. TRADE AND OTHER PAYABLES

	2024	2023
	S\$	S\$
Trade payable – third parties	1,119,244	1,201,655
Other payables – third parties	35,838	765,393
Amounts due to subsidiaries (Note 9)	348,066	288,285
Amounts due to related party (Note 7)	131,500	-
Accrued expenses	178,558	120,156
	<u>1,813,206</u>	<u>2,375,489</u>

### 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
	<u>10,371,316</u>	<u>7,841,300</u>

Trade payables are unsecured, non-interest bearing and they are normally settled on 30 days' (2023: 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:

	2024	2023
	S\$	S\$
British pound	385,507	891,409
Euro	56,143	205,526
Philippine peso	20,481	-
Singapore dollar	298,283	45,316
United States dollar	1,052,792	1,233,238
	<u>1,813,206</u>	<u>2,375,489</u>

# TVS MOTOR (SINGAPORE) PTE. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (Continued)

### 22. REVENUE

	2024	2023
	S\$	S\$
Passenger service income	20,834,785	9,968,542
Timing of transfer of good or service		
Over time	20,834,785	9,968,542

### 23. COST OF SERVICES

	2024	2023
	S\$	S\$
Aircraft operation and maintenance charges	11,581,006	6,273,648
Depreciation of plant and equipment	7,361,024	3,529,014
Interest on lease liabilities	1,392,475	488,352
Withholding tax	173,644	80,302
	20,508,149	10,371,316

### 24. OTHER INCOME

	2024	2023
	S\$	S\$
Foreign currency exchange gain	1,420,893	-
Gain on disposal of plant and equipment	74,340	-
Interest income	324,601	174,552
Interest income on loan	1,954,592	805,803
Rental income	41,963	-
Others	-	1,348
	3,816,389	981,703

### 25. FINANCE COST

	2024	2023
	S\$	S\$
Interest on lease liability	17,882	-
Interest on loan	6,864	-
	24,746	-

### 26. INCOME TAX

	2024	2023
	S\$	S\$
Current tax	839	-
Deferred tax (Note 12)	(39,447)	-
	(38,608)	-

The income tax benefit varied from the amount of income tax determined by applying the Singapore income tax rate of 17% (2023: 17%) to loss before income tax due to the following:

	2024	2023
	S\$	S\$
Loss before income tax	(1,551,718)	(4,107,748)
Income tax benefit at statutory rate of 17% (2023: 17%)	(263,792)	(698,317)
Income tax effects of:		
- non-taxable items	(400,066)	-
- non-deductible items	101,479	90,245
- tax losses carried forward	562,379	608,072
- Minimum Corporate Income Tax (MCIT) in Philippine	839	-
Tax for the year	839	-
Deferred tax (Note 12)	(39,447)	-
	(38,608)	-

### 27. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging/ (crediting):

	2024	2023
	S\$	S\$
Aircraft operation and maintenance charges	11,581,006	6,273,648
Depreciation of plant and equipment	7,706,987	3,704,265
Donations	-	181,900
Foreign currency exchange (gain)/ loss	(1,420,893)	415,712
Insurance expense	14,938	2,437
Office rental	9,650	-
Professional and consultancy fees	4,538,698	3,292,732
Short-term employee's benefits	517,600	-

### 28. 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.

	2024	2023
	S\$	S\$
<b>Lease liabilities (Note 19)</b>		
At beginning of the year	34,931,371	10,742,555
<i>Financing cash flows:</i>		
- Principal portion of lease liabilities	(7,284,262)	(3,495,076)
- Interest portion of lease liabilities	(1,410,357)	(488,352)
	(8,694,619)	(3,983,428)
<i>Non-cash transactions:</i>		
- New lease	407,137	27,893,440
- Reassessment of lease	1,423,950	-
- Foreign currency exchange loss/(gain)	847,821	(209,548)
- Interest expense	1,410,357	488,352
At the end of year	30,326,017	34,931,371
	2024	2023
<b>Borrowing (Note 20)</b>	S\$	S\$
At beginning of the year	-	-
<i>Financing cash flow:</i>		
- Proceeds	5,371,693	-
At the end of year	5,371,693	-

### 29. 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.

# TVS MOTOR (SINGAPORE) PTE. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (Continued)

### DETAILED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31ST MARCH 2024

	2024 S\$	2023 S\$
Service income	20,834,785	9,968,542
<b>Cost of services</b>		
Aircraft operation and maintenance charges	11,581,006	6,273,648
Depreciation	7,361,024	3,529,014
Interest on lease liabilities	1,392,475	488,352
Withholding tax	173,644	80,302
	<u>20,508,149</u>	<u>10,371,316</u>
<b>Gross profit/(loss)</b>	<b>326,636</b>	<b>(402,774)</b>
<b>Other income</b>		
Foreign currency exchange gain	1,420,893	-
Gain on disposal of plant and equipment	74,340	-
Interest income	324,601	174,552
Interest income on loan	1,954,592	805,803
Rental income	41,963	-
Others	-	1,348
	<u>3,816,389</u>	<u>981,703</u>
Total income	<b>4,143,025</b>	<b>578,929</b>
<b>Less: expenses</b>		
- Schedule 'A'	(5,694,743)	(4,686,677)
<b>Loss before income tax</b>	<b>(1,551,718)</b>	<b>(4,107,748)</b>

This schedule does not form part of the statutory audited financial statements.

### Schedule 'A'

#### EXPENSES

#### FOR THE YEAR ENDED 31 MARCH 2024

	2024 S\$	2023 S\$
Administrative expenses		
Auditors' remuneration	35,000	30,000
Bank charges	51,994	29,357
Book keeping fee	9,600	9,600
Commission for aircraft	-	325,975
Donation	-	181,900
Insurance expense	-	2,437
Legal and professional fee	61,939	160,321
Miscellaneous expense	1,633	-
Office expense	-	343
Office rental	9,650	-
Printing and stationery	100	100
Professional and consultancy fee	4,538,698	3,292,732
Salary, bonus and allowance	499,606	-
Secretarial fee	-	3,017
Sponsorship fee	-	58,876
Staff insurance	14,938	-
Staff welfare	3,056	-
Subscription and membership fee	12,124	856
Travelling expense	57,977	-
Utilities	5,030	-
Vehicle expense	22,121	-
<b>Finance costs</b>		
Interest on lease liability	17,882	-
Interest on loan	6,864	-
<b>Other expense</b>		
Depreciation	345,963	175,251
Fine and penalty	568	200
Foreign currency exchange loss	-	415,712
	<u>5,694,743</u>	<u>4,686,677</u>

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 31<sup>ST</sup> MARCH 2024

	Notes	SGD in Mn.	Rupees in crores
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	33.49	206.78
Investments Accounted Using Equity Method		31.37	193.46
Non-current investments	2	475.98	2,554.52
Financial assets - others	3	19.31	119.09
Deferred Tax Asset		0.04	0.24
		<u>560.19</u>	<u>3,074.09</u>
<b>Current assets</b>			
Financial assets			
Trade receivables	4	23.62	145.88
Cash and cash equivalents	5	5.86	36.17
Other Financial assets	6	86.70	535.19
Other current assets	7	11.31	69.78
		<u>127.49</u>	<u>787.02</u>
Total Assets		<u>687.68</u>	<u>3,861.11</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	8	671.69	3,689.66
Other equity	9	(40.88)	(181.32)
		<u>630.81</u>	<u>3,508.34</u>
Share application money pending allotment		19.33	121.19
<b>Liabilities</b>			
<b>Non-Current liabilities</b>			
Financial liabilities			
Lease liability		23.74	146.53
		<u>23.74</u>	<u>146.53</u>
<b>Current liabilities</b>			
Financial liabilities			
(i) Lease liability		6.59	40.69
(ii) Trade payables	10	-	-
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (ii) (a) above		1.30	8.01
Other current liabilities	11	5.89	36.35
		<u>13.78</u>	<u>85.05</u>
Total liabilities		<u>37.52</u>	<u>231.58</u>
Total equity and liabilities		<u>687.68</u>	<u>3,861.11</u>

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

	Notes	SGD in Mn.	Rupees in crores
I Revenue from operations	12	22.25	137.03
II Other income	13	2.39	14.76
III Total Income (I + II)		<u>24.64</u>	<u>151.79</u>
IV Expenses:			
Employee benefits expense	14	0.50	3.10
Finance costs	15	1.42	8.72
Depreciation and amortisation expense	16	7.71	47.45
Other expenses	17	16.57	102.07
		<u>26.20</u>	<u>161.34</u>
V Profit before exceptional items (III - IV)		(1.56)	(9.55)
VI Exceptional items		-	-
VII Profit before tax (V+ VI)		(1.56)	(9.55)
VIII Tax expense			
i) Current tax		(0.04)	(0.24)
ii) Deferred tax		-	-
IX Profit for the year (VII - VIII)		<u>(1.52)</u>	<u>(9.31)</u>
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		-	6.69
		<u>-</u>	<u>6.69</u>
XI Total Comprehensive Income (IX + X)		<u>(1.52)</u>	<u>(2.62)</u>
XII Earnings per equity share (Face value of SGD 1/- each)			
Basic & Diluted earnings per share (in SGD / in rupees)		-	(0.22)

# TVS MOTOR (SINGAPORE) PTE. LIMITED

## Notes on Accounts

### 1 Property, Plant & Equipment

SGD in Mn.

Description	Furniture and fixtures	Vehicles	Office equipments	ROU Asset	Total
	1	2	3	4	5
Cost of assets					
Gross carrying value as at 01-04-2023	0.12	1.15	0.02	49.52	50.81
Additions	-	1.60	-	1.83	3.43
Sub-total	0.12	2.75	0.02	51.35	54.24
Sales / deletion	-	0.58	-	-	0.58
<b>Total</b>	<b>0.12</b>	<b>2.17</b>	<b>0.02</b>	<b>51.35</b>	<b>53.66</b>
Depreciation / Amortisation					
Upto 31-03-2023	-	0.22	0.02	12.29	12.53
For the year	-	0.30	-	7.41	7.71
Sub-total	-	0.52	0.02	19.70	20.24
Withdrawn on assets sold / deleted	-	0.07	-	-	0.07
<b>Total</b>	<b>-</b>	<b>0.44</b>	<b>0.02</b>	<b>19.70</b>	<b>20.16</b>
Carrying value					
As at 31-03-2024	0.12	1.72	-	31.65	33.49

### 1 Property, Plant & Equipment

Rupees in crores

Description	Furniture and fixtures	Vehicles	Office equipments	ROU Asset	Total
	1	2	3	4	5
Cost of assets					
Gross carrying value as at 01-04-2023	0.74	7.07	0.16	271.69	279.66
Additions	-	9.85	-	11.30	21.15
Foreign Currency translation reserve difference	-	(0.01)	-	-	(0.01)
Sub-total	0.74	16.91	0.16	282.99	300.80
Sales / deletion	-	3.58	-	-	3.58
<b>Total</b>	<b>0.74</b>	<b>13.33</b>	<b>0.16</b>	<b>282.99</b>	<b>297.22</b>
Depreciation / Amortisation					
Upto 31-03-2023	-	1.31	0.16	41.64	43.11
For the year	-	1.84	-	45.61	47.45
Foreign Currency translation reserve difference	-	0.01	-	0.33	0.34
Sub-total	-	3.16	0.16	87.58	90.90
Withdrawn on assets sold / deleted	-	0.46	-	-	0.46
<b>Total</b>	<b>-</b>	<b>2.70</b>	<b>0.16</b>	<b>87.58</b>	<b>90.44</b>
Carrying value					
As at 31-03-2024	0.74	10.63	-	195.41	206.78



## TVS MOTOR (SINGAPORE) PTE. LIMITED

### Notes on accounts - (continued)

For the Year Ended 31-03-2024  
SGD in Mn. Rupees in crores

#### 12 REVENUE FROM OPERATIONS

Sale of service	20.83	128.28
Other operating revenue	1.42	8.75
	<u>22.25</u>	<u>137.03</u>

#### 13 OTHER INCEOME

Interest Income	2.28	14.04
Other non operating income	0.11	0.72
	<u>2.39</u>	<u>14.76</u>

#### 14 EMPLOYEE BENEFITS EXPENSE

Salaries, wages and bonus	0.50	3.08
Contribution to provident and other funds	-	-
Staff welfare expenses	-	0.02
	<u>0.50</u>	<u>3.10</u>

#### 15 FINANCE COST

Interest on lease liabilities	1.41	8.68
Interest	0.01	0.04
	<u>1.42</u>	<u>8.72</u>

#### 16 DEPRECIATION

Depreciation on property plant and equipment	0.35	2.13
Depreciation on right of use asset	7.36	45.32
	<u>7.71</u>	<u>47.45</u>

#### 17 OTHER EXPENSES

(a) Rent	-	-
(b) Insurance	0.01	0.09
(c) Rates and taxes (excluding taxes on income)	0.17	1.07
(d) Audit fees	0.04	0.22
(e) Repair and maintenance	11.58	71.31
(f) Miscellaneous expenses	4.77	29.38
	<u>16.57</u>	<u>102.07</u>

# CELERITY MOTOR GMBH

## BALANCE SHEET

Details	in EURO	
	As at 3/31/2024	As at 3/31/2023
<b>Assets</b>		
<b>Non-Current asset</b>		
Intangible assets and PPE	3,250,000	3,250,000
(Accumulated depreciation from April-23 to Mar-24)	(520,344)	-
Intangible assets and PPE (net)	2,729,656	3,250,000
<b>Total - Non Current Assets</b>	<b>2,729,656</b>	<b>3,250,000</b>
<b>Current Assets</b>		
Receivables	469,381	-
Other recoverable (bank balance to be transferred)	64,264	25,000
VAT Refund + Amount payable on VAT	0	249,537
Inventory / Advance Payments made	20,628	
Other Assets	270,882	
<b>Total Current Assets</b>	<b>825,155</b>	<b>274,537</b>
<b>Total Assets</b>	<b>3,554,811</b>	<b>3,524,537</b>
<b>Equity &amp; Liabilities</b>		
<b>Capital Reserve:</b>		
Share Capital	25,000	25,000
Share Application Money (Money by TVS Motor Singapore on behalf of Celerity)	3,499,537	3,499,537
TVS Motor Singapore Pte - Share application pending Allotment	2,066,238	344,725
Accumulated Loss	(2,080,973)	(344,725)
<b>Total Equity</b>	<b>3,509,802</b>	<b>3,524,537</b>
<b>Non- Current Liabilities</b>		
Lease Liability		
<b>Current Liabilities</b>		
Other Payables/Provisions/Creditors	45,009	-
Lease Liability		
<b>Total Current Liabilities</b>	<b>45,009</b>	<b>-</b>
<b>Total Equity &amp; Liabilities</b>	<b>3,554,811</b>	<b>3,524,537</b>

## STATEMENT OF PROFIT AND LOSS

Details	in EURO	
	YTD Mar '24	YTD Mar '23
Revenue	456,939	
Other Operating Income (VAT & Benefits)	8,128	
Cost Material	2,780	
Other Operative Expenses	225	
Employee Cost	888,824	177,333
Depreciation and amortisation	520,344	
Expenses - R&D Design & E Mob App Project	492,994	
Admin & Other expenses	296,147	167,392
<b>Loss before income tax</b>	<b>(1,736,248)</b>	<b>(344,725)</b>
Income tax		
<b>Loss for the year</b>	<b>(1,736,248)</b>	<b>(344,725)</b>
Other comprehensive income		
<b>Total comprehensive loss</b>	<b>(1,736,248)</b>	<b>(344,725)</b>
<b>Administrative Expenses</b>		
	YTD Mar '24	YTD Mar '23
Data, Communication & IT expenses	29,957	
Rent	29,576	13,400
Warehouse	-	
Vehicle Usage & Other Insurance	5,376	
Car rental	18,123	
Other Expenses	2,708	
HR Portal	3,845	
Facility Management	7,144	
Gas, electricity, water	5,640	
Printer & Printer Charges	2,547	
Professional / Legal Fees	6,618	153,991.50
Rates, Insurance & Taxes	6,379	
Advertisement / Trade register	34,086	
Bank charges	494	
Travel & Conveyance	140,101	
Repairs & Maintenance	3,552	
<b>Total - Administrative expenses</b>	<b>296,147</b>	<b>167,392</b>
Exchange Loss		
<b>Total - Other Expenses</b>		
<b>Total expenses</b>	<b>296,147</b>	<b>167,392</b>

Celerity Motors - RPT - FY 2023-24			
S. No	Particulars	Entity	Amount in EURO
1	Sale of Engineering & Marketing Service	TVSM	453,747.60
3	Share Capital Pending allotment	TVS Singapore PTE	5,565,775.31

**RE-STATED ACCOUNTS OF  
CELERITY MOTOR GMBH**

# CELERITY MOTOR GMBH

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2024

	Notes	SGD in Mn.	Rupees in crores
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	-	-
Other intangible assets	1	2.73	24.53
Capital work-in-progress		-	-
Non-current investments		-	-
Financial assets - others		-	-
Other non current assets		-	-
		<u>2.73</u>	<u>24.53</u>
<b>Current assets</b>			
Financial assets			
Inventory	2	0.02	0.19
Trade receivables	3	0.47	4.22
Cash and cash equivalents		-	-
Other current assets	4	0.33	0.58
		<u>0.82</u>	<u>4.99</u>
Total Assets		<u>3.55</u>	<u>29.52</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	5	0.03	0.22
Other equity	6	(2.10)	(23.30)
		<u>(2.07)</u>	<u>(23.08)</u>
Share application money pending allotment		5.57	52.20
<b>Current liabilities</b>			
Financial liabilities			
(i) Lease liability		-	-
(ii) Trade payables	7	-	-
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (i) (a) above		0.05	0.40
		<u>0.05</u>	<u>0.40</u>
Total liabilities		<u>0.05</u>	<u>0.40</u>
Total equity and liabilities		<u>3.55</u>	<u>29.52</u>

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

	Notes	SGD in Mn.	Rupees in crores
I Revenue from operations	8	0.47	4.19
II Other income		-	-
Other gains/(losses) - net			
III Total Income (I +II)		<u>0.47</u>	<u>4.19</u>
IV Expenses:			
Cost of material consumed		0.02	0.21
Changes in inventories of finished goods work-in-progress and stock-in-trade		(0.02)	(0.19)
Employee benefits expense	9	0.89	7.98
Depreciation and amortisation expense	10	0.52	4.67
Other expenses	11	0.79	7.09
		<u>2.21</u>	<u>19.76</u>
V Profit before exceptional items (III - IV)		(1.74)	(15.57)
VI Exceptional items		-	-
VII Profit before tax (V+ VI)		<u>(1.74)</u>	<u>(15.57)</u>
VIII Tax expense			
i) Current tax		-	-
ii) Deferred tax		-	-
IX Profit for the year (VII - VIII)		<u>(1.74)</u>	<u>(15.57)</u>
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		-	(5.04)
		<u>-</u>	<u>(5.04)</u>
XI Total Comprehensive Income (IX + X)		<u>(1.74)</u>	<u>(20.61)</u>
XII Earnings per equity share (Face value of SGD 1/- each)			
Basic & Diluted earnings per share (in SGD / in rupees)		(0.07)	(6.19)

# CELERITY MOTOR GMBH

## Notes on Accounts

### 1. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

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 01-04-2023	-	-	-	-	-	-
Additions	-	-	-	-	3.25	3.25
Sub-total	-	-	-	-	3.25	3.25
Sales / deletion	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	3.25	3.25
Depreciation / Amortisation						
Upto 31-03-2023	-	-	-	-	-	-
For the year	-	-	-	-	0.52	0.52
Sub-total	-	-	-	-	0.52	0.52
Withdrawn on assets sold / deleted	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	0.52	0.52
Carrying value						
As at 31-03-2024	-	-	-	-	2.73	2.73

SGD in Mn.

### 1 Property, Plant & Equipment

Description	Property, Plant & Equipment				Other Intangible	
	Building	Office equipment	Right of use asset	Total	Software	Total
	1	2	5	5	12	12
Cost of assets						
Gross carrying value as at 01-04-2023	-	-	-	-	-	-
Additions	-	-	-	-	29.21	29.21
Foreign Currency translation reserve difference	-	-	-	-	-	-
Sub-total	-	-	-	-	29.21	29.21
Sales / deletion	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	29.21	29.21
Depreciation / Amortisation						
Upto 31-03-2023	-	-	-	-	-	-
For the year	-	-	-	-	4.67	4.67
Foreign Currency translation reserve difference	-	-	-	-	0.01	0.01
Sub-total	-	-	-	-	4.68	4.68
Withdrawn on assets sold / deleted	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	4.68	4.68
Carrying value						
As at 31-03-2024	-	-	-	-	24.53	24.53

Rupees in crores

# CELERITY MOTOR GMBH

## Notes on accounts - (continued)

	As at 31-03-2024			For the Year Ended 31-03-2024	
	SGD in Mn.	Rupees in crores		SGD in Mn.	Rupees in crores
<b>2 INVENTORIES</b>			<b>8 REVENUE FROM OPERATIONS</b>		
Raw materials and components			Revenue	0.46	4.12
Work in progress			Other operating revenue	0.01	0.07
Finished goods	<u>0.02</u>	<u>0.19</u>			
	<u>0.02</u>	<u>0.19</u>		<u>0.47</u>	<u>4.19</u>
<b>3 TRADE RECEIVABLES</b>			<b>9 EMPLOYEE BENEFITS EXPENSE</b>		
Unsecured, considered good	0.47	4.22	Salaries, wages and bonus	0.89	7.98
	<u>0.51</u>	<u>4.60</u>	Contribution to provident and other funds	-	-
<b>4 OTHER CURRENT ASSETS</b>			Staff welfare expenses	-	-
GST/VAT/IT/Excise receivable	-	-		<u>0.89</u>	<u>7.98</u>
Others	<u>0.33</u>	<u>0.58</u>	<b>10 DEPRECIATION</b>		
	<u>0.33</u>	<u>0.58</u>	Depreciation on property plant and equipment	-	-
<b>5 EQUITY SHARE CAPITAL</b>			Amortisation on right-to-use asset	-	-
Issued, subscribed and fully paid up:			Amortisation on intangible assets	0.52	4.67
25,158,918 Ordinary shares of SGD 1 each	0.03	0.22		<u>0.52</u>	<u>4.67</u>
	<u>0.03</u>	<u>0.22</u>	<b>11 OTHER EXPENSES</b>		
<b>6 OTHER EQUITY</b>			Rent	0.03	0.27
Retained earnings	(2.10)	(18.55)	Rates and taxes (excluding taxes on income)	0.01	0.06
Foreign currency translation reserve	-	(4.75)	Advertisement	0.03	0.31
	<u>(2.10)</u>	<u>(23.30)</u>	Car rental	0.02	0.16
<b>7 TRADE PAYABLES</b>			Data, Communication & IT expenses	0.03	0.27
Dues to Micro and Small Enterprises**			Expenses - R&D Design & E Mob App Project	0.49	4.43
Dues to enterprises other than Micro and Small Enterprises	0.05	0.40	Facility management	0.01	0.06
	<u>0.05</u>	<u>0.40</u>	Gas, electricity, water	0.01	0.06
			HR Portal	-	0.03
			Printing & stationery	-	0.02
			Professional Fees	0.01	0.06
			Repairs & Maintenance	-	0.03
			Travelling Expenses	0.14	1.26
			Vehicle Usage & Other Insurance	0.01	0.05
			Others	0.00	0.02
				<u>0.79</u>	<u>7.09</u>

\*\* 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 NORTON MOTORCYCLE CO. LIMITED

## STRATEGIC REPORT FOR THE PERIOD ENDED 31 MARCH 2024

The directors present the strategic report for the year ended 31 March 2024.

### Review of the business

Founded in 1898, Norton is Britain's iconic sports motorcycle brand. It is among the most popular motorcycles 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. After 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 2024, the company has created tangible assets to the extent of £9.7 million and intangible assets of £29.2 million. Sale of new motorcycles began in earnest in March 2023 as the establishment of a UK dealership network commenced, in addition to the ability to sell directly. The Company has established 9 dealers across UK to cater to current product portfolio.

As of March 2024, the parent company has infused share capital to the tune of £109.8 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 £5 million to meet its working capital needs. As of 31 March 2024, the company had an overdraft balance of £3.2 million.

Though the company did not take 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. The Company has substantially handed over these bikes to them and also started despatching both 961 & V4 bikes to the new Customers. In addition, a range of special edition bikes to celebrate its 125 - year anniversary have been launched and production of it have started.

Summary of the financial results are as under:

Details	£m
Revenue	3.99
Loss before tax	(38.24)

### 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 finalised 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 on 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 couple of years, the company has plans to expand its market to European countries, US, Asia and Australia. 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, and delivery.

Norton is procuring materials from various countries in different currencies, which exposes the Company to forex risk. A hedging strategy is being implemented to mitigate the forex exposure, which will go live in 24-25.

### Research and Development

The company continues to focus on 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, 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 safety norms, the team of engineers will also be focusing on 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.

The company has firmed up its business plan with a series of new products to be launched in coming years, catering to various segments of the premium motorcycle market.

### 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 £109.8 million so far.

The Directors are optimistic that the company will continue to operate in the foreseeable future and hence adopts the "going concern" basis.

### Key performance indicators

During the last fiscal year, periodic reviews and board meetings were conducted to review the progress on new product development, project costs, gross margin of products, fixed costs, stock, and debtor levels, working capital position and evaluation of funding requirements.

On behalf of the Board  
S M MISHRA  
Director  
27<sup>th</sup> April 2024

# THE NORTON MOTORCYCLE CO. LIMITED

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## DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 MARCH 2024

The directors present their annual report and financial statements for the year ended 31 March 2024.

### 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

Hendrik Dietrich Eberhard Von Kuenheim (Appointed 7 September 2023)

### 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 activities 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.

### Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the Board

S M MISHRA

Director

2<sup>nd</sup> May 2024

## DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 31 MARCH 2024

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.

## Independent Auditor's Report to the Member of The Norton Motorcycle co. Limited

### Opinion

We have audited the financial statements of The Norton Motorcycle Co. Limited (the 'company') for the year ended 31 March 2024 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

### In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

### Matters 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 strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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 directors' remuneration specified by law are not made; or

• we have not received all the information and explanations we require for our audit.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are 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 directors determine 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, the directors are 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### 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 ISAs (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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- Enquiring of management and those charged with governance around actual and potential litigation and claims.
- Enquiring of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls and risk of fraud in revenue recognition, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the company's member 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 member those matters we are required to state to the member in an auditor's report 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 member, for our audit work, for this report, or for the opinions we have formed.

Debra Knighton FCCA  
Senior Statutory Auditor  
For and on behalf of Spencer Gardner Dickins Audit LLP  
Chartered Accountants  
Statutory Auditor

3 Coventry Innovation Village  
Cheetah Road  
Coventry  
CV1 2TL  
Date 14 May 2024

# THE NORTON MOTORCYCLE CO. LIMITED

## BALANCE SHEET AS AT 31 MARCH 2024

	Notes	2024		2023 as restated	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	10	29,158,939		26,453,244	
Tangible assets	11	9,678,701		10,668,129	
		<u>38,837,640</u>		<u>37,121,373</u>	
<b>Current assets</b>					
Stocks	13	11,111,381		9,141,491	
Debtors	14	4,503,846		5,292,401	
Cash at bank and in hand		53		126	
		<u>15,615,280</u>		<u>14,434,018</u>	
<b>Creditors: amounts falling due within one year</b>	15	(13,592,971)		(12,431,451)	
<b>Net current assets</b>			2,022,309		2,002,567
<b>Total assets less current liabilities</b>			<u>40,859,949</u>		<u>39,123,940</u>
<b>Creditors: amounts falling due after more than one year</b>	16	(23,749,208)		(19,400,367)	
<b>Net assets</b>			<u>17,110,741</u>		<u>19,723,573</u>
<b>Capital and reserves</b>					
Called up share capital	19	109,800,001		74,300,001	
Hedging reserve	20	(466,346)		(208,772)	
Profit and loss reserves	20	(92,222,914)		(54,367,656)	
<b>Total equity</b>			<u>17,110,741</u>		<u>19,723,573</u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on date and are signed on its behalf by:

S M Mishra  
Director  
Company Registration No. 12545195

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024	2023
		£	as restated £
<b>Turnover</b>	3	3,992,342	370,353
Cost of sales		(5,590,543)	(1,340,368)
<b>Gross loss</b>		<u>(1,598,201)</u>	<u>(970,015)</u>
Administrative expenses		(34,578,846)	(28,144,104)
<b>Operating loss</b>	4	<u>(36,177,047)</u>	<u>(29,114,119)</u>
Interest payable and similar expenses	8	(2,059,656)	(574,789)
<b>Loss before taxation</b>		<u>(38,236,703)</u>	<u>(29,688,908)</u>
Tax on loss	9	381,445	329,211
<b>Loss for the financial year</b>		<u>(37,855,258)</u>	<u>(29,359,697)</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	2023 as restated £
<b>Loss for the year</b>	(37,855,258)	(29,359,697)
<b>Other comprehensive income</b>		
Cash flow hedges loss arising in the year	(257,574)	(208,772)
<b>Total comprehensive income for the year</b>	<u>(38,112,832)</u>	<u>(29,568,469)</u>

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

Notes	Share capital	Hedging reserve	Profit and loss reserves	Total
	£	£	£	£
<b>As restated for the period ended 31 March 2023:</b>				
<b>Balance at 1 April 2022</b>	60,300,001	-	(25,007,959)	35,292,042
<b>Year ended 31 March 2023:</b>				
Loss	-	-	(29,359,697)	(29,359,697)
Other comprehensive income:				
Cash flow hedges gains	-	(208,772)	-	(208,772)
<b>Total comprehensive income</b>	-	(208,772)	(29,359,697)	(29,568,469)
Issue of share capital	19	14,000,000	-	14,000,000
<b>Balance at 31 March 2023</b>	<u>74,300,001</u>	<u>(208,772)</u>	<u>(54,367,656)</u>	<u>19,723,573</u>
<b>Year ended 31 March 2024:</b>				
Loss	-	-	(37,855,258)	(37,855,258)
Other comprehensive income:				
Cash flow hedges gains	-	(257,574)	-	(257,574)
<b>Total comprehensive income</b>	-	(257,574)	(37,855,258)	(38,112,832)
Issue of share capital	19	35,500,000	-	35,500,000
<b>Balance at 31 March 2024</b>	<u>109,800,001</u>	<u>(466,346)</u>	<u>(92,222,914)</u>	<u>17,110,741</u>

# THE NORTON MOTORCYCLE CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

### 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 continued to make significant losses in the financial year as it has commenced commercial production whilst developing a new model range.

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.

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.

### 1 Accounting policies (Continued)

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
Computers	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

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (Continued)

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 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

# THE NORTON MOTORCYCLE CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (Continued)

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.

### 2. Judgements and key sources 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.

	2024 £	2023 £
<b>3 Turnover</b>		
<b>Turnover analysed by class of business</b>		
Motorcycle sales	3,854,054	314,872
Parts and servicing	49,479	32,919
Royalty income	8,000	22,388
Other income	80,809	174
	<u>3,992,342</u>	<u>370,353</u>

	2024 £	2023 £
<b>4 Operating loss</b>		
Operating loss for the year is stated after charging/ (crediting):		
Exchange (gains)/losses	(334,456)	369,905
Research and development costs	3,719,224	1,069,095
Depreciation of owned tangible fixed assets	2,462,870	1,976,957
(Profit)/loss on disposal of tangible fixed assets	(17,712)	12,517
Amortisation of intangible assets	3,816,624	3,816,396
Operating lease charges	763,802	674,699

### 5 Auditor's remuneration

Fees payable to the company's auditor and associates:

	2024 £	2023 £
<b>For audit services</b>		
Audit of the financial statements of the company	52,650	17,435
<b>For other services</b>		
Taxation compliance services	3,000	1,100
All other non-audit services	10,415	5,630
	<u>13,415</u>	<u>6,730</u>

	2024 Number	2023 Number
--	----------------	----------------

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

Administration	66	57
Production	170	144
Total	<u>236</u>	<u>201</u>

	2024 £	2023 £
--	-----------	-----------

Their aggregate remuneration comprised:

Wages and salaries	13,267,406	11,406,946
Social security costs	1,206,518	1,154,674
Pension costs	718,747	728,106
	<u>15,192,671</u>	<u>13,289,726</u>

£2,809,601 of wages and salary costs, £263,789 of social security costs and £192,824 of pension costs have been capitalised as development costs and are not included in the figures noted above.

	2024 £	2023 £
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### 7 Directors' remuneration

Remuneration for qualifying services

	18,075	18,000
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The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0.

	2024 £	2023 £
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### 8 Interest payable and similar expenses

Interest on bank overdrafts and loans	1,788,889	513,023
Other interest on financial liabilities	270,767	61,766
	<u>2,059,656</u>	<u>574,789</u>

	2024 £	2023 £
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### 9 Taxation

#### Current tax

Adjustments in respect of prior periods	(381,445)	(329,211)
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The actual credit 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:

	2024 £	2023 £
Loss before taxation	(38,236,703)	(29,688,908)
Expected tax credit based on the standard rate of corporation tax in the UK of 25.00% (2023: 19.00%)	(9,559,176)	(5,640,893)
Tax effect of expenses that are not deductible in determining taxable profit	154,279	123,188
Unutilised tax losses carried forward	9,404,897	5,588,010
Research and development tax credit in respect of prior period	(381,445)	(329,211)
Capital allowances super deduction	-	(70,305)
Taxation credit for the year	<u>(381,445)</u>	<u>(329,211)</u>

# THE NORTON MOTORCYCLE CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (Continued)

### 10 Intangible fixed assets

	Patents and licences	Development costs	Brand names and trademarks	Total
	£	£	£	£
<b>Cost</b>				
At 1 April 2023	429,000	11,321,493	24,016,280	35,766,773
Additions	-	9,073,851	-	9,073,851
Disposals	-	(2,551,532)	-	(2,551,532)
At 31 March 2024	<u>429,000</u>	<u>17,843,812</u>	<u>24,016,280</u>	<u>42,289,092</u>
<b>Amortisation and impairment</b>				
At 1 April 2023	134,063	760,986	8,418,480	9,313,529
Amortisation charged for the year	53,625	760,986	3,002,013	3,816,624
At 31 March 2024	<u>187,688</u>	<u>1,521,972</u>	<u>11,420,493</u>	<u>13,130,153</u>
<b>Carrying amount</b>				
At 31 March 2024	<u>241,312</u>	<u>16,321,840</u>	<u>12,595,787</u>	<u>29,158,939</u>
At 31 March 2023	<u>294,937</u>	<u>10,560,507</u>	<u>15,597,800</u>	<u>26,453,244</u>

### 11 Tangible fixed assets

	Leasehold improvements	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 April 2023	4,908,507	3,959,524	2,092,592	919,346	1,730,835	13,610,804
Additions	83,125	865,665	191,728	134,097	627,307	1,901,922
Disposals	-	(361,871)	-	-	(85,039)	(446,910)
Transfers	3,778	(126,343)	117,637	4,928	-	-
At 31 March 2024	<u>4,995,410</u>	<u>4,336,975</u>	<u>2,401,957</u>	<u>1,058,371</u>	<u>2,273,103</u>	<u>15,065,816</u>
<b>Depreciation and impairment</b>						
At 1 April 2023	808,416	395,103	977,593	367,135	394,428	2,942,675
Depreciation charged in theyear	623,632	415,190	768,166	322,661	333,221	2,462,870
Eliminated in respect of disposals	-	(425)	-	-	(18,005)	(18,430)
At 31 March 2024	<u>1,432,048</u>	<u>809,868</u>	<u>1,745,759</u>	<u>689,796</u>	<u>709,644</u>	<u>5,387,115</u>
<b>Carrying amount</b>						
At 31 March 2024	<u>3,563,362</u>	<u>3,527,107</u>	<u>656,198</u>	<u>368,575</u>	<u>1,563,459</u>	<u>9,678,701</u>
At 31 March 2023	<u>4,100,091</u>	<u>3,564,421</u>	<u>1,114,999</u>	<u>552,211</u>	<u>1,336,407</u>	<u>10,668,129</u>

# THE NORTON MOTORCYCLE CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (Continued)

### 12 Financial instruments

	2024	2023
	£	£
<b>Carrying amount of financial liabilities</b>		
Measured at fair value through profit or loss		
- Other financial liabilities	943,900	583,941

### 13 Stocks

	2024	2023
	£	£
Raw materials and consumables	9,606,748	7,858,190
Work in progress	547,438	577,128
Finished goods and goods for resale	957,195	706,173
	<u>11,111,381</u>	<u>9,141,491</u>

### 14 Debtors

	2024	2023
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	575,243	3,008,007
Amounts owed by group undertakings	242,261	-
Other debtors	858,875	1,461,852
Prepayments and accrued income	2,827,467	822,542
	<u>4,503,846</u>	<u>5,292,401</u>

### 15 Creditors: amounts falling due within one year

	Notes	2024	2023
		£	£
Bank loans and overdrafts	17	3,233,787	1,054,781
Trade creditors		2,907,749	2,658,016
Amounts owed to group undertakings		2,736,266	996,379
Taxation and social security		560,090	487,898
Derivative financial instruments		943,900	583,941
Other creditors		901,778	2,796,389
Accruals and deferred income		2,309,401	3,854,047
		<u>13,592,971</u>	<u>12,431,451</u>

### 16 Creditors: amounts falling due after more than one year

	Notes	2024	2023
		£	£
Bank loans and overdrafts	17	<u>23,749,208</u>	<u>19,400,367</u>

### 17 Loans and overdrafts

	2024	2023
	£	£
Bank loans	23,749,208	19,400,367
Bank overdrafts	3,233,787	1,054,781
	26,982,995	20,455,148
Payable within one year	3,233,787	1,054,781
Payable after one year	<u>23,749,208</u>	<u>19,400,367</u>

The bank loan is to be secured by a charge over the company's plant & machinery. At 31 March 2024 the lender is in the process of creating this charge against the assets.

The bank loan bears interest of 2.60% per annum over SOFR and is repayable by December 2027.

### 18 Retirement benefit schemes

	2024	2023
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	718,747	728,106

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.

### 19 Share capital

	2024	2023	2024	2023
	Number	Number	£	£
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	109,800,001	74,300,001	109,800,001	74,300,001

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 35,500,000 ordinary shares of £1 each were issued for cash at par.

### 20 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.

### 21 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:

	2024	2023
	£	£
Within one year	583,638	595,733
Between two and five years	3,722,051	881,516
In over five years	1,495,714	7,384
	<u>5,801,403</u>	<u>1,484,633</u>

### 22 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2024	2023
	£	£
Acquisition of tangible fixed assets	1,487,005	487,467

### 23 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.

### 24 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.

# THE NORTON MOTORCYCLE CO. LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (Continued)

### 25 Prior period adjustment

#### Changes to the balance sheet

	As previously reported	Adjustment	As restated at 31 Mar 2023
	£	£	£
Net assets	19,723,573	-	19,723,573

#### Capital and reserves

Total equity	<u>19,723,573</u>	<u>-</u>	<u>19,723,573</u>
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#### Changes to the profit and loss account

##### Period ended 31 March 2023

Administrative expenses	(28,718,893)	574,789	(28,144,104)
Interest payable and similar expenses	-	(574,789)	(574,789)
Loss for the financial period	<u>(29,359,697)</u>	<u>-</u>	<u>(29,359,697)</u>

#### Notes to reconciliation

The prior period adjustment relates to the correction of a misanalysis of interest paid in the year ended 31 March 2023.

**RE-STATED ACCOUNTS OF  
THE NORTON MOTORCYCLE CO. LIMITED  
(FORMERLY PROJECT 303 BIDCO LIMITED)**

# THE NORTON MOTORCYCLE CO. LIMITED

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2024

	Notes	GBP in Mn.	Rupees in crores
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	10.75	112.95
Other Intangible assets	1	26.42	277.49
Intangible assets under development	1	9.00	94.53
		<u>46.17</u>	<u>484.97</u>
<b>Current assets</b>			
Inventories	2	11.12	116.70
Financial assets			
Trade receivables	3	0.58	6.04
Cash and cash equivalents		-	-
Other current assets	4	3.93	41.26
		<u>15.63</u>	<u>164.00</u>
Total Assets		<u>61.78</u>	<u>648.97</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	5	109.80	1,091.44
Other equity	6	(86.55)	(846.91)
		<u>23.25</u>	<u>244.53</u>
<b>Liabilities</b>			
<b>Non-Current liabilities</b>			
Financial liabilities			
Borrowings		24.80	260.47
Lease liability		0.60	6.34
		<u>25.40</u>	<u>266.81</u>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings		3.23	33.97
(ii) Lease liability		0.56	5.89
(iii) Trade payables	7	-	-
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (iii) (a) above		4.60	48.25
(iv) Other financial liabilities		0.94	9.91
Other current liabilities	8	3.77	39.61
		<u>13.10</u>	<u>137.63</u>
Total liabilities		<u>38.50</u>	<u>404.44</u>
Total equity and liabilities		<u>61.78</u>	<u>648.97</u>

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

	Notes	GBP in Mn.	Rupees in crores
I Revenue from operations	9	4.32	45.00
II Other income	10	0.02	0.18
III Total Income (I + II)		<u>4.34</u>	<u>45.18</u>
IV Expenses:			
Cost of material consumed		5.81	60.90
Purchase of stock in trade		-	-
Changes in inventories of finished goods, Stock-in-trade and work-in-progress		(0.22)	(2.75)
Employee benefits expense	11	15.20	158.04
Finance costs	12	2.12	22.04
Depreciation and amortisation expense	13	6.79	70.60
Other expenses	14	12.91	134.20
		<u>(38.27)</u>	<u>(397.85)</u>
V Profit before exceptional items (III - IV)		(38.27)	(397.85)
VI Exceptional items		-	-
VII Profit before tax (V+ VI)		<u>(38.27)</u>	<u>(397.85)</u>
VIII Tax expense			
i) Current tax		(0.38)	(3.97)
ii) Deferred tax		-	-
IX Profit for the year (VII - VIII)		<u>(37.89)</u>	<u>(393.88)</u>
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			
Fair value of cash flow hedges		(0.26)	(2.68)
Foreign currency translation adjustments		-	12.01
		<u>(0.26)</u>	<u>9.33</u>
XI Total Comprehensive Income (IX + X)		<u>(38.15)</u>	<u>(384.55)</u>
XII Earnings per equity share (Face value of GBP 1/- each)			
Basic & Diluted earnings per share (in GBP/ in rupees)		(0.35)	(35.87)

# THE NORTON MOTORCYCLE CO. LIMITED

## Notes on Accounts

### 1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

GBP in Mn.

Description	Property, Plant & Equipment							Other Intangible		
	Building	Plant & equipments	Furniture and fixtures	Office equipments	Vehicles	Right of use	Total	Brand Name and Trademark & Norvil	Product Development Expenses	Total
Cost of assets										
Gross carrying value as at 01-04-2023	4.91	3.96	2.09	0.92	1.73	2.49	16.10	24.01	4.75	28.76
Additions	0.09	0.74	0.31	0.14	0.63	-	1.90	-	7.07	7.07
Sub-total	5.00	4.70	2.40	1.06	2.36	2.49	18.00	24.01	11.82	35.83
Transfer to CWIP	-	-	-	-	-	-	-	-	-	-
Sales / deletion	-	0.36	-	-	0.08	-	0.45	-	2.55	2.55
Total	5.00	4.34	2.40	1.06	2.27	2.49	17.56	24.01	9.27	33.28
Depreciation / Amortisation										
Upto 31-03-2023	0.8	0.41	0.98	0.36	0.4	0.91	3.86	2.25	0.80	3.05
For the year	0.62	0.42	0.77	0.32	0.33	0.51	2.97	3.00	0.81	3.82
Sub-total	1.42	0.83	1.75	0.68	0.73	1.42	6.83	5.25	1.61	6.87
Withdrawn on assets sold / deleted	-	-	-	-	0.02	-	0.02	-	-	-
Total	1.42	0.83	1.75	0.68	0.72	1.42	6.81	5.25	1.61	6.87
Carrying value										
As at 31-03-2024	3.57	3.52	0.65	0.38	1.56	1.07	10.75	18.76	7.66	26.42

Description	Property, Plant & Equipment							Other Intangible		
	Building	Plant & equipments	Furniture and fixtures	Office equipments	Vehicles	Right of Use	Total	Brand Name and Trademark & Norvil	Design development and knowhow	Total
Cost of assets										
Gross carrying value as at 01-04-2023	49.89	40.25	21.27	9.34	17.59	21.68	160.02	244.12	48.29	292.41
Additions	0.91	7.77	3.25	1.46	6.59	-	19.98	-	74.30	74.30
Foreign Currency translation reserve difference	1.67	1.33	0.71	0.32	0.58	-	4.61	12.63	(2.90)	9.73
Sub-total	52.47	49.35	25.23	11.12	24.76	21.68	184.61	256.75	119.69	376.44
Sales / deletion	-	3.80	-	-	0.89	-	4.69	-	26.80	26.80
Total	52.47	45.55	25.23	11.12	23.87	21.68	179.92	256.75	92.89	349.64
Depreciation / Amortisation										
Upto 31-03-2023	8.22	4.02	9.93	3.72	4.01	5.6	35.50	22.89	8.14	31.03
For the year	6.49	4.32	7.98	3.36	3.47	5.28	30.90	31.79	7.91	39.70
Foreign Currency translation reserve difference	0.33	0.17	0.43	0.16	0.16	(0.49)	0.76	1.49	(0.07)	1.42
Sub-total	15.04	8.51	18.34	7.24	7.64	10.39	67.16	56.17	15.98	72.15
Withdrawn on assets sold / deleted	-	-	-	-	0.19	-	0.19	-	-	-
Total	15.04	8.51	18.34	7.24	7.45	10.39	66.96	56.17	15.98	72.15
Carrying value										
As at 31-03-2024	37.43	37.04	6.89	3.88	16.42	11.29	112.95	200.58	76.91	277.49



## Directors' Statement

The directors present their statement to the member together with the audited financial statements of TVS DIGITAL PTE. LTD. (the "company") for the financial year ended 31 March 2024.

### 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 2024 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

### 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 is, 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.

### 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

Date:

## 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 2024, 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 material accounting policy information.

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 2024 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,  
29<sup>th</sup> April 2024

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024**

	Note	2024 S\$	2023 S\$
<b>ASSETS</b>			
<b>Non-current assets:</b>			
Plant and equipment	(8)	340,740	609,475
Intangible assets	(9)	440,315	887,082
Investments in associates	(10)	21,296,265	24,058,918
Total non-current assets		22,077,320	25,555,475
<b>Current assets:</b>			
Trade and other receivables	(11)	2,393,707	599,475
Bank balances	(12)	493,418	67,655
Total current assets		2,887,125	667,130
<b>Total assets</b>		<b>24,964,445</b>	<b>26,222,605</b>

**EQUITY AND LIABILITIES**

<b>Equity:</b>			
Share capital	(13)	25,158,918	25,158,918
Share application money	(14)	1,700,000	9,654,992
Accumulated losses		(23,130,173)	(12,135,738)
<b>Total equity</b>		<b>3,728,745</b>	<b>22,678,172</b>
<b>Non-current liability:</b>			
Lease liability	(15)	-	159,640
<b>Current liabilities:</b>			
Lease liability	(15)	159,640	164,201
Trade and other payables	(16)	21,076,060	3,220,592
Total current liabilities		21,235,700	3,384,793
<b>Total liabilities</b>		<b>21,235,700</b>	<b>3,544,433</b>
<b>Total equity and liabilities</b>		<b>24,964,445</b>	<b>26,222,605</b>

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 2024**

	Note	2024 S\$	2023 S\$
<b>Revenue</b>	(17)	<b>2,319,212</b>	595,929
<b>Cost of services</b>		<b>(879,212)</b>	(414,260)
<b>Gross Profit</b>		<b>1,440,000</b>	181,669
Other income	(18)	141,997	-
Administrative expenses		(9,462,808)	(6,881,499)
Finance cost	(19)	(11,219)	(3,940)
Other expenses		(3,102,405)	(160,908)
<b>Loss before income tax</b>		<b>(10,994,435)</b>	(6,864,678)
Income tax expense	(20)	-	-
<b>Loss for the year</b>	(21)	<b>(10,994,435)</b>	(6,864,678)
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<b>(10,994,435)</b>	<b>(6,864,678)</b>

The accompanying notes form an integral part of these financial statements

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024**

	Share Capital S\$	Share Application Money S\$	Accumulated Losses S\$	Total S\$
Balance as at 1 April 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
Transfer to other payables	-	(9,654,992)	-	(9,654,992)
Share application money received	-	1,700,000	-	1,700,000
Total comprehensive loss for the year	-	-	(10,994,435)	(10,994,435)
Balance as at 31 March 2024	25,158,918	1,700,000	(23,130,173)	3,728,745

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 2024**

	Note	2024 S\$	2023 S\$
<b>Cash flows from operating activities</b>			
Loss before income tax		(10,994,435)	(6,864,678)
Adjustments for:			
Amortisation of intangible assets	(9)	446,767	291,648
Depreciation of plant and equipment	(8)	336,735	150,207
Impairment loss on investment	(10)	2,762,653	-
Interest on lease liability		11,219	3,940
Operating cash flows before working capital changes		(7,437,061)	(6,418,883)
Trade and other receivables		(1,794,2*2)	(573,719)
Other payables		649,846	724,459
<b>Net cash used in operating activities</b>		<b>(8,581,447)</b>	<b>(6,268,143)</b>
<b>Investing activities:</b>			
Purchase of plant and equipment	(8)	(68,000)	(170,590)
Purchase of intangible assets	(9)	-	(18,056)
<b>Net cash used in investing activities</b>		<b>(68,000)</b>	<b>(188,646)</b>
<b>Financing activities:</b>			
Advances from holding company	(22)	7,576,736	-
Advances from related party	(22)	6,410	-
Repayment of advances to related party	(22)	(32,516)	-
Payment of principal portion of lease liability	(22)	(164,201)	(39,376)
Payment of interest portion of lease liability	(22)	(11,219)	(3,940)
Share application money received		1,700,000	5,822,751
<b>Net cash generated from financing activities</b>		<b>9,075,210</b>	<b>5,779,435</b>
Net increase/ (decrease) in bank balances		425,763	(677,354)
Bank balances at beginning of year		67,655	745,009
<b>Bank balances at end of year</b>	(12)	<b>493,418</b>	<b>67,655</b>

The accompanying notes form an integral part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024**

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 2024 were authorised for issue by the Board of Directors on-----.

**2. MATERIAL ACCOUNTING POLICY INFORMATION**

**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 net realisable value in FRS 2 Inventories and 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 where assumption and estimates are significant to the financial statements are 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 2023. 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
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 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

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

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (Continued)

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 the 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 reclassified 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.

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is considered to exist if the company has both the right to obtain substantially all of the economic benefits from the use of an identified asset and the right to direct the use of that asset.

At lease commencement date, the company recognises a right-of-use asset and a corresponding lease liability on the statement of financial position.

**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

**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (Continued)**

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 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).

Revenue relating to the sale of software is recognised at a point in time when the company transfers control of the software to the customer. Control of the software transfers when the software is made available to the customer, and the company has not retained any significant risks of ownership or future obligations with respect to the software.

**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

**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (Continued)**

reimbursement will be received and the amount of the receivable can be measured reliably.

**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 events 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 recognise 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 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 will recognise 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 drawn 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 effective 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

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (Continued)

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.

d) Impairment of trade 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.

The carrying amount of the company's trade receivables as at the reporting date is disclosed in Note 11 to the financial statements.

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:

	2024	2023
	S\$	S\$
Financial assets		
<u>At amortised cost:</u>		
- Trade and other receivables	2,181,710	566,113
- Bank balances	493,418	67,655
	<u>2,675,128</u>	<u>633,768</u>
Financial liabilities		
<u>At amortised cost:</u>		
- Lease liability	159,640	323,841
- Other payables	21,076,060	3,193,037
	<u>21,235,700</u>	<u>3,516,878</u>

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.

**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (Continued)**

**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 in 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 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 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.

**Significant concentration of credit risk**

As at the reporting date, the company has significant concentration of credit risk with two customers (2023: one customer) amounted to S\$338,179 (2023: S\$96,109), which accounted for 84% (2023: 56%) of its trade receivables.

The company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

**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.

**NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (Continued)**

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:

	2024	2022
In Singapore dollar	US\$	US\$
Financial assets		
Trade and other receivables	1,443,964	112,494
Bank balances	15,227	945
	<u>1,459,191</u>	<u>113,439</u>
Financial liabilities		
Other payables	263,409	12,015
Net exposure	<u>1,195,782</u>	<u>101,424</u>

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:

	2024	2022
	S\$	S\$
US\$ impact	(119,578)	(10,142)

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 nonderivative 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.

2024	Effective interest rate (%)	Carrying amount	Contractual undiscounted cash flows			Total
			Less than a year	Within 2 to 5 years	Later than 5 years	
		S\$	S\$	S\$	S\$	S\$
<b>Financial liabilities</b>						
<b>Lease Liability</b>	4.5%	159,640	163,254	-	-	163,254
<b>Trade and other payables</b>	-	21,076,060	21,076,060	-	-	21,076,060
		<u>21,235,700</u>	<u>21,235,700</u>	-	-	<u>21,235,700</u>

2023	Effective interest rate (%)	Carrying amount	Contractual undiscounted cash flows			Total
			Less than a year	Within 2 to 5 years	Later than 5 years	
		S\$	S\$	S\$	S\$	S\$
<b>Financial liabilities</b>						
<b>Lease Liability</b>	4.5%	323,841	175,419	163,254	-	338,674
<b>Other payables</b>	-	3,193,037	3,193,037	-	-	3,193,037
		<u>3,516,878</u>	<u>3,386,456</u>	<u>163,254</u>	-	<u>3,531,711</u>

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 trade and 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.

# TVS DIGITAL PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (Continued)

	2024	2023
	S\$	S\$
Trad other payables	21,076,060	3,220,592
Lease Liability	159,640	323,841
Less: Bank balances	(493,418)	(67,655)
Net debt	20,742,282	3,476,778
Total equity	3,728,745	22,678,172
Total capital	24,471,027	26,154,950
Gearing ratio	84.8%	13.3%

The company is not subject to externally imposed capital requirements.

### 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 TVS Holdings 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:

	2024	2023
	S\$	S\$
Service income	274,831	64,125
Recovery of manpower cost	(257,771)	(220,306)

### 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:

	2024	2023
	S\$	S\$
Service income	142,174	269,652
Recovery of manpower cost	(59,536)	-
Rental expense	-	(146,710)

#### (b) Key management personnel compensation:

	2024	2023
	S\$	S\$
Salaries, bonus and allowances	1,136,868	1,078,737
Performance bonus	2,631,270	698,207
Employer's contribution to Central Provident Fund	15,242	14,370

### 8. PLANT AND EQUIPMENT

	Computer and IT Equipment	Renovation	Leasehold Property	Total
	S\$	S\$	S\$	S\$
<b>Cost</b>				
At 1.04.2022	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
Additions	39,500	28,500	-	68,000
<b>At 31.3.2024</b>	<b>51,893</b>	<b>416,187</b>	<b>363,217</b>	<b>831,297</b>
<b>Accumulated depreciation</b>				
At 1.04.2022	3,615	-	-	3,615
Charged for the year	6,196	102,101	41,910	150,207
At 31.3.2022	9,811	102,101	41,910	153,822

Charged for the year	5,845	163,252	167,638	336,735
<b>At 31.3.2023</b>	<b>15,656</b>	<b>265,353</b>	<b>209,548</b>	<b>490,557</b>
<b>Carrying amount</b>				
At 31.3.2023	2,582	285,586	321,307	609,475
<b>At 31.3.2024</b>	<b>36,237</b>	<b>150,834</b>	<b>153,669</b>	<b>340,740</b>

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\$
<b>Cost</b>			
At 1.04.2022	874,945	447,299	1,322,244
Additions	-	181,056	18,056
At 31.03.2023	874,945	465,355	1,340,300
Transfer	465,135	(465,355)	-
<b>At 31.03.2024</b>	<b>1,134,013</b>	<b>-</b>	<b>1,340,130</b>
<b>Accumulated amortisation</b>			
At 1.04.2022	161,570	-	161,570
Charged for the year	291,648	-	291,648
At 31.03.2023	453,218	-	453,218
Charged for the year	446,767	-	446,767
<b>At 31.03.2024</b>	<b>899,985</b>	<b>-</b>	<b>899,985</b>
<b>Carrying amount</b>			
At 31.03.2023	421,727	465,135	887,082
<b>At 31.03.2024</b>	<b>440,315</b>	<b>-</b>	<b>440,131</b>

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

	2024	2023
	S\$	S\$
<b>Unquoted equity shares at cost:</b>		
At beginning and end of the year	4,058,918	24,058,918
Less: Impairment loss	(2,762,653)	-
Carrying amount	21,296,265	24,058,918

Details of the associates are as follows:

Name of associate/ Country of incorporation	Principal activity	Proportion of ownership Interest	
		2024	2023
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 digitizing 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%

# TVS DIGITAL PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (Continued)

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.

At the end of the reporting period, the company carried out a review on the recoverable amount of its investment in associates. The recoverable amount of the relevant investment in each associate has been determined on the basis of its net assets value at the end of the reporting period.

As a result of the review, management has impaired the cost of investment in Tagbox Pte Ltd by S\$2,762,653 for the financial year ended 31 March 2024.

### 11. TRADE AND OTHER RECEIVABLES

	<u>2024</u>	<u>2023</u>
	S\$	S\$
Trade receivables - third parties	62,622	125,938
Trade receivables -intermediate holding company (Note 6)	246,000	30,787

Trade receivables - related parties	92,179	14,241
	<u>400,801</u>	170,966
Accrued revenue	1,623,961	271,372
	<u>2,024,762</u>	442,338
Amount due from holding company (Note 6) Advance payment	133,667	18,234
Deposits	156,948	101,726
Staff advance		350
Other receivable - third party		3,465
GST receivables	19,830	
Prepayments	58,500	33,362
	<u>21,393,707</u>	599,475

Trade receivables are non-interest bearing and they are normally settled on 30 to 150 days' (2023: 30 to 60 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:

2024						Days past due	
	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	339,292	31,951	29,558	-	-	400,801	
Expected credit Loss (ECL)	-	-	-	-	-	-	
						<u>400,801</u>	

2023						Days past due	
	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	170,966	
Expected credit Loss (ECL)	-	-	-	-	-	-	
						<u>170,966</u>	

\* The company did not recognize ECL as the amount was not significant .

Trade and other receivables are denominated in the following currencies:

	<u>2024</u>	<u>2023</u>
	S\$	S\$
Singapore dollar	140,899	140,899
United States dollar	112,494	112,494
Indian rupee	346,082	346,082
Indonesia rupee	9,881	-
Philippine peso	175,055	-
	<u>599,475</u>	<u>599,475</u>

### 12. BANK BALANCES

	<u>2024</u>	<u>2023</u>
	S\$	S\$
Cash at bank	493,418	67,655
Bank balances are denominated in the following currencies:		
	<u>2024</u>	<u>2023</u>
	S\$	S\$
Singapore dollar	478,191	66,710
United States dollar	15,227	945
	<u>493,418</u>	<u>67,655</u>

# TVS DIGITAL PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (Continued)

### 13. SHARE CAPITAL

	2024	2023	2024	2023
	Number of ordinary shares		S\$	S\$
<u>Issued and fully paid up:</u>				
At the beginning and at the end of the year	25,158,918	25,158,918	25,158,918	25,158,918

The company has one class of ordinary shares with no par value, which carry one vote per share and 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. LEASE LIABILITY

	2024	2023
	S\$	S\$
<i>Maturity analysis:</i>		
Within one year	163,254	175,419
Within two to five years	-	163,255
	163,254	338,674
Less: future finance charges	(3,614)	(14,833)
	159,640	323,841
<i>Analysed as:</i>		
Current	159,640	164,201
Non-current	-	159,640
	159,640	323,841

The company leases office premises for its operations (Note 8). The effective interest rate is 4.5% (2023: 4.5%) per annum.

Total cash outflows for the lease during the financial year ended 31 March 2024 amounted to S\$175,420 (2023: S\$43,316).

Lease liability is denominated in Singapore dollar.

### 16. TRADE AND OTHER PAYABLES

	2024	2023
	S\$	S\$
<i>Trade payables:</i>		
- third parties	234,057	-
- intermediate holding company (Note 6)	256,680	-
- related parties (Note 7)	97,944	-
	588,681	-
Amount due to immediate holding company (Note 6)	17,231,728	-
Amount due to intermediate holding company (Note 6)	362,274	362,274
Amount due to a related party (Note 7)	746,171	772,277
Accrued expenses	2,129,086	2,058,486
Advance billing	-	27,555
Deposit received	6,955	-
Other payables	11,165	-
	21,076,060	23,220,592

Trade payables are unsecured, non-interest bearing and they are normally settled on 30 to 60 days' term.

Amounts due to immediate holding company, intermediate holding company and a related party are unsecured, interest free and repayable on demand.

Trade and other payables are denominated in the following currencies:

	2024	2023
	S\$	S\$
Indian rupee	256,680	389,829
Singapore dollar	20,486,434	2,818,748
United States dollar	263,409	12,015
Philippine Peso	15,879	-
Indonesia Rupiah	53,658	-
	21,076,060	3,220,592

### 17. REVENUE

Disaggregation of revenue from contracts with customers:

	2024	2023
	S\$	S\$
Service income	718,289	595,929
Sale of software	1,600,923	-
	2,319,212	595,929
Timing of transfer of food or service	1,600,923	-
At a point in time	718,289	595,929
Over time	2,319,212	595,929

### 18. OTHER INCOME

	2024	2023
	S\$	S\$
CPF Transition Offset	603	-
Foreign currency exchange gain	20,124	-
Insurance claim	32,516	-
Jobs Growth Incentive	58,396	-
Other miscellaneous income	30,358	-
	141,997	-

### 19. FINANCE COST

	2024	2023
	S\$	S\$
Interest on lease liability	11,219	3,940

### 20. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The income tax benefit varied from the amount of income tax determined by applying the Singapore income tax rate of 17% (2023: 17%) to loss before income tax due to the following:

	2024	2023
	S\$	S\$
Loss before income tax	(10,994,435)	(6,864,678)
Income tax benefit at statutory rate of 17% (2023: 17%)	(1,869,054)	(1,166,995)
Income tax effect of:		
- non-deductible expense	575,445	68,421
- tax losses carried forward	1,293,609	1,098,574
	-	-

# TVS DIGITAL PTE. LTD.

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (Continued)

### 21. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging/ (crediting):

	2024	2023
	S\$	S\$
Amortisation of intangible assets	446,767	291,648
Cloud service cost	356,560	117,210
Depreciation of plant and equipment	336,735	150,207
Foreign currency exchange (gain)/ loss	(20,124)	5,910
Insurance expense	182,258	114,737
Manpower costs	317,307	220,306
Office expense	66,959	208,240
Professional and consultancy fees	407,359	591,897
Staff augmentation expense	557,470	-
Short-term employee's benefits	7,559,221	5,525,532
Cost of defined benefits plans included in employee benefits expenses	<u>228,808</u>	<u>222,865</u>

### 22. 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.

	2024	2023
	S\$	S\$
<b>Lease liability (Note 15)</b>		
At beginning of the year	323,841	-
Financing cash flows:		
Less: Payment of principal	(164,201)	(39,376)
Less: Payment of interest	(11,219)	(3,940)
	<u>(175,420)</u>	<u>(43,316)</u>
Non-cash transactions:		
Add: New lease (Note 8)	-	363,217
Add: Interest expense	11,219	3,940

At the end of year 159,640 323,841

**2024** **2023**  
**S\$** **S\$**

#### Amount due to immediate holding company (Note 16)

At beginning of the year	-	-
Financing cash flow:		
Add: Advances received	7,576,736	-
Non-cash transaction:		
Add: Transfer from share application monies	9,654,992	-
At the end of year	<u>7 231 728</u>	<u>-</u>

**2024** **2023**  
**S\$** **S\$**

#### Amount due to a related party (Note 16)

At beginning of the year	772,277	625,567
Financing cash flows:		
Add: Advances received	6 410	-
Less: Repayment of advances	32 516	-
	<u>(26,106)</u>	<u>-</u>
Non-cash transaction:		
Add: Rental expense	-	146,710
At the end of year	<u>746,171</u>	<u>746,171</u>

### 23. 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 2024

	2024 S\$	2023 S\$
<b>Revenue</b>	2,319,212	595,929
<b>Cost of service</b>		
Amortisation of intangible assets Cloud service cost	(446,767)	(291,648)
Service cost	(356,560)	(117,210)
Customer support	(49,072)	(5,402)
	(26,813)	-
	<u>(879,212)</u>	<u>(414,260)</u>
<b>Gross profit</b>	1,440,000	181,669
<b>Add: other income</b>		
CPF Transition Offset	603	-
Foreign currency exchange gain	20,124	-
Jobs Growth Incentive	58,396	-
Insurance claim	32,516	-
Other miscellaneous income	30,358	-
	<u>141,997</u>	<u>-</u>
<b>Total income</b>	1,581,997	181,669
<b>Less: Expenses</b>		
- Schedule 'A'	(12,576,432)	(7,046,347)
<b>Loss before income tax</b>	<u>(10,994,435)</u>	<u>(6,864,678)</u>

This schedule does not form part of the statutory audited financial statements.

**RE-STATED ACCOUNTS OF  
TVS DIGITAL PTE. LTD.**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2024**

	Notes	SGD in Mn.	Rupees in crores
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	0.34	3.14
Other intangible assets	1	0.44	2.72
Intangible assets under development		-	-
Investments Accounted Using Equity Method	2	21.55	115.02
		<u>22.33</u>	<u>120.88</u>
<b>Current assets</b>			
Financial assets			
Trade receivables	3	2.02	12.50
Cash and cash equivalents	4	0.49	3.05
Other current assets	5	0.37	2.28
		<u>2.88</u>	<u>17.83</u>
Total Assets		<u>25.23</u>	<u>138.71</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	6	25.16	138.78
Other equity	7	(22.85)	(141.65)
		<u>2.31</u>	<u>(2.87)</u>
Share application money pending allotment		1.70	10.49
<b>Liabilities</b>			
<b>Non-Current liabilities</b>			
Financial liabilities			
Lease liability		-	-
		<u>-</u>	<u>-</u>
<b>Current liabilities</b>			
Financial liabilities			
(i) Lease liability		0.16	0.99
(ii) Trade payables	8	-	-
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (ii) (a) above		21.08	130.11
Other Current liabilities		-	-
		<u>21.24</u>	<u>131.10</u>
Total liabilities		<u>21.24</u>	<u>131.10</u>
Total equity and liabilities		<u>25.23</u>	<u>138.71</u>

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024**

	Notes	SGD in Mn.	Rupees in crores
I Revenue from operations	9	2.34	14.40
II Other income	10	0.12	0.75
III Total Income (I + II)		<u>2.46</u>	<u>15.15</u>
IV Expenses:			
Employee benefits expense	11	7.89	48.57
Finance costs	12	0.01	0.07
Depreciation and amortisation expense	13	0.79	4.82
Other expenses	14	4.50	28.11
		<u>13.19</u>	<u>81.57</u>
V Profit before exceptional items (III - IV)		(10.73)	(66.42)
VI Exceptional items		-	-
VII Profit before tax (V+ VI)		<u>(10.73)</u>	<u>(66.42)</u>
VIII Tax expense			
i) Current tax		-	-
ii) Deferred tax		-	-
IX Profit for the year (VII - VIII)		<u>(10.73)</u>	<u>(66.42)</u>
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		-	(0.17)
Foreign currency translation adjustments		<u>-</u>	<u>(0.17)</u>
XI Total Comprehensive Income (IX + X)		<u>(10.73)</u>	<u>(66.59)</u>
XII Earnings per equity share (Face value of SGD 1/- each)			
Basic & Diluted earnings per share (in SGD / in rupees)		(0.43)	(26.40)

# TVS DIGITAL PTE. LTD.

## 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	4	5	6
Cost of assets						
Gross carrying value as at 01-04-2023	0.39	0.01	0.36	0.76	0.87	0.87
Additions	0.03	0.04	-	0.07	0.46	0.46
Sub-total	0.42	0.05	0.36	0.83	1.33	1.33
Sales / deletion	-	-	-	-	-	-
<b>Total</b>	<b>0.42</b>	<b>0.05</b>	<b>0.36</b>	<b>0.83</b>	<b>1.33</b>	<b>1.33</b>
Depreciation / Amortisation						
Upto 31-03-2023	0.1	0.01	0.04	0.15	0.45	0.45
For the year	0.16	0.00	0.17	0.34	0.45	0.45
Sub-total	0.26	0.01	0.21	0.49	0.90	0.90
Withdrawn on assets sold / deleted	-	-	-	-	-	-
<b>Total</b>	<b>0.26</b>	<b>0.01</b>	<b>0.21</b>	<b>0.49</b>	<b>0.90</b>	<b>0.90</b>
Carrying value						
As at 31-03-2024	0.16	0.03	0.15	0.34	0.44	0.44

### 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	3	4	5	6
Cost of assets						
Gross carrying value as at 01-04-2023	2.27	0.07	2.24	4.58	4.90	4.90
Additions	0.18	0.24	-	0.42	2.87	2.87
Foreign Currency translation reserve difference	0.12	0.01	-	0.13	0.50	0.50
Sub-total	2.57	0.32	2.24	5.13	8.27	8.27
Sales / deletion	-	-	-	-	-	-
<b>Total</b>	<b>2.57</b>	<b>0.32</b>	<b>2.24</b>	<b>5.13</b>	<b>8.27</b>	<b>8.27</b>
Depreciation / Amortisation						
Upto 31-03-2023	0.51	0.05	0.25	0.81	2.29	2.29
For the year	1.01	0.03	1.03	2.07	2.75	2.75
Foreign Currency translation reserve difference	0.13	0.01	(1.03)	(0.89)	0.52	0.52
Sub-total	1.65	0.09	0.25	1.99	5.56	5.56
Withdrawn on assets sold / deleted	-	-	-	-	-	-
<b>Total</b>	<b>1.65</b>	<b>0.09</b>	<b>0.25</b>	<b>1.99</b>	<b>5.56</b>	<b>5.56</b>
Carrying value						
As at 31-03-2024	0.92	0.23	1.99	3.14	2.72	2.72

# TVS DIGITAL PTE. LTD.

## Notes on accounts - (continued)

	As at 31-03-2024			As at 31-03-2024	
	SGD in Mn.	Rupees in crores		SGD in Mn.	Rupees in crores
2 Investments Accounted Using Equity Method			8 TRADE PAYABLES		
<b>Investment in Associates</b>			Dues to Micro and Small Enterprises**		
2,43,243 fully paidup equity shares of Tagbox Pte Limited, Singapore (face value of SGD 9.25 each)	0.50	2.52	Dues to enterprises other than Micro and Small Enterprises	21.08	130.11
24,827 fully paidup equity shares of Predictronics Corp, USA (face value of USD 0.01 each)	4.36	22.36		<u>21.08</u>	<u>130.11</u>
8,06,429 fully paidup equity shares of Altizon Inc, USA (face value of USD 0.00001 each)	4.66	25.34	** 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.		
28,05,357 fully paidup equity shares of Scienaptic Systems Inc, USA (face value of USD 0.001 each)	12.03	64.81			
	<u>21.55</u>	<u>115.02</u>	9 REVENUE FROM OPERATIONS		
3 TRADE RECEIVABLES			Sale of service	2.32	14.28
Unsecured, considered good	2.02	12.50	Other operating revenue	<u>0.02</u>	<u>0.12</u>
	<u>2.02</u>	<u>12.50</u>		<u>2.34</u>	<u>14.40</u>
4 CASH AND CASH EQUIVALENTS			10 OTHER INCEOME		
Balances with banks in current accounts	0.49	3.05	Jobs Growth Incentive	0.06	0.36
	<u>0.49</u>	<u>3.05</u>	Insurance claim	0.03	0.20
5 OTHER CURRENT ASSETS			Other miscellaneous income	<u>0.03</u>	<u>0.19</u>
Prepaid expenses	0.06	0.36		<u>0.12</u>	<u>0.75</u>
Trade deposits	0.31	1.92	11 EMPLOYEE BENEFITS EXPENSE		
	<u>0.37</u>	<u>2.28</u>	Salaries, wages and bonus	7.12	43.83
6 EQUITY SHARE CAPITAL			Contribution to provident and other funds	0.21	1.31
Issued, subscribed and fully paid up: 25,158,918 Ordinary shares of SGD 1 each	25.16	138.78	Staff augmentation expense	0.56	3.43
	<u>25.16</u>	<u>138.78</u>		<u>7.89</u>	<u>48.57</u>
7 OTHER EQUITY			12 FINANCE COST		
Retained earnings	(22.85)	(135.72)	Interest on lease liabilities	0.01	0.07
Foreign currency translation reserve	-	(5.93)		<u>0.01</u>	<u>0.07</u>
	<u>(22.85)</u>	<u>(141.65)</u>	13 DEPRECIATION		
			Depreciation on property plant and equipment	0.17	1.04
			Depreciation on Lease asset	0.17	1.03
			Amortisation on intangible assets	<u>0.45</u>	<u>2.75</u>
				<u>0.79</u>	<u>4.82</u>
			14 OTHER EXPENSES		
			(a) Cost of services	0.43	2.66
			(b) Rent	-	-
			(c) Insurance	0.18	1.12
			(d) Rates and taxes (excluding taxes on income)	0.01	0.08
			(e) Administrative expenses	1.37	8.50
			(f) Other expenses	<u>2.51</u>	<u>15.75</u>
				<u>4.50</u>	<u>28.11</u>

## TVS MOTOR COMPANY (EUROPE) B.V.

### General

TVS Motor Company (Europe) B.V. (the Company) is a private company with limited liability (a wholly-owned subsidiary of TVS Motor Company Ltd.), incorporated under the laws of the Netherlands on 21 July 2005, having its corporate seat in Amsterdam, with offices at Hoogoorddreef 15, 1101 BA Amsterdam, the Netherlands.

### Results

As presented in the profit and loss account, the net result for the year 2023/2024 amounts to a loss of USD 128,054 (2022/2023: a loss of USD 64,870).

### Summary of activities

The main activities of the Company consist of holding and financing activities.

On 30 August 2023, a loan of USD 100,000 was provided by TVS Motor (Singapore) Pte. Limited to TVS Motor Company (Europe) B.V.

## BALANCE SHEET AS AT 31 MARCH 2024

(After appropriation of result)

	31 March 2024		31 March 2023	
	USD	USD	USD	USD
<b>ASSETS</b>				
<b>Fixed assets</b>				
Financial fixed assets	3,754,748		3,754,748	
		<b>3,754,748</b>		<b>3,754,748</b>
<b>Current assets</b>				
Receivables and prepayments	14,613		12,638	
Cash and cash equivalents	9,814		12,644	
		<b>24,427</b>		<b>25,282</b>
		<b>3,779,175</b>		<b>3,780,030</b>
<b>EQUITY &amp; LIABILITIES</b>				
<b>Equity</b>				
Share capital	24,357,292		24,501,484	
Other reserves	(20,792,853)		(20,808,992)	
		<b>3,564,439</b>		<b>3,692,492</b>
<b>Current liabilities</b>				
	214,736		87,538	
		<b>214,736</b>		<b>87,538</b>
		<b>3,779,175</b>		<b>3,780,030</b>

## PROFIT AND LOSS ACCOUNT FOR THE YEAR 2023/2024

(After appropriation of result)

	2023 / 2024		2022 / 2023	
	USD	USD	USD	USD
General expenses	122,477		63,098	
<b>Total general expenses</b>		<b>122,477</b>		<b>63,098</b>
<b>Operational result (loss)</b>		<b>(122,477)</b>		<b>(63,098)</b>
Interest expense and similar	4,881		950	
Result on foreign currency translations	696		822	
<b>Financial result (loss)</b>		<b>(5,577)</b>		<b>(1,772)</b>
<b>Result before taxation (loss)</b>		<b>(128,054)</b>		<b>(64,870)</b>
Corporation tax		-		-
<b>Result after taxation (loss)</b>		<b>(128,054)</b>		<b>(64,870)</b>

## General notes

### 1. General

TVS Motor Company (Europe) B.V. (the Company) is a private company with limited liability (a wholly-owned subsidiary of TVS Motor Company Ltd.), incorporated under the laws of the Netherlands on 21 July 2005, having its corporate seat in Amsterdam, with offices at Hoogoorddreef 15, 1101 BA Amsterdam, the Netherlands.

The Company is registered at the Chamber of Commerce under number 34229984.

#### Activities

The main activities of the Company consist of holding and financing activities.

#### Directors' report

The Company has taken advantage of Article 395a section 6, Title 9, Book 2 of the Dutch Civil Code and has not presented a directors' report.

#### Accruals

The Company applies accrual accounting on income and expenses, which can involve estimates.

#### Estimates

The preparation of the financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognized in the period in which the estimate is revised and in future periods for which the revision has consequences.

#### Comparison with previous year

The principles of valuation and determination of the result remained unchanged in comparison to previous year.

#### Related parties

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also entities which can control the Company are considered to be a related party. In addition, statutory directors, other key management of the Company or the ultimate parent company and close relatives are regarded as related parties.

Transactions with related parties are disclosed in the notes insofar as they are not transacted under normal market conditions. The nature, extent and other information is disclosed if this is necessary in order to provide the required insight.

### 2. General accounting principles

#### Accounting policies

The financial statements have been prepared in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the Dutch Accounting Standards applicable for micro legal entities, as published by the Dutch Accounting Standards Board (Raad voor de Jaarverslaggeving).

Based on Title 9, Book 2 of the Dutch Civil Code, the Company can be qualified as a so-called micro-sized company, but voluntarily discloses more information than required by law.

Valuation of assets and liabilities and determination of the result take place under the historical cost convention, unless presented otherwise.

Profit is only included when realized on balance sheet date. Liabilities and any losses originating before the end of the financial year are taken into account, if they have become known before preparation of the financial statements.

#### Foreign currency

The functional currency of the Company is the prevailing currency in the economic environment, in which the Company carries out most of its activities.

The financial statements are denominated in USD, this is both the functional currency and presentation currency of the Company.

#### Group companies

Foreign group companies and associated companies outside the Netherlands qualify as carrying on business operations in a foreign country, with a functional currency different from that of the Company. For the translation of the financial statements of these business operations in a foreign country the balance sheet items are translated at the exchange rate as at balance sheet date and the profit and loss account items at the average rate. The translation differences that arise are directly deducted from or added to shareholders' equity.

### 3. Principles of valuation of assets and liabilities

#### FIXED ASSETS

##### Financial fixed assets

##### Participations

Participations over which no significant influence can be exercised are valued at historical cost. The dividend income in the profit and loss account represents the dividend declared in the reporting year, whereby dividend not distributed in cash is valued at fair value.

Participations over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence.

The net asset value is calculated in accordance with the accounting principles that apply for these financial statements; with regard to participations in which insufficient data is available for adopting these principles, the valuation principles of the respective participation are applied.

The amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the net result achieved by the participation, is recognized in the profit and loss account as share in the results of participations.

If the valuation of a participation based on the net asset value is negative, it will be stated at USD 1. If, and insofar the Company can be held fully or partially liable for the debts of the participation, or has the firm intention of enabling the participation to settle its debts, a provision is recognized for this.

#### Impairment of fixed assets

On each balance sheet date, the Company assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the realizable value of the asset is determined. If it is not possible to determine the realizable value of the individual asset, the realizable value of the cash-generating unit to which the asset belongs is determined. An impairment occurs when the carrying amount of an asset is higher than the realizable value; the realizable value is the higher of the fair value less cost to sell and the value in use. An impairment loss is directly recognized in the profit and loss account while the carrying amount of the asset concerned is concurrently reduced.

The realizable value can be based on a binding sale agreement, an active market value, or an estimate of the future net discounted cash flows in the event of continued use of the asset / cash-generating unit.

When it is established that an impairment, that was recognized in the past, no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported. Reversed impairment is recognized via profit and loss account.

#### CURRENT ASSETS

##### Receivables

Upon initial recognition the receivables are valued at fair value and then valued at amortized cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for possible bad debt losses are deducted. These provisions are determined by individual assessment of the receivables.

##### Cash and cash equivalents

Cash and cash equivalents represent cash in hand, cash at bank accounts and deposits with terms of less than twelve months. Overdrafts at banks are recognized as part of debts to lending institutions under current liabilities. Cash at banks and in hand is carried at nominal value.

#### LIABILITIES

##### Current liabilities

On initial recognition, current liabilities are recognized at fair value. After initial recognition, current liabilities are recognized at the amortized cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

### 4. Principles for the determination of the result

#### General

The results on transactions are recognised in the year in which they are realised.

#### Costs

Costs are determined on a historical basis and allocated to the financial year to which they relate.

#### Dividends

Dividends to be received from participations and securities not carried at net asset value are recognized as soon as the Company has acquired the right to them.

#### Financial income and expenses

Interest income and expenses are recognized on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. When accounting for interest expenses, the recognized transaction expenses for loans received are taken into consideration.

#### Taxation on result

Taxation on result is calculated based on the result before tax in the profit and loss account, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Also changes are taken into account, which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

# TVS MOTOR COMPANY (EUROPE) B.V.

Notes to the balance sheet as at 31 March 2024

## ASSETS

<b>Financial fixed assets</b>		<b>31 Mar 2024</b>
		<b>USD</b>
A summary of the financial fixed assets is included below:		
<b>Participation</b>		
PT. TVS Motor Company Indonesia		3,754,748
		<u>3,754,748</u>

	<b>Place, Country</b>	<b>Valuation method</b>	<b>Share in issued capital</b>
			%
PT. TVS Motor Company Indonesia	Kuningan, Indonesia	cost price	17.09

<b>Receivables and prepayments</b>		<b>31 Mar 2024</b>	<b>31 Mar 2023</b>
		<b>USD</b>	<b>USD</b>
Prepayment		14,613	12,638
		<u>14,613</u>	<u>12,638</u>

All receivables and prepayment will be resolved within one year.

## EQUITY AND LIABILITIES

### Equity

#### Share capital

The issued and fully paid share capital of the Company amounts to EUR 22,530,100, divided into 225,301 ordinary shares of EUR 100.

At year-end, share capital is converted to USD at spot rate 1.0811 (2022/2023 1.0875). The conversion result for the year (USD 144,193) is carried directly to Other Reserves.

#### Proposed appropriation of result for the financial year 2023/2024

The board of directors proposes that the result for the financial year 2024 amounting to a loss of USD 128,054 should be transferred to the other reserves. This proposal has been incorporated in the financial statements.

<b>Current liabilities</b>		<b>31 Mar 2024</b>	<b>31 Mar 2023</b>
		<b>USD</b>	<b>USD</b>
Trade payables		26,067	3,751
Other payables		6,000	6,000
Loan payable to group company		176,837	76,837
Interest payable to group company		5,832	950
		<u>214,736</u>	<u>87,538</u>

All payables will be resolved within one year.

#### Contingent assets and liabilities

The Company has no contingent assets and liabilities that are not already included in the financial statements.

Notes to the profit and loss account for the year 2023 / 2024

	<b>31 Mar 2024</b>	<b>31 Mar 2023</b>
	<b>USD</b>	<b>USD</b>
The finance expense consists of:		
<u>Interest expenses and similar expenses</u>		
Interst on loan	4,881	950
	<u>4,881</u>	<u>950</u>
<b>General expenses</b>		
Tax advisory fees	2,669	7,292
Administration fees	95,686	45,593
Management fee	15,866	3,744
Bank Charges	6,737	6,469
Legal fees	1,519	-
	<u>122,477</u>	<u>63,098</u>

#### Result on foreign currency translations

Currency exchange loss	696	822
	<u>696</u>	<u>822</u>

Notes to the profit and loss account for the year 2023 / 2024

#### EBIT

The Earnings Before Interest and Taxation (EBIT) for the current financial year amounts to a loss of USD 122,477 (2023: loss of USD 63,098).

#### Average number of employees

The Company had no employees during the year under review (2022/2023: none).

#### Events after reporting date

There is an intention for the Company to enter into a loan agreement with TVS Motor (Singapore) Pte. Limited amounting to USD 100,000.

#### Board of directors

H.I. Lakshmanan	A. Bhugra	IQ EQ Management (Netherlands) B.V.
Director	Director	Director

**RE-STATED ACCOUNTS OF  
TVS MOTOR COMPANY (EUROPE) B.V.**

## TVS MOTOR COMPANY (EUROPE) B.V.

### BALANCE SHEET AS AT 31 MARCH 2024

	Notes	USD in Mn.	Rupees in crores
<b>ASSETS</b>			
<b>Non-current assets</b>			
Non-current investments	1	-	-
		<u>-</u>	<u>-</u>
<b>Current assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	2	0.01	0.08
		<u>0.01</u>	<u>0.08</u>
Total Assets		<u>0.01</u>	<u>0.08</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	3	31.06	126.52
Other equity	4	(31.25)	(128.23)
		<u>(0.19)</u>	<u>(1.71)</u>
<b>Liabilities</b>			
<b>Non-Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	5	0.17	1.47
		<u>0.17</u>	<u>1.47</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	6		
a. Total outstanding dues of micro and small enterprises		0.04	0.32
b. Total outstanding dues of other than (a) above			
		<u>0.04</u>	<u>0.32</u>
Total liabilities		<u>0.21</u>	<u>1.79</u>
Total equity and liabilities		<u>0.01</u>	<u>0.08</u>

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2024

	Notes	USD in Mn.	Rupees in crores
I Revenue from operations	7	-	(0.01)
II Other income		-	-
III Total Income (I +II)		<u>-</u>	<u>(0.01)</u>
<b>IV Expenses:</b>			
Finance costs	8	-	0.04
Other expenses	9	0.12	1.01
		<u>0.12</u>	<u>1.05</u>
V Profit before exceptional items (III - IV)		(0.12)	(1.06)
VI Exceptional items		-	-
VII Profit before tax (V+ VI)		<u>(0.12)</u>	<u>(1.06)</u>
<b>VIII Tax expense</b>			
i) Current tax		-	-
ii) Deferred tax		-	-
IX Profit for the year (VII - VIII)		<u>(0.12)</u>	<u>(1.06)</u>
<b>X Other Comprehensive Income</b>			
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		-	(0.02)
		<u>-</u>	<u>(0.02)</u>
XI Total Comprehensive Income (IX + X)		<u>(0.12)</u>	<u>(1.08)</u>
<b>XII Earnings per equity share (Face value of EUR 100/- each)</b>			
Basic & Diluted earnings per share (in USD / in rupees)		<u>(0.53)</u>	<u>(47.05)</u>

# TVS MOTOR COMPANY (EUROPE) B.V.

## Notes on Accounts

	As at 31-03-2024		For the YE 31-03-2024	
	USD in Mn.	Rupees in crores	USD in Mn.	Rupees in crores
<b>1 NON-CURRENT INVESTMENTS</b>				
Investment in Equity instruments				
28,70,000 fully paidup equity shares of PT.TVS Motor Company Indonesia (face value of IDR 97,400 each)	-	-		
	<u>-</u>	<u>-</u>		
<b>2 CASH AND CASH EQUIVALENTS</b>				
Balances with banks in current accounts	0.01	0.08		
	<u>0.01</u>	<u>0.08</u>		
<b>3 EQUITY SHARE CAPITAL</b>				
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		
	<u>31.06</u>	<u>126.52</u>		
<b>4 OTHER EQUITY</b>				
Retained earnings	(31.25)	(139.92)		
Foreign currency translation reserve	-	11.69		
	<u>(31.25)</u>	<u>(128.23)</u>		
<b>5 FINANCIAL LIABILITIES - BORROWINGS ( NON CURRENT)</b>				
Loan from Holding	0.18	1.47		
	<u>0.18</u>	<u>1.47</u>		
<b>6 TRADE PAYABLES</b>				
Current				
Dues to Micro and Small Enterprises**	-	-		
Dues to enterprises other than Micro and Small Enterprises	0.04	0.32		
Trade payables to related parties				
	<u>0.04</u>	<u>0.32</u>		
<b>7 REVENUE FROM OPERATIONS</b>				
Sale of service	-	-		
Other operating revenue	-	(0.01)		
	<u>-</u>	<u>(0.01)</u>		
<b>8 FINANCE COST</b>				
Interest expenses	-	0.04		
	<u>-</u>	<u>0.04</u>		
<b>9 OTHER EXPENSES</b>				
(a) Legal fees	-	0.01		
(b) Tax advisor fees	-	0.02		
(c) Miscellaneous expenses	0.12	0.98		
	<u>0.12</u>	<u>1.01</u>		

\*\* 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.

# PT. TVS MOTOR COMPANY INDONESIA

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## Independent Auditors' Report

No. 00363/2.1265/AU.1/04/0565-1/11/2024

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, 2024, 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 material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2024, 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

Muhammad Irfan  
License of Public Accountant No. AP.0565

May 1, 2024

# PT. TVS MOTOR COMPANY INDONESIA

## STATEMENT OF FINANCIAL POSITION MARCH 31, 2024

	Notes	March 31, 2024	March 31, 2023
		Rp	Rp
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	122,805,247,441	78,449,689,897
Trade accounts receivable	6		
Related party	26	601,435,870	502,646,052
Third parties - net		951,857,845,652	849,063,727,241
Other accounts receivable			
Related parties	7,26	21,524,251,401	7,231,960,164
Third parties		2,203,967,807	3,782,678,100
Inventories - net	8	427,182,758,965	351,150,143,776
Prepaid taxes	9	138,204,755,590	147,658,240,336
Advances to suppliers	10	16,460,134,483	16,349,405,408
Other current assets		6,445,104,008	6,668,712,225
Total Current Assets		1,687,285,501,217	1,460,857,203,199
<b>NON-CURRENT ASSETS</b>			
Deferred tax assets - net	25	6,946,593,318	27,405,651,353
Right-of-use assets - net		2,751,973,385	4,224,355,887
Property, plant, and equipment - net	11	419,446,187,096	405,075,850,500
Security deposits		1,828,506,460	1,467,731,900
Total Non-current Assets		430,973,260,259	438,173,589,640
<b>TOTAL ASSETS</b>		<b>2,118,258,761,476</b>	<b>1,899,030,792,839</b>

See accompanying notes to financial statements which are an integral part of the financial statements.

# PT. TVS MOTOR COMPANY INDONESIA

## STATEMENT OF FINANCIAL POSITION MARCH 31, 2024 (Continued)

	Notes	March 31, 2024 Rp	March 31, 2023 Rp
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Bank loans	12	562,271,485,109	499,556,210,289
Trade accounts payable	13		
Related party	26	742,904,137,148	676,733,124,162
Third parties		67,276,232,448	37,934,757,369
Other accounts payable	14		
Related party	26	20,446,460,651	16,586,937,580
Third parties		10,171,715,364	13,329,943,053
Taxes payable	15	1,470,870,946	967,291,393
Accrued expenses	16	44,932,713,072	56,026,568,330
Loan from shareholder	17,26	31,706,000,000	-
Deposit from customers		2,206,478,442	2,625,566,354
Contract liabilities		17,702,110,039	7,515,931,533
Lease liabilities - current maturity		2,167,979,401	2,956,492,266
Total Current Liabilities		1,503,256,182,620	1,314,232,822,329
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities - net of current maturity		341,009,586	960,651,759
Post-employment benefits obligation	18	23,205,091,000	20,290,921,000
Total Non-current Liabilities		23,546,100,586	21,251,572,759
<b>TOTAL LIABILITIES</b>		1,526,802,283,206	1,335,484,395,088
<b>EQUITY</b>			
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, 2024 and March 31, 2023	19	1,635,461,613,800	1,635,461,613,800
Foreign exchange rate difference on paid-in capital	20	216,192,517,840	216,192,517,840
Revaluation surplus	21	276,495,214,244	276,495,214,244
Other comprehensive income		11,683,955,060	10,824,177,440
Accumulated deficit		(1,548,376,822,674)	(1,575,427,125,573)
<b>TOTAL EQUITY</b>		591,456,478,270	563,546,397,751
<b>TOTAL LIABILITIES AND EQUITY</b>		2,118,258,761,476	1,899,030,792,839

See accompanying notes to financial statements which are an integral part of the financial statements.

## PT. TVS MOTOR COMPANY INDONESIA

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the year ended March 31, 2024

	Notes	2024	2023
		Rp	Rp
<b>NET SALES</b>	22,26	1,514,042,865,722	1,583,091,599,000
<b>COST OF GOODS SOLD</b>	23,26	(1,313,882,462,884)	(1,355,669,032,347)
<b>GROSS PROFIT</b>		200,160,402,838	227,422,566,653
Marketing expenses	24	(35,259,145,950)	(31,443,971,082)
General and administrative expenses	24,26	(62,626,547,289)	(82,549,134,426)
Finance cost		(45,616,647,170)	(30,580,481,689)
Loss on foreign exchange - net		(11,306,423,525)	(8,859,946,888)
Interest income		306,830,407	112,711,339
Loss on disposal of property, plant and equipment	11	(82,140,302)	(10,387,667)
Other gains and losses - net		1,690,530,545	941,363,991
<b>PROFIT BEFORE TAX</b>		47,266,859,554	75,032,720,231
<b>INCOME TAX (EXPENSE) BENEFIT</b>	25	(20,216,556,655)	1,925,054,055
<b>PROFIT FOR THE YEAR</b>		27,050,302,899	76,957,774,286
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefits obligation	18	1,102,279,000	4,298,085,000
Related tax expense	25	(242,501,380)	(945,578,700)
Total other comprehensive income, net of tax		859,777,620	3,352,506,300
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		27,910,080,519	80,310,280,586

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, 2024

	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 April 1, 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
Profit for the year	-	-	-	-	27,050,302,899	27,050,302,899
Other comprehensive income, net of tax	-	-	-	859,777,620	-	859,777,620
Balance as of March 31, 2024	1,635,461,613,800	216,192,517,840	276,495,214,244	11,683,955,060	(1,548,376,822,674)	591,456,478,270

See accompanying notes to financial statements which are an integral part of the financial statements.

# PT. TVS MOTOR COMPANY INDONESIA

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

	Note	2024 Rp	2023 Rp
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax per statement of profit or loss and other comprehensive income		47,266,859,554	75,032,720,231
Adjustments for:			
Depreciation of property, plant and equipment and right-of-use assets		17,274,511,078	16,294,108,203
Loss on sale and disposal of property, plant and equipment	11	82,140,302	10,387,667
Provision for post-employment benefits	18	5,013,620,000	4,185,179,000
(Reversal of) allowance for credit losses	6	(4,500,000,000)	17,762,118,149
Allowance for inventory obsolescence	8	2,220,353,633	13,525,729,541
Interest and finance charges		40,135,735,607	27,159,709,903
Interest income		(306,830,407)	(112,711,339)
Adjustment from tax assessment letter		575,490,363	-
Net unrealized loss on foreign exchange		21,282,190,412	5,265,442,763
Operating cash flows before changes in working capital		129,044,070,542	159,122,684,118
Changes in working capital:			
Trade accounts receivable		(98,392,908,229)	(482,562,302,983)
Other accounts receivable		(12,713,580,944)	(3,498,583,716)
Inventories		(78,252,968,822)	(46,424,590,627)
Prepaid taxes		8,759,930,730	(40,849,399,218)
Advances to suppliers		(110,729,075)	1,345,952,777
Other current assets		223,608,217	(1,920,142,093)
Trade accounts payable		95,512,488,065	317,645,760,455
Other accounts payable		701,295,382	13,829,690,908
Taxes payable		503,579,553	213,072,108
Accrued expenses		(11,093,855,258)	17,036,872,026
Deposit from customers		(419,087,912)	(1,373,885,447)
Contract liabilities		10,186,178,506	(738,362,881)
Net cash used in operations		43,948,020,755	(68,173,234,573)
Employee benefits paid	18	(997,171,000)	(1,971,330,000)
Income tax paid	25	(869,243,347)	(1,628,688,893)
Proceeds from tax refund		987,307,000	-
Net Cash Provided by (Used in) Operating Activities		43,068,913,408	(71,773,253,466)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisitions of property, plant and equipment	11	(30,121,870,429)	(8,257,989,324)
Proceeds from sale of property, plant and equipment		25,225,225	37,837,837
Decrease in security deposits	11	(360,774,560)	(732,699,435)
Interest received		306,830,407	112,711,339
Net Cash Used in Investing Activities		(30,150,589,357)	(8,840,139,583)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments of bank loans		(2,188,413,474,762)	(1,474,636,959,865)
Interest and finance charges paid		(40,135,735,607)	(26,932,732,655)
Payments of lease liabilities		(2,286,212,456)	(3,181,055,575)
Proceeds from bank loans		2,230,896,656,318	1,579,061,639,661
Proceeds from loan from shareholder		31,376,000,000	-
Net Cash Provided by Financing Activities		31,437,233,493	74,310,891,566
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		44,355,557,544	(6,302,501,483)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		78,449,689,897	84,752,191,380
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		122,805,247,441	78,449,689,897

See accompanying notes to financial statements which are an integral part of the financial statements.

# PT. TVS MOTOR COMPANY INDONESIA

## NOTES TO FINANCIAL STATEMENTS

March 31, 2024 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, 2024, the Company has 492 employees (2023: 493 employees).

At March 31, 2024 and 2023, the Company's management is composed of the following:

President Commissioner: Kunnath Narayanan Radhakrishnan

Commissioners: Ramgopal Diip  
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. 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 January 1, 2023. 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.

#### PSAK 1 (amendment) Presentation of Financial Statements: Disclosure of Accounting Policies

The Company has adopted the amendments to PSAK 1 for the first time in the current year. The amendments change the requirements in PSAK 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in PSAK 1 are also amended to clarify that accounting policy information that relates to transactions, other events or conditions that is immaterial, need not to be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

#### PSAK 25 (amendment) Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

The Company has adopted the amendments to PSAK 25 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.

#### PSAK 16 (amendment) Property, Plant and Equipment: Proceeds before Intended Use

The Company has adopted the amendments to PSAK 16 for the first time in the current year. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, the Company recognizes such sales proceeds and related costs in profit or loss. The Company measures the cost of those items in accordance with PSAK 14 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. PSAK 16 specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of profit or loss and other comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which

line item(s) in the statement of profit or loss and other comprehensive income include(s) such proceeds and cost.

#### b. Standard and Amendments/Improvements to Standards Issued not yet Adopted

At the date of authorization of these financial statements, the following standard, interpretation and amendments to PSAK relevant to the Company were issued but not effective, with early application permitted:

##### Effective for periods beginning on or after January 1, 2024

- PSAK 1 (amendment) Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
- PSAK 73 (amendment) Leases: Lease Liability in a Sale and Leaseback
- PSAK 1 (amendment) Presentation of financial statements: Non-current Liabilities with Covenants
- PSAK 2 (amendment) Statement of cash flows and PSAK 60 (amendment) Financial Instruments: Disclosures: Supplier Finance Arrangements

##### Effective for periods beginning on or after January 1, 2025

- PSAK 10 (amendment) The effects of changes in foreign exchange rates: Lack of Exchangeability
- 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.

Beginning January 1, 2024, references to the individual PSAKs and ISAKs will be changed as published by Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia ("DSAK - IAI").

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

#### 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 land that are measured at revalued amounts or fair values at the end of each reporting period, 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.

## NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and for the year then ended (Continued)

- 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.

#### Classification of financial assets

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 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, loan from shareholder 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.

# PT. TVS MOTOR COMPANY INDONESIA

## NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and for the year then ended (Continued)

### 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, other than land, are carried at cost, less accumulated depreciation and any accumulated impairment losses.

Depreciation is recognized so as to write off the cost of assets less 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 2024 and 2023.

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 or 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 profit or loss 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.

An item 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 disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts 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.

## NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and for the year then ended (Continued)

### 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 Law No. 6/2023 and Government Regulation No. 35/2021 (2023: Job Creation Law No. 11/2020 and Government Regulation No. 35/2021).

#### 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, is reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected as a separate item under other comprehensive income in equity and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability. Defined benefit costs are categorized as follows:

- 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 it 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.

### 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.

# PT. TVS MOTOR COMPANY INDONESIA

## NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and for the year then ended (Continued)

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.

## 5. CASH AND CASH EQUIVALENTS

	2024	2023
	Rp	Rp
Cash on hand		
Rupiah	8,054,900	18,124,900
US Dollar	90,457,377	126,159,463
Cash in banks		
Rupiah	44,711,716,142	27,124,932,721
US Dollar	77,995,019,022	51,180,472,813
Total	<u>122,805,247,441</u>	<u>78,449,689,897</u>

## 6. TRADE ACCOUNTS RECEIVABLE

	2024	2023
	Rp	Rp
a. By debtor		
Related party (Note 26)	601,435,870	502,646,052
TVS Motor Company Limited, India		
Third parties	987,690,442,475	889,401,324,064
Allowance for credit losses	<u>(35,837,596,823)</u>	<u>(40,337,596,823)</u>
Net	<u>951,857,845,652</u>	<u>849,063,727,241</u>
Total	<u>952,459,281,522</u>	<u>849,566,373,293</u>
b. By currency		
US Dollar	972,111,521,073	879,177,427,588
Rupiah	16,185,357,272	10,726,542,528
Subtotal	988,296,878,345	889,903,970,116
Allowance for credit losses	<u>(35,837,596,823)</u>	<u>(40,337,596,823)</u>
Total	<u>952,459,281,522</u>	<u>849,566,373,293</u>

The average credit period on sale of goods are 30 to 150 days in 2024 and 2023. 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.

# PT. TVS MOTOR COMPANY INDONESIA

## NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and for the year then ended (Continued)

ECL on trade accounts receivable using provision matrix - assessed collectively

	March 31, 2024							Total
	Not past due	Past due						
		< 30 days	31 - 60 days	61 - 90 days	91 - 120 days	121 - 180 days	> 180 days	
Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp	
Expected credit loss rate on collective assessment	2.94%	4.41%	6.02%	7.53%	8.33%	9.01%	10.53%	
Estimated total gross carrying amount at default	82,569,957,109	57,817,952,397	8,846,862,993	1,110,270,008	2,502,987,606	720,048,163	6,451,870,647	160,019,948,923
Lifetime ECL	(2,423,736,516)	(2,549,163,983)	(532,680,997)	(83,638,211)	(208,536,111)	(64,846,571)	(679,451,665)	<u>(6,542,054,054)</u>
Total								<u>153,477,894,869</u>
	March 31, 2023							Total
	Not past due	Past due						
		< 30 days	31 - 60 days	61 - 90 days	91 - 120 days	121 - 180 days	> 180 days	
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)	<u>(7,010,922,560)</u>
Total								<u>66,848,416,361</u>

The movements in allowance for credit losses are as follows:

	2024		
	Lifetime ECL - Not credit impaired		
	Assessed collectively	Assessed individually	Total
	Rp	Rp	Rp
Balance at beginning of year	7,010,922,560	33,326,674,263	40,337,596,823
Loss reversal recognized in profit or loss during the year (Note 23)	(468,868,506)	(4,031,131,494)	(4,500,000,000)
Balance at end of year	<u>6,542,054,054</u>	<u>29,295,542,769</u>	<u>35,837,596,823</u>
	2023		
	Lifetime ECL - Not credit impaired		
	Assessed collectively	Assessed individually	Total
	Rp	Rp	Rp
Balance at beginning of year	11,529,908,237	11,045,570,437	22,575,478,674
Loss (reversal) 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	<u>7,010,922,560</u>	<u>33,326,674,263</u>	<u>40,337,596,823</u>

## 7. OTHER ACCOUNTS RECEIVABLE FROM A RELATED PARTY

Other accounts receivable from a related party represents service fees and claim for reimbursements in 2024 and 2023 from TVS Motor Company Limited, India (Note 26).

## PT. TVS MOTOR COMPANY INDONESIA

### NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and for the year then ended(Continued)

#### 8. INVENTORIES

	2024	2023
	Rp	Rp
Finished goods	37,072,121,183	34,912,658,874
Materials, components and spare parts	405,707,247,221	331,536,737,380
Others	<u>1,460,847,304</u>	<u>1,763,052,082</u>
Total	444,240,215,708	368,212,448,336
Allowance for inventory obsolescence	<u>(17,057,456,743)</u>	<u>(17,062,304,560)</u>
Net	<u>427,182,758,965</u>	<u>351,150,143,776</u>

The change in allowance for inventory obsolescence is as follows:

	2024	2023
	Rp	Rp
Balance at beginning of year	17,062,304,560	6,296,228,796
Provision during the year	2,220,353,633	13,525,729,541
Write-off during the year	<u>(2,225,201,450)</u>	<u>(2,759,653,777)</u>
Balance at end of year	<u>17,057,456,743</u>	<u>17,062,304,560</u>

Management believes that allowance for inventory obsolescence is adequate.

#### 9. PREPAID TAXES

	2024	2023
	Rp	Rp
Income tax (Note 25)	7,623,811,969	8,317,253,983
Value Added Tax		
2024	130,427,038,286	-
2023	<u>153,905,335</u>	<u>139,340,986,353</u>
Total	<u>138,204,755,590</u>	<u>147,658,240,336</u>

#### Value Added Tax - 2023

The Company received a total of Rp 138,501,575,875, with partial payments in October 2023, November 2023, February 2024, and March 2024, out of its total claim of Rp 139,340,986,353. The remaining Rp 153,684,542 was received in April 2024 and a difference of Rp 685,725,936 was recorded as expenses in current year profit loss.

#### 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.

## PT. TVS MOTOR COMPANY INDONESIA

### NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and for the year then ended (Continued)

#### 11. PROPERTY, PLANT AND EQUIPMENT

	April 1, 2023	Additions	Deductions	March 31, 2024
	Rp	Rp	Rp	Rp
Revalued amount: Land	304,162,000,000	-	-	304,162,000,000
Cost:				
Buildings	91,256,118,760	11,449,029,593	-	102,705,148,353
Machinery and tools	120,890,759,492	3,817,263,199	(413,825,000)	124,294,197,691
Moulds and dies Office equipment and furnitures	105,166,281,492	13,460,054,467	-	118,626,335,959
	13,803,032,057	1,395,523,170	(166,339,305)	15,032,215,922
Vehicles	1,516,367,941	-	(26,268,000)	1,490,099,941
Total	636,794,559,742	30,121,870,429	(606,432,305)	666,309,997,866
Accumulated depreciation: Buildings				
	65,073,862,029	4,721,017,513	-	69,794,879,542
Machinery and tools	103,690,335,433	3,207,373,269	(306,459,473)	106,591,249,229
Moulds and dies Office equipment and furnitures	50,338,060,913	6,468,273,814	-	56,806,334,727
	11,352,762,680	1,179,581,893	(166,339,305)	12,366,005,268
Vehicles	1,263,688,187	67,921,817	(26,268,000)	1,305,342,004
Total	231,718,709,242	15,644,168,306	(499,066,778)	246,863,810,770
Net carrying value	405,075,850,500			419,446,187,096
	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 Office equipment and furnitures	102,838,078,141	2,328,203,351	-	105,166,281,492
	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 Office equipment and furnitures	45,088,221,152	5,249,839,761	-	50,338,060,913
	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 carrying value	411,197,437,743			405,075,850,500

# PT. TVS MOTOR COMPANY INDONESIA

## NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and for the year then ended (Continued)

Depreciation expense was allocated to the following:

	2024	2023
	Rp	Rp
Manufacturing cost	14,396,664,597	13,121,722,631
General and administrative expenses (Note 24)	1,247,503,709	1,209,628,432
Total	15,644,168,306	14,331,351,063

The Company owns land located in Karawang, Ciampel - Kutanegara, Jawa Barat, with a total area of 126,541 square meters as of March 31, 2024 and 2023, 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.

Sale of property, plant and equipment are as follows:

	2024	2023
	Rp	Rp
Proceeds from sale of property, plant and equipment	25,225,225	37,837,837
Net carrying value	(107,365,527)	48,225,504
Loss on sale of property, plant and equipment	(82,140,302)	(10,387,667)

## 12. BANK LOANS

	2024	2023
	Rp	Rp
<u>Short-term bank loans</u>		
Rupiah		
MUFG Bank, Ltd., Jakarta Branch	4,213,222,782	-
Deutsche Bank AG, Jakarta Branch	-	15,000,000,000
PT Bank DBS Indonesia	-	3,971,983,049
US Dollar		
Citibank, N.A. (USD 16,000,000 in 2024)	253,648,000,000	-
MUFG Bank, Ltd., Jakarta Branch (USD 10,750,000 in 2024 and USD 9,179,800 in 2023)	170,419,751,585	138,266,147,600
Standard Chartered Bank Indonesia (USD 7,114,047 in 2024 and USD 5,000,000 in 2023)	112,778,990,262	75,310,000,000
PT Bank DBS Indonesia (USD 1,052,978 in 2024 and USD 212,359 in 2023)	16,692,863,405	3,198,548,246
Deutsche Bank AG, Singapore Branch (USD 12,500,000 in 2023)	-	188,275,000,000
PT Bank SBI Indonesia (USD 3,854,256 in 2023)	-	58,052,802,968
Deutsche Bank AG, Jakarta Branch (USD 1,000,000 in 2023)	-	15,062,000,000
China Yuan		
PT Bank DBS Indonesia (CNH 1,247,212 in 2024 and CNH 1,105,136 in 2023)	2,725,507,820	2,419,728,426
MUFG Bank, Ltd., Jakarta Branch (CHN 820,558 in 2024)	1,793,149,255	-
Total	562,271,485,109	499,556,210,289

The amortized cost of the bank loans are as follows:

	2024	2023
	Rp	Rp
Bank loans	562,271,485,109	499,556,210,289
Accrued interest	6,109,532,584	6,086,916,580
Amortized cost	568,381,017,693	505,643,126,869

### Citibank, N.A.

In September 2023, the Company obtained revolving credit facility from Citibank, N.A., with maximum credit limit of USD 20,000,000 with comprise of Working Capital Loan for USD 15,000,000 and Trade Payables Financing for USD 5,000,000. The facility is unsecured and due by September 30, 2024.

In 2024, interest rate is ranging at 7.43% - 7.62%.

### MUFG Bank, Ltd., Jakarta Branch

The Company obtained credit facilities from MUFG Bank, Ltd., Jakarta Branch, in May 2021 and May 2022, which was jointly renewed in December 2023, for maximum credit limit of USD 10,000,000 which is an omnibus facility with sub-limits comprising of uncommitted short-term loan, SKBDN, LC import/local facilities, import settlement, invoice financing and foreign exchange facilities. This facility is valid up to December 31, 2024. The facility is secured by lien on receivables and inventory to the extent of credit limit.

As of March 31, 2024, the outstanding loan for US Dollar denominated loans and for Indonesian Rupiah denominated loans represents uncommitted short-term loan. In 2024, the interest rate is ranging at 7.17% - 7.20% (2023: ranging at 6.78% - 7.74%) for US Dollar denominated loans and at 7.76% (2023: 6.14%) for Indonesian Rupiah denominated loans. The outstanding loan for Chinese Yuan denominated loans is for the LC import/local facilities.

### Standard Chartered Bank Indonesia

In June 2022 and renewed in June 2023, the Company obtained an uncommitted banking facility with maximum credit limit of USD 10,000,000 with sub-limits of Short-term Loan (STL) for USD 7,500,000, Export Invoice Financing for USD 10,000,000 and Import L/C for USD 5,000,000. The facility is unsecured.

As of March 31, 2024, the outstanding loan is towards STL. The loan interest rate is ranging at 8.18% - 8.25% per annum (2023: 8.55%).

As per loan agreement, all the above short-term loans are renewable in nature and the next renewal is due by April 30, 2024.

### PT. Bank DBS Indonesia

In May 2013, the Company obtained uncommitted omnibus trade facility from PT Bank DBS Indonesia with a maximum limit of USD 5,000,000 with sub-facility comprise of import letter credit facility, account payables financing facility, SKBDN export bill letter of credit and revolving credit facility, 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.

As of March 31, 2023, the outstanding US Dollar, Indonesian Rupiah and Chinese Yuan denominated loan represents account payables financing facility. In 2023, interest rate per annum is at 7.30% for US Dollar denominated loan, at 10.00% for Indonesian Rupiah denominated loan and at 6.50% for Chinese Yuan denominated loan.

As of March 31, 2024, the outstanding US Dollar and Chinese Yuan denominated loan represents import letter credit facility.

This agreement has been amended several times, with the latest change relating to the extension of the facility period extended until March 31, 2024. As the issuance date of the financial statements, the extension of this short-term loan agreement is still in process.

### PT Bank SBI Indonesia

The Company obtained revolving checking account credit facilities from PT Bank SBI Indonesia in December 2013, July 2015 and February 2016, which was jointly renewed in February 2023, with maximum credit limit of USD 4,750,000. 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.

This facility is due by February 27, 2024, and the Company does not extend the use of related facilities.

### 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 + Margin. 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

As of March 31, 2024, the Company does not extend the use of related facilities.

### Deutsche Bank AG, Jakarta Branch

In October 2019, the Company obtained a revolving credit facility with Deutsche Bank, Jakarta Branch, for USD 3,000,000 which is renewable every 12 months.

In December 2021, the Company obtained a credit facility from Deutsche Bank, Jakarta, in

# PT. TVS MOTOR COMPANY INDONESIA

## NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and for the year then ended (Continued)

association with Indonesia Eximbank under the Jaminan Program (Program Pemulihan Ekonomi Nasional (PEN)) for USD 10,000,000 wherein the Indonesia Eximbank provides credit guarantee up to 80% credit limit.

In 2023, the revolving credit facility is merged with credit facility under Jaminan Program. The combined credit limit is USD 10,000,000.

The interest rate is 9.33% for US Dollar denominated loan and 10.52% for Indonesian Rupiah denominated loan.

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

As of March 31, 2024, the Company does not extend the use of related facilities.

### 13. TRADE ACCOUNTS PAYABLE

	2024	2023
	Rp	Rp
a. By creditors		
Related party (Note 26)		
TVS Motor Company Limited India	742,904,137,148	676,733,124,162
Third parties	67,276,232,448	37,934,757,369
Total	<u>810,180,369,596</u>	<u>714,667,881,531</u>
b. By currency		
US Dollar	769,644,520,664	681,380,447,478
Rupiah	32,925,888,720	30,343,625,572
Chinese Yuan	7,495,496,371	2,943,808,481
India Rupee	114,463,841	-
Total	<u>810,180,369,596</u>	<u>714,667,881,531</u>

The average credit period on purchases of goods is 30 - 60 days in 2024 and 2023. No interest is charged on the outstanding balance.

### 14. OTHER ACCOUNTS PAYABLE

	2024	2023
	Rp	Rp
Related party (Note 26)		
TVS Motor Company Limited, India	20,446,460,651	16,586,937,580
Third parties	10,171,715,364	13,329,943,053
Total	<u>30,618,176,015</u>	<u>29,916,880,633</u>

Other accounts payable to a related party mostly represents information technology service fees and freight fees.

### 15. TAXES PAYABLE

	2024	2023
	Rp	Rp
Income taxes		
Article 21	1,234,111,477	587,880,411
Article 22	33,561,520	44,135,914
Article 23	93,205,359	181,960,922
Article 26	25,886,013	25,328,862
Article 4(2) Final	84,106,577	127,985,284
Total	<u>1,470,870,946</u>	<u>967,291,393</u>

### 16. ACCRUED EXPENSES

	2024	2023
	Rp	Rp
Sales and marketing expense	22,413,177,383	28,347,461,989
Interest	6,405,449,913	6,086,916,580
Warranty expense	4,149,388,067	4,465,642,475
Professional fees	1,625,000,000	2,830,000,000
Employees' social security	619,201,414	517,984,274
Others	9,720,496,295	13,778,563,012
Total	<u>44,932,713,072</u>	<u>56,026,568,330</u>

### 17. LOAN FROM SHAREHOLDER

On February 1, 2024, the Company signed loan facility agreement with TVS Motor (Singapore) Pte., Ltd., with maximum loan facility of USD 2,000,000.

The loan shall be repaid entirely on or before January 31, 2025. Interest shall be calculated at fixed rate of 6% per annum from the outstanding principal amount of the facility disbursed until final settlement date.

As of March 31, 2024, the Company's loan balance to TVS Motor (Singapore) Pte., Ltd., amounting to USD 2,000,000 or equivalent to Rp 31,706,000,000.

### 18. POST-EMPLOYMENT BENEFITS OBLIGATION

The Company provides post-employment benefits to qualifying employees in accordance with Law No. 6/2023 and Government Regulation No. 35/2021 (2023: Job Creation Law No. 11/2020 and Government Regulation No. 35/2021). The number of employees entitled to the benefits was 476 employees in 2024 (2023: 410 employees).

The defined benefit plan typically exposes the Company to actuarial risks such as: interest rate risk and salary risk.

#### 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 comprehensive income with respect of the post-employment benefits are as follows:

	2024	2023
	Rp	Rp
Current service cost:	2,946,066,000	3,726,435,000
Interest cost	1,430,632,000	1,181,007,000
Adjustment related to change in fix allowance	636,922,000	-
Adjustment due to change in attribution method	-	(722,263,000)
Components of defined benefits cost recognised in profit or loss	<u>5,013,620,000</u>	<u>4,185,179,000</u>
Remeasurement on the net defined benefit obligation:		
Actuarial losses arising from changes in financial assumptions	191,568,000	418,360,000
Actuarial gains arising from experience adjustments	(1,293,847,000)	(14,299,000)
Adjustment due to change in attribution method	-	(4,702,146,000)
Components of defined benefit costs recognised in other comprehensive income	<u>(1,102,279,000)</u>	<u>(4,298,085,000)</u>
Total	<u>3,911,341,000</u>	<u>(112,906,000)</u>

Movements in the present value of the defined benefit obligations are as follows:

	2024	2023
	Rp	Rp
Balance at beginning of year	20,290,921,000	22,375,157,000
Component of defined benefit cost recognized in profit or loss	5,013,620,000	4,907,442,000
Component of defined benefit cost recognized in other comprehensive income	(1,102,279,000)	404,061,000
Benefits payment	(997,171,000)	(1,971,330,000)
Adjustment due to change in attribution method	-	(5,424,409,000)
Balance at end of year	<u>23,205,091,000</u>	<u>20,290,921,000</u>

# PT. TVS MOTOR COMPANY INDONESIA

## NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and for the year then ended (Continued)

The cost of providing post-employment benefits is calculated by independent actuary, KKA Steven & Mourits (2023: KKA Halim & Rekan). The actuarial valuation was carried out using the following key assumptions:

	2024	2023
Discount rate per annum	6.90%	7.25%
Salary increment rate per annum	7.00%	7.00%
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 21,439,611,000 (increase to Rp 25,219,848,000) (2023: decrease to Rp 19,237,157,000 (increase to Rp 22,921,479,000)).
- If the expected salary growth is 1% higher (lower), the defined benefits obligation would increase to Rp 25,303,231,000 (decrease to Rp 21,337,466,000) (2023: increase to Rp 23,115,977,000 (decrease to Rp 19,042,413,000)).

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, 2024 is 14.79 years (March 31, 2023: 9.60 years).

## 19. CAPITAL STOCK

Name of Stockholders	March 31, 2024 and 2023		
	Ordinary Shares	Percentage of Ownership	Total Capital Stock
		%	Rp
TVS Motor Company Limited, India	8,597,000	51%	837,347,800,000
TVS Motor (Singapore) Pte., Limited	5,324,187	32%	518,575,813,800
TVS Motor Company (Europe) B.V.	2,870,000	17%	279,538,000,000
Total	16,791,187	100%	1,635,461,613,800

## 20. 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.

## 21. REVALUATION SURPLUS

This amount represents the increase in value of land due to revaluation.

## 22. NET SALES

	2024	2023
	Rp	Rp
Type of goods		
Sale of vehicles	1,443,919,800,789	1,528,449,025,807
Sale of spare parts	70,123,064,933	54,642,573,193
Total	1,514,042,865,722	1,583,091,599,000
Geographical markets		
Export	1,372,713,473,689	1,477,216,430,370
Domestic	141,329,392,033	105,875,168,630
Total	1,514,042,865,722	1,583,091,599,000

The aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) for sales of goods on March 31, 2024 is Rp 17,702,110,039 (2023: Rp 7,515,931,533) and are presented as contract liabilities.

0.01% (2023: 0.10%) of the total sales were made with related parties in 2024 (Note 26). Details of net sales to dealers representing more than 10% of the sales are as follows:

Name of Customers	2024	2023
	Rp	Rp
Robustrade DMCC	392,177,733,474	235,945,919,984
Sunshine., Ltd	288,115,740,376	221,483,668,383
Global Automobile Traders FZCO	249,068,381,061	720,755,395,675
Wandel International Nigeria Ltd	191,210,616,241	82,708,512,116
Total	1,120,572,471,152	1,260,893,496,158

## 23. COST OF GOODS SOLD

	2024	2023
	Rp	Rp
Raw materials and components used	1,165,373,035,172	1,224,392,367,036
Direct labor	26,003,132,070	20,871,535,767
Overhead	124,665,757,951	114,652,961,643
Total manufacturing cost	1,316,041,925,193	1,359,916,864,446
Finished goods		
At beginning of year	34,912,658,874	30,664,826,775
At end of year	(37,072,121,183)	(34,912,658,874)
Cost of goods sold	1,313,882,462,884	1,355,669,032,347

53% (2023: 66%) of the total purchases of raw materials and components were made from TVS Motor Company Limited, India, the ultimate holding company, in 2024 (Note 26).

## 24. OPERATING EXPENSES

	2024	2023
	Rp	Rp
<b>Marketing</b>		
Advertising and market research	33,395,783,062	27,038,063,950
Free service charges	853,408,500	1,290,785,000
Warranty	229,112,274	635,461,855
Others	780,842,114	2,479,660,277
Total	35,259,145,950	31,443,971,082
<b>General and administrative</b>		
Salaries and allowances	32,533,882,116	26,719,070,046
Loss (reversal) allowance (Note 6)	(4,500,000,000)	17,762,118,149

# PT. TVS MOTOR COMPANY INDONESIA

## NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and for the year then ended (Continued)

	2024	2023
	Rp	Rp
Short term and low value leases	6,454,421,749	7,295,304,246
Training and development	5,019,726,556	4,657,458,822
Travel and transportation	4,562,922,872	4,251,158,995
Consultancy fees	4,318,699,537	6,258,046,698
Insurance	2,149,758,952	1,664,432,882
Taxes, permit and license	1,953,339,688	2,997,734,468
Right-of-use assets depreciation	1,630,342,772	1,962,757,140
Data processing (Note 26d)	1,580,826,036	1,547,527,510
Professional fees	1,473,976,500	1,335,947,500
Property, plant, and equipment depreciation (Note 11)	1,247,503,709	1,209,628,432
Others	4,201,146,802	4,887,949,538
Total	<u>62,626,547,289</u>	<u>82,549,134,426</u>

### 25. INCOME TAX

Income tax expense (benefit) of the Company consists of the following:

	2024	2023
	Rp	Rp
Deferred tax	20,216,556,655	(1,925,054,055)

### Current tax

Reconciliation between profit before tax per statements of profit or loss and other comprehensive income and fiscal profit is as follows:

	2024	2023
	Rp	Rp
Profit before tax per statements of profit or loss and other comprehensive income	47,266,859,554	75,032,720,231
Temporary differences:		
Allowance for credit losses	(4,500,000,000)	17,762,118,149
Accrued expenses	(6,250,539,014)	10,866,906,132
Depreciation of property, plant and equipment	2,737,276,359	5,241,231,790
Employee benefits	4,016,449,000	2,119,447,783
Total	<u>(3,996,813,656)</u>	<u>35,989,703,854</u>
Permanent differences:		
Allowance for inventory obsolescence	2,220,353,633	13,525,729,541
Employee welfare	1,606,144,547	5,474,279,725
Tax expenses	1,090,880,365	652,158,105
Interest income already subjected to final tax	(306,830,407)	(112,711,339)
Others	252,534,247	154,435,074
Total	<u>4,863,082,385</u>	<u>19,693,891,106</u>
Fiscal profit before fiscal loss carryforward	48,133,128,284	130,716,315,191
Fiscal loss carryforward - net of expired portion	<u>(92,233,694,602)</u>	<u>(222,950,009,791)</u>
Total accumulated fiscal loss	<u>(44,100,566,318)</u>	<u>(92,233,694,600)</u>
Current tax	Nil	Nil

	2024	2023
	Rp	Rp
Prepaid taxes		
2024	869,243,347	-
2023	1,628,688,893	1,628,688,893
2022	5,125,879,729	5,125,879,729
2021	-	1,562,797,363
Prepaid taxes (Note 9)	<u>7,623,811,969</u>	<u>8,317,365,985</u>

The Company received Notification Letter from Tax Office in August 2023, which stated the Tax Office refunded the Tax Overpayment for fiscal year 2021. The Company received in amount of Rp 987,307,000 and the difference of Rp 575,490,363 was recorded as expenses in current year profit loss.

### Deferred Tax

The detail of the Company's deferred tax assets is as follows:

	April 1, 2022	(Charged) credited to profit or loss for the year	Credited to other comprehensive income	March 31, 2023	(Charged) credited to profit or loss for the year	Credited to other comprehensive income	March 31, 2024
	Rp	Rp	Rp	Rp	Rp	Rp	Rp
Deferred tax asset (liabilities):							
Fiscal loss	32,463,435,962	(12,172,023,150)	-	20,291,412,812	(20,291,412,812)	-	-
Allowance for credit losses	-	8,874,271,301	-	8,874,271,301	(990,000,000)	-	7,884,271,301
Accrued expenses	1,560,614,805	5,658,268,177	-	7,218,882,982	(1,375,118,583)	-	5,843,764,399
Property, plant and equipment	(12,520,409,309)	(922,509,053)	-	(13,442,918,362)	1,556,355,960	-	(11,886,562,402)
Post-employment benefits obligation	4,922,534,540	487,046,780	(945,578,700)	4,464,002,620	883,618,780	(242,501,380)	5,105,120,020
Deferred Tax Asset - Net	<u>26,426,175,998</u>	<u>1,925,054,055</u>	<u>(945,578,700)</u>	<u>27,405,651,353</u>	<u>(20,216,556,655)</u>	<u>(242,501,380)</u>	<u>6,946,593,318</u>

# PT. TVS MOTOR COMPANY INDONESIA

## NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and for the year then ended (Continued)

A reconciliation between the tax expense (benefit) and the amounts computed by applying the effective tax rates to profit before tax is as follows:

	2024	2023
	Rp	Rp
Profit before tax per statements of profit or loss and other comprehensive income	47,266,859,554	75,032,720,231
Tax expense at effective tax rates	10,398,709,102	16,507,198,451
Tax effect of permanent differences	1,069,878,125	4,332,656,043
Tax effect from utilization of fiscal loss previously not recognized	9,702,124,590	(16,585,566,192)
Others	(954,155,162)	(6,179,342,357)
Tax expense (benefit)	20,216,556,655	(1,925,054,055)

## 26. NATURE OF RELATIONSHIP AND TRANSACTIONS WITH RELATED PARTIES

### Nature of Relationship

- TVS Motor Company Limited, India (TVS India) is the ultimate holding company and a stockholder of the Company
- TVS Motor Company (Europe) B.V. and TVS Motor (Singapore) Pte., Limited, are stockholders of the Company.
- 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:

- Compensation paid to the Board of Commissioners and Directors of the Company amounted to Rp 6,157,240,607 in 2024 (2023: Rp 5,577,826,261).

- Net sales to related parties accounted for 0.01% in 2024 (2023: 0.10%), of the total net sales. At reporting date, the receivables for these sales were presented as trade accounts receivable which constituted 0.03% of the total assets as of March 31, 2024 (2023: 0.03%).
- Purchases from a related party constituted 53% in 2024 (2023: 66%) 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 49% of the total liabilities as of March 31, 2024 (2023: 51%).
- The Company also entered non-trade transactions such as service fee (Note 27b), claim for reimbursements (Note 7), and information technology services fees with a related party (Notes 14 and 24) and loan from shareholder (Note 17).

## 27. SIGNIFICANT CONTRACTS AND AGREEMENTS

- 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 three-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.
- The Company and TVS Motor Company Limited, India, entered into a Memorandum of Understanding on March 21, 2022, and valid for period April 1, 2023 to March 31, 2024. As per Memorandum, the Company is entitled to receive service fee of every three wheeled vehicle, sold by TVS Motor Company Limited, India, in the Cambodia region. During the year, the income from such service fee amounted to Rp 4,572,620 in 2024 (2023: Rp 501,668,975).

## 28. MONETARY ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

		2024		2023	
		Foreign Currency	Equivalent in Rp	Foreign Currency	Equivalent in Rp
<b>Monetary Assets</b>					
Cash and cash equivalents	USD	4,925,596	78,085,476,399	3,406,363	51,306,632,276
Trade accounts receivable					
Related party	USD	37,938	601,435,870	33,372	502,646,052
Third parties	USD	61,282,412	971,510,085,203	58,337,192	878,674,781,536
Other accounts receivable					
Related parties	USD	1,332,307	21,121,062,395	480,146	7,231,960,164
Third parties	USD	138,960	2,202,927,807	172,775	2,602,337,050
Security deposits	USD	24,220	383,959,660	21,420	322,628,040
Total Monetary Assets			1,073,904,947,335		940,640,985,118
<b>Monetary Liabilities</b>					
Bank loans	USD	34,917,026	553,539,605,252	31,542,159	475,087,998,858
	CNH	2,067,770	4,518,657,075	1,105,136	2,419,728,426
Trade accounts payable					
Related party	USD	46,862,054	742,904,137,148	44,929,832	676,733,124,162
Third parties	USD	1,686,771	26,740,383,517	308,546	4,647,323,316
	CNH	3,429,554	7,494,535,972	1,344,493	2,943,808,481
	INR	333,490	63,012,973	-	-
Other accounts payable					
Related party	USD	1,289,753	20,446,460,651	1,101,244	16,586,937,580
Third parties	USD	253,233	4,014,505,602	263,178	3,963,989,295
Loan from shareholder	USD	2,000,000	31,706,000,000	-	-
Total Monetary Liabilities			1,391,427,298,191		1,182,382,910,118
Net Monetary Liabilities			(317,522,350,856)		(241,741,925,000)

# PT. TVS MOTOR COMPANY INDONESIA

## NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and for the year then ended (Continued)

The conversion rates used by the Company are as follows:

	2024	2023
	Rp	Rp
USD	15,853.00	15,062.00
CNH	2,185.28	2,189.53
INR	188.95	185.47

## 29. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

### a. Categories and Classes of Financial Instruments

	2024		2023	
	Financial assets at amortized cost	Financial liabilities at amortized cost	Financial assets at amortized cost	Financial liabilities at amortized cost
	Rp	Rp	Rp	Rp
<b>Financial Assets</b>				
Cash in banks	122,706,735,164	-	78,305,405,534	-
Trade accounts receivable				
Related party	601,435,870	-	502,646,052	-
Third parties	951,857,845,652	-	849,063,727,241	-
Other accounts receivable				
Related parties	21,524,251,401	-	7,231,960,164	-
Third parties	2,203,967,807	-	3,782,678,100	-
Other current assets	4,721,632,303	-	3,506,833,533	-
Security deposits	1,828,506,460	-	1,467,731,900	-
<b>Financial Liabilities</b>				
Bank loans	-	562,271,485,109	-	499,556,210,289
Trade accounts payable				
Related party	-	742,904,137,148	-	676,733,124,162
Third parties	-	67,276,232,448	-	37,934,757,369
Other accounts payable				
Related party	-	20,446,460,651	-	16,586,937,580
Third parties	-	10,171,715,364	-	13,329,943,053
Accrued expenses	-	44,932,713,072	-	56,026,568,330
Loan from shareholders	-	31,706,000,000	-	-
Deposit from customers	-	2,206,478,442	-	2,625,566,354
Total	1,105,444,374,657	1,481,915,222,234	943,860,982,524	1,302,793,107,137

### b. 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.

In 2024, if interest rate had been 55 basis points (2023: 52 basis points) higher (lower) and the other variables held constant, the Company's profit after tax would decrease (increase) by Rp 2,432,538,609 (2023: Rp 1,752,127,226).

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 mainly exposed to the U.S. Dollar. The Company's monetary assets and liabilities open position at March 31, 2024 and 2023 is detailed in Note 28.

The following table details the Company's sensitivity to a 3% (2023: 3%) decrease in the Rupiah against U.S. Dollar. 3% in 2024 (2023: 3%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 3% change in foreign currency rates in 2024 (2023: 3%). A positive number below indicates an increase in profit where the U.S. Dollar weakening 3% and 3% against the relevant currency. For a 3% and 3% strengthening of the U.S. Dollar against the relevant currency, there would be a comparable impact on the profit, and the balances below would be negative.

	US\$ Impact	
	2024	2023
	Rp	Rp
Net profit for the year	932,834,010	2,554,425,411

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.

## PT. TVS MOTOR COMPANY INDONESIA

### NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and for the year then ended (Continued)

#### 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 (other than trade receivables without significant financing component and contract assets)
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 - credit-impaired
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 Rp	Loss allowance Rp	Net carrying amount Rp
March 31, 2024					
Cash in banks (Note 5)	Performing	12-month ECL	122,706,735,164		122,706,735,164
Trade accounts receivable (Note 6)	(i)	Lifetime ECL (simplified approach)	988,296,878,345	(35,837,596,823)	952,459,281,522
Other accounts receivable	Performing	12-month ECL	23,728,219,208		23,728,219,208
Other current assets	Performing	12-month ECL	4,721,632,303		4,721,632,303
Security deposits	Performing	12-month ECL	1,828,506,460		1,828,506,460
				<u>(35,837,596,823)</u>	
	Internal Credit Rating	12-month or lifetime ECL	Gross carrying amount Rp	Loss allowance Rp	Net carrying amount 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
				<u>(40,337,596,823)</u>	

- (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.

# PT. TVS MOTOR COMPANY INDONESIA

## NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and for the year then ended(Continued)

### 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.

The following table details the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The table has 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 table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

March 31, 2024				
Weighted average effective interest rate	Less than 1 year	1-5 years	More than 5 years	Total
	Rp	Rp	Rp	Rp
Non-interest bearing				
Trade accounts payable				
Related party	-	742,904,137,148	-	742,904,137,148
Third parties	-	67,276,232,448	-	67,276,232,448
Other accounts payable				
Related party	-	20,446,460,651	-	20,446,460,651
Third parties	-	10,171,715,364	-	10,171,715,364
Accrued expense	-	44,932,713,072	-	44,932,713,072
Variable interest rate instruments				
Bank loans	7.17% - 8.25%	568,381,017,693	-	568,381,017,693
Lease liabilities	7.60% - 10.90%	2,323,904,000	352,968,000	2,676,872,000
Fixed interest rate instruments				
Loan from shareholder	6.00%	33,291,300,000	-	33,291,300,000
Total		<u>1,489,727,480,376</u>	<u>352,968,000</u>	<u>1,490,080,448,376</u>
March 31, 2023				
Weighted average effective interest rate	Less than 1 year	1-5 years	More than 5 years	Total
	Rp	Rp	Rp	Rp
Trade accounts payable				
Related party	-	676,733,124,162	-	676,733,124,162
Third parties	-	37,934,757,369	-	37,934,757,369
Other accounts payable				
Related party	-	16,586,937,580	-	16,586,937,580
Third parties	-	13,329,943,050	-	13,329,943,050
Accrued expense	-	56,026,568,330	-	56,026,568,330
Variable interest rate instruments				
Bank loans	4.43% - 10.50%	448,007,522,993	-	448,007,522,993
Lease liabilities	10.70% - 12.86%	2,903,904,000	1,411,872,000	4,315,776,000
Fixed interest rate instruments				
Bank loans	5.16% - 13%	72,498,860,584	-	72,498,860,584
Total		<u>1,324,021,618,067</u>	<u>1,411,872,000</u>	<u>1,325,433,490,067</u>

All financial assets are due within one year from the end of the reporting period.

# PT. TVS MOTOR COMPANY INDONESIA

## NOTES TO FINANCIAL STATEMENTS

March 31, 2024 and for the year then ended (Continued)

### c. 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 shortterm maturities or carry market interest rate.

### d. Capital Management

The Company manages capital risk to ensure that it will be able to continue as a going concern and to maximizing the profits of the shareholders through the optimization of the balance of debt and equity. The Company's capital structure consists of bank loans (Note 12) and loan from shareholder (Note 17) offset by cash and cash equivalents (Note 5) and shareholders' equity consisting of capital stock (Note 19), foreign exchange rate difference on paid-in capital (Note 20), revaluation surplus (Note 21), other comprehensive income. The Board of Directors of the Company periodically reviews the Company's capital structure. As part of this review, the Board of Directors considers the cost of capital and related risk. The Company strategy remains unchanged from 2023.

The gearing ratio at reporting date is as follows:

	2024	2023
	Rp	Rp
Debt	593,977,485,109	499,556,210,289
Cash and cash equivalents	122,805,247,441	78,449,689,897
Debt - net	471,172,237,668	421,106,520,392
Equity	591,456,478,270	563,546,397,751
Net debt to equity ratio	80%	75%

### 30. 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, 2023	Financing cash flows	Non-cash transaction changes	March 31, 2024
	Rp	Rp	Rp	Rp
Bank loans	499,556,210,289	42,483,181,556	20,232,093,264	562,271,485,109
Loan from shareholder	-	31,376,000,000	330,000,000	31,706,000,000
Lease liabilities	3,917,144,025	(2,286,212,456)	878,057,418	2,508,988,987
	<u>503,473,354,314</u>	<u>71,572,969,100</u>	<u>21,440,150,682</u>	<u>596,486,474,096</u>
	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
	<u>392,372,216,310</u>	<u>74,310,891,566</u>	<u>36,790,246,438</u>	<u>503,473,354,314</u>

### 31. MANAGEMENT'S RESPONSIBILITY AND APPROVAL OF FINANCIAL STATEMENTS

The preparation and fair presentation of the financial statements on pages 1 to 40 were the responsibilities of the management and were approved by Director and authorized for issuance on May 1, 2024.

**RE-STATED ACCOUNTS OF  
PT. TVS MOTOR COMPANY INDONESIA**

## PT. TVS MOTOR COMPANY INDONESIA

### BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2024

	Notes	IDR in Mn.	Rupees in crores
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	349,525.47	183.65
Other Non Current Assets	2	1,828.51	0.96
Deferred tax Assets		6,946.59	3.65
		<u>358,300.57</u>	<u>188.26</u>
<b>Current assets</b>			
Inventories	3	427,182.76	224.27
Financial assets			
i. Trade receivables	4	954,061.81	500.89
ii. Cash and cash equivalents	5	122,805.25	64.47
Current tax assets (Net)		7,623.81	4.00
Other current assets	6	153,486.17	80.57
		<u>1,665,159.80</u>	<u>874.20</u>
Total Assets		<u>2,023,460.37</u>	<u>1,062.46</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	7	1,635,461.61	906.08
Other equity	8	(1,113,782.60)	(632.06)
		<u>521,679.01</u>	<u>274.02</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings		31,706.00	16.65
ii. Lease Liabilities		341.01	0.18
Provisions	9	23,205.09	12.18
		<u>55,252.10</u>	<u>29.01</u>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	10	562,271.48	295.20
ii. Lease Liabilities		2,167.98	1.14
iii. Trade payables	11		
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues other than (iii) (a) above		854,004.22	448.34
iv. Other financial liabilities	12	8,293.40	4.36
Current tax liabilities		1,470.87	0.77
Other current liabilities	13	18,321.31	9.62
		<u>1,446,529.26</u>	<u>759.43</u>
Total liabilities		<u>1,501,781.36</u>	<u>788.44</u>
Total equity and liabilities		<u>2,023,460.37</u>	<u>1,062.46</u>

### STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

	Notes	IDR in Mn.	Rupees in crores
I Revenue from operations	14	1,515,488.80	817.90
II Other income	15	1,472.77	0.80
III Total Income (I +II)		<u>1,516,961.57</u>	<u>818.70</u>
IV Expenses:			
Cost of material consumed	16	1,162,713.56	626.74
Changes in inventories of finished goods, stock-in -trade and work-in-progress	16	(2,159.46)	(0.35)
Employee benefits expense	17	108,238.43	58.42
Finance costs	18	45,616.65	24.62
Depreciation and amortisation expense	19	19,406.84	10.40
Other expenses	20	134,112.32	72.37
		<u>1,467,928.34</u>	<u>792.20</u>
V Profit before exceptional items,(III - IV)		49,033.23	26.50
VI Exceptional items		-	-
VII Profit before tax (V+ VI)		49,033.23	26.50
VIII Tax expense			
i) Current tax		1,003.47	0.54
ii) Deferred tax		20,216.56	10.91
IX Profit for the year (VII - VIII)		<u>27,813.20</u>	<u>15.05</u>
X Other Comprehensive Income			
A. Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations		1,102.28	0.59
Income tax relating to the above items		(242.50)	(0.13)
B. Items that will be reclassified to profit or loss			
Foreign currency translation adjustments		432,385.04	(10.55)
		<u>433,244.82</u>	<u>(10.09)</u>
XI Total Comprehensive Income (IX+X)		<u>461,058.02</u>	<u>4.96</u>
XII Earnings per equity share (Face value of IDR.97,400/- each)			
Basic & Diluted earnings per share (in IDR / in rupees)		1,656.42	8.96

# PT. TVS MOTOR COMPANY INDONESIA

## Notes to Accounts

1 Property, Plant & Equipment

IDR in Millions

Description	Property, Plant & Equipment						
	Land	Buildings	Plant & equipment	Vehicles	Office Equipments	Right of use asset	Total
	1	2	3	4	5	6	7
Cost of assets							
Gross carrying value as at 01-04-2023	222,928.86	105,317.40	245,422.95	1,516.65	13,803.02	10,040.47	599,029.35
Additions	-	11,449.03	17,277.32	-	1,395.52	-	30,121.87
Sub-total	222,928.86	116,766.43	262,700.27	1,516.65	15,198.54	10,040.47	629,151.22
Sales / deletion	-	-	413.83	26.27	166.34	-	606.43
Total	222,928.86	116,766.43	262,286.44	1,490.38	15,032.20	10,040.47	628,544.79
Depreciation / Amortisation							
Upto 31-03-2023	-	72,001.81	169,834.87	1,263.69	11,352.75	5,816.12	260,269.24
For the year	-	5,424.08	11,104.92	67.92	1,179.58	1,472.38	19,248.88
Sub-total	-	77,425.89	180,939.79	1,331.61	12,532.33	7,288.50	279,518.12
Withdrawn on assets sold / deleted	-	-	306.19	26.27	166.34	-	498.80
Total	-	77,425.89	180,633.59	1,305.34	12,365.99	7,288.50	279,019.32
Carrying value							
As at 31-03-2024	222,928.86	39,340.54	81,652.85	185.04	2,666.21	2,751.97	349,525.47

1 Property, Plant & Equipment

Rupees in crores

Description	Property, Plant & Equipment						
	Land	Buildings	Plant & equipment	Vehicles	Office Equipments	Right of use asset	Total
	1	2	3	4	5	6	7
Cost of assets							
Gross carrying value as at 01-04-2023	122.05	56.79	176.52	0.83	7.56	5.34	369.09
Additions	-	6.01	9.07	-	0.73	-	15.81
Foreign Currency translation reserve difference	(5.02)	(2.06)	(5.07)	(0.03)	(0.31)	-	(12.49)
Sub-total	117.03	60.74	180.52	0.80	7.98	5.34	372.41
Sales / deletion	-	-	0.22	0.01	0.09	-	0.32
Total	117.03	60.74	180.30	0.79	7.89	5.34	372.09
Depreciation / Amortisation							
Upto 31-03-2023	-	38.79	135.11	0.69	6.22	3.03	183.84
For the year	-	2.89	5.95	0.04	0.64	0.88	10.40
Foreign Currency translation reserve difference	-	(1.20)	(4.02)	(0.03)	(0.28)	(0.01)	(5.54)
Sub-total	-	40.48	137.04	0.70	6.58	3.90	188.70
Withdrawn on assets sold / deleted	-	-	0.16	0.01	0.09	-	0.26
Total	-	40.48	136.88	0.69	6.49	3.90	188.44
Carrying value							
As at 31-03-2024	117.03	20.26	43.42	0.10	1.40	1.44	183.65

## PT. TVS MOTOR COMPANY INDONESIA

### Notes on accounts - (continued)

	IDR in Mn. As at 31-03-2024	Rupees in crores As at 31-03-2024		IDR in Mn. As at 31-03-2024	Rupees in crores As at 31-03-2024
<b>2 OTHER NON-CURRENT ASSETS</b>			<b>8 OTHER EQUITY</b>		
<i>Advances other than capital advances:</i>			General reserve	(23,754.41)	(1.45)
Deposits made	1,828.51	0.96	Retained earnings	(1,306,220.71)	(608.03)
	<u>1,828.51</u>	<u>0.96</u>	Foreign currency translation reserve	216,192.52	(22.58)
				<u>(1,113,782.60)</u>	<u>(632.06)</u>
<b>3 INVENTORIES</b>			<b>9 NON - CURRENT LIABILITIES - PROVISIONS</b>		
Raw materials and components	388,649.79	204.04	Provision for employee benefits - Pension	23,205.09	12.18
Finished goods	37,072.12	19.46		<u>23,205.09</u>	<u>12.18</u>
Stores and spares	1,460.85	0.77			
	<u>427,182.76</u>	<u>224.27</u>			
			<b>10 FINANCIAL LIABILITIES - BORROWINGS (CURRENT)</b>		
<b>4 TRADE RECEIVABLES</b>			Borrowings repayable on demand from banks		
Secured, considered good			Secured	562,271.48	295.20
Unsecured, considered good	989,899.41	519.70	Unsecured	-	-
	<u>989,899.41</u>	<u>519.70</u>		<u>562,271.48</u>	<u>295.20</u>
Less : Loss allowance	35,837.60	18.81			
	<u>954,061.81</u>	<u>500.89</u>	<b>11 TRADE PAYABLES</b>		
			Current		
<b>5 CASH AND CASH EQUIVALENTS</b>			Dues to Micro and Small Enterprises **		
Balances with banks in current accounts	122,706.74	64.42	Dues to enterprises other than Micro and Small Enterprises	854,004.22	448.34
Cash on hand	98.51	0.05		<u>854,004.22</u>	<u>448.34</u>
	<u>122,805.25</u>	<u>64.47</u>			
<b>6 OTHER CURRENT ASSETS</b>			** 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.		
Vendor advance	16,460.13	8.64	<b>12 OTHER FINANCIAL LIABILITIES</b>		
VAT receivable	130,580.94	68.55	Interest accrued but not due on loans	6,086.92	3.20
Others	6,445.10	3.38	Trade deposits	2,206.48	1.16
	<u>153,486.17</u>	<u>80.57</u>		<u>8,293.40</u>	<u>4.36</u>
<b>7 EQUITY SHARE CAPITAL</b>			<b>13 OTHER CURRENT LIABILITIES</b>		
Authorised, issued, subscribed and fully paid up:			Employee related	619.20	0.33
Authorised:			Advance received from customers	17,702.11	9.29
17,500,000 Ordinary shares of IDR.97,400 each	1,704,500.00	944.33		<u>18,321.31</u>	<u>9.62</u>
Issued, subscribed and fully paid up:					
16,791,187 Ordinary shares of IDR.97,400 each	1,635,461.61	906.08			
	<u>1,635,461.61</u>	<u>906.08</u>			

# PT. TVS MOTOR COMPANY INDONESIA

## Notes on accounts - (continued)

	IDR in Mn. For the year ended 31-03-2024	Rupees in crores For the year ended 31-03-2024		IDR in Mn. For the year ended 31-03-2024	Rupees in crores For the year ended 31-03-2024
<b>14 REVENUE FROM OPERATIONS</b>			<b>17 EMPLOYEE BENEFITS EXPENSE</b>		
Sale of products	1,514,042.87	817.12	Salaries, wages and bonus	95,288.13	51.43
Sale of service	575.10	0.31	Contribution to provident and other funds	5,128.27	2.77
Other operating revenue	870.83	0.47	Staff welfare expenses	7,822.03	4.22
	<u>1,515,488.80</u>	<u>817.90</u>		<u>108,238.43</u>	<u>58.42</u>
<b>15 OTHER INCOME</b>			<b>18 FINANCE COSTS</b>		
Interest income	306.83	0.17	Interest	45,616.65	24.62
Profit on sale of fixed asset	(82.14)	(0.04)	Exchange differences	-	-
Other non-operating income	1,248.08	0.67	Interest on lease liabilities	-	-
	<u>1,472.77</u>	<u>0.80</u>		<u>45,616.65</u>	<u>24.62</u>
<b>16 MATERIAL COST :</b>			<b>19 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Cost of Materials Consumed			Depreciation on property plant and equipment	17,776.50	9.52
Opening stock of raw materials and components	314,474.44	172.18	Depreciation on right of use asset	1,630.34	0.88
Add: Purchases	<u>1,236,888.91</u>	<u>658.60</u>		<u>19,406.84</u>	<u>10.40</u>
	1,551,363.35	830.78			
Less: Closing stock of raw materials and components	388,649.79	204.04	<b>20 OTHER EXPENSES</b>		
	<u>1,162,713.56</u>	<u>626.74</u>	(a) Consumption of stores, spares and tools	4,243.55	2.29
Consumption of raw materials and components			(b) Power and fuel	3,201.16	1.73
Changes in inventories of finished goods, work-in-progress and stock-in-trade:			(c) Rent	13,725.30	7.40
Opening stock:			(d) Repairs - buildings	3,323.15	1.79
Finished goods	<u>34,912.66</u>	<u>19.11</u>	(e) Repairs - plant and equipment	-	-
(A)	<u>34,912.66</u>	<u>19.11</u>	(f) Insurance	2,149.76	1.16
Closing stock:			(g) Rates and taxes (excluding taxes on income)	-	-
Finished goods	<u>37,072.12</u>	<u>19.46</u>	(h) Audit fees	-	-
(B)	<u>37,072.12</u>	<u>19.46</u>	(i) Packing and freight charges	49,266.27	26.59
(A)-(B)	<u>(2,159.46)</u>	<u>(0.35)</u>	(j) Advertisement and publicity	33,395.78	18.02
			(k) Other marketing expenses	1,863.36	1.01
			(l) Foreign exchange loss	11306.42	6.1
			(m) 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)	11,637.57	6.28
				<u>134,112.32</u>	<u>72.37</u>

# THE GO CORPORATION

## Report of the statutory auditor on the limited statutory examination to the General Meeting of Shareholders of the GO corporation, Zurich

Bassersdorf, June 13, 2024

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, 2023.

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.

Without qualifying our examination conclusion, we draw attention to note "deviations from the going-concern assumption and their effect on the economic situation" in the notes of the financial statements describing a material uncertainty that may cast significant doubt about the ability of the GO corporation to continue as a going concern. Should the company be unable to continue as a going concern, the financial statements would have to be prepared on the basis of liquidation values.

### renius revisions ag

Tanja Jager  
Dipl. Treuhandexpertin  
Zugelassene Revisionsexpertin RAB  
Leitende Revisorin

### Enclosures:

- Financial Statements (Balance Sheet, Income Statement, Notes)
- Proposed appropriation of available earnings

## BALANCE SHEET AS OF 31. DECEMBER

(in Swiss francs)

	2023	%	2022	%		2023	%	2022	%
<b>Assets</b>					<b>Liabilities and shareholders' equity</b>				
<b>Current assets</b>					<b>Current liabilities</b>				
Cash and cash equivalents	600'127.37		332'270.13		Trade creditors				
Trade receivables					To third parties	378'264.16		921'271.60	
From third parties	201'778.60		260'624.87		Other current liabilities				
From associated companies	288'821.04		253'310.42		To third parties	178'422.34		84'984.33	
Provision for doubtful accounts	-109'460.00	-	12'704.67		Deferred income and accrued expenses	442'835.60		317'732.06	
Other current receivables					<b>Total Current liabilities</b>	<b>999'522.10</b>	<b>9%</b>	<b>1'323'987.99</b>	<b>16%</b>
From third parties	187'381.28		104'880.61		<b>Noncurrent liabilities</b>				
Inventories and non-invoiced services	3'850'535.63		2'441'430.20		Interest (Capital I)				
Accrued income and prepaid expenses	145'387.28		906'552.34		To third parties	6'475'000.00		2'300'000.00	
<b>Total Current assets</b>	<b>5'164'571.20</b>	<b>45%</b>	<b>4'286'363.90</b>	<b>53%</b>	To Shareholders	414'999.18		0.00	
<b>Non-current assets</b>					Other noncurrent financial liabilities				
Financial assets					To Shareholders	1'500'000.00		6'309'049.00	
Longterm receivables From associated companies	5'430'915.61		2'200'863.21		<b>Total Noncurrent liabilities</b>	<b>8'389'999.18</b>	<b>74%</b>	<b>8'609'049.00</b>	<b>107%</b>
Shareholdings	0.00		694'779.86		<b>Shareholders' equity</b>				
Tangible fixed assets					Share capital	195'242.90		131'387.76	
Property, plant and equipment					Statutory capital reserves	15'584'602.72		5'553'588.17	
Office equipment	184'897.08		241'007.52		Voluntary retained earnings				
Computer equipment	24'997.38		43'677.88		Balance to be carried forward				
Vehicles	2'049.31		25'000.02		Brought forward from previous year	-7'587'818.15		-3'5632'231.36	
Intangible fixed assets	576'745.88		538'502.33		Annual loss	-6'197'372.29		-4'055'586.84	
<b>Total Non-current assets</b>	<b>6'219'605.26</b>	<b>55%</b>	<b>3'743'830.82</b>	<b>47%</b>		-13'785'190.44	-121%	-7'587'818.20	-94%
<b>Total Assets</b>	<b>11'384'176.46</b>	<b>100%</b>	<b>8'030'194.72</b>	<b>100%</b>	<b>Total Shareholders' equity</b>	<b>1'994'655.18</b>	<b>18%</b>	<b>-1'902'842.27</b>	<b>-24%</b>
					<b>Total Liabilities and shareholders' equity</b>	<b>11'384'176.46</b>	<b>100%</b>	<b>8'030'194.72</b>	<b>100%</b>

# THE GO CORPORATION

## INCOME STATEMENT FOR THE YEAR ENDED 31. DECEMBER

(in Swiss francs)

	2023	%	2022	%
<b>Operating income</b>				
Net revenue from sales of goods and services	4'480'034.57		4325'141.71	
Other operating income	125'257.99		-699.25	
Deductions and discounts	-722'386.11		-17'897.80	
<b>Total Operating income</b>	<b>3'882'906.45</b>	<b>100 %</b>	<b>4'306'544.66</b>	<b>100 %</b>
<b>Direct Expense</b>				
Expense for materials goods and services	-2'807'917.01		-2'404'809.74	
Expense services	-4'920.00	0.00		
<b>Total Direct Expense</b>	<b>-2'812'837.01</b>	<b>-72%</b>	<b>-2'404'809.74</b>	<b>-56 %</b>
<b>Gross profit</b>	<b>1'070'069.44</b>	<b>28%</b>	<b>1'901'734.92</b>	<b>44 %</b>
<b>Employee expenses</b>				
Personnel expenses	-3'079'716.42		-2'731'317.88	
Social security expenses	-383'499.80		-316'274.00	
Other personnel expenses	-164'114.36		-351'064.72	
<b>Total Employee expenses</b>	<b>-3'627'330.58</b>	<b>-93 %</b>	<b>-3'398'656.60</b>	<b>-79 %</b>
<b>Gross profit II</b>	<b>-2'557'261.14</b>	<b>-66 %</b>	<b>-1'496'921.68</b>	<b>-35%</b>
<b>Other operating expense</b>				
Rental expense	-887'619.09		-685'564.41	
Repairs, maintenance, leasing	-41'144.22		-113'830.05	
Vehicle expense	-23'736.23		-36'670.69	
Business Insurance	-42'538.70		-10'829.45	
Administrative	-269'566.43		-226'751.75	
Advertising expense	-416'275.96		-904'844.36	
Other operational expense	-51'591.77		-90'677.96	
<b>Total Other operating expense</b>	<b>-1'732'472.40</b>	<b>-45%</b>	<b>-2'069'168.67</b>	<b>-48 %</b>
<b>Earnings before interest, taxes, depreciation (EBITDA)</b>	<b>-4'289'733.54</b>	<b>-110%</b>	<b>-3'566'090.35</b>	<b>-83 %</b>
Depreciation on financial asset items	-409'951.28		0.00	
Depreciation on intangible fixed asset items	-202'660.00	0.00		
Depreciation on fixed asset items	-275'149.81		-201'071.96	
<b>Earnings before interest, taxes (EBIT)</b>	<b>-5'177'494.63</b>	<b>-133 %</b>	<b>-3'767'162.31</b>	<b>-87 %</b>
Financial expense	-429'091.85		-249'037.89	
Leasing expenses	-35'619.50		-30'526.06	
Financial income	-242'116.90		-1'102.30	
<b>Operating result</b>	<b>-5'884'322.88</b>	<b>-152%</b>	<b>-4'047'828.56</b>	<b>-94 %</b>
Extraordinary expense	-321'842.13		-5'279.59	
Extraordinary income	7'895.07		317.16	
<b>Profit before tax (EBT)</b>	<b>-6'198'269.94</b>	<b>-160 %</b>	<b>-4'052'790.99</b>	<b>-94 %</b>
Direct taxes	897.65		-2'795.85	
<b>Annual loss (EAT)</b>	<b>-6'197'372.29</b>	<b>-160 %</b>	<b>-4'055'586.84</b>	<b>-94 %</b>

# THE GO CORPORATION

## Notes to the financial statements December 31, 2023 (in Swiss francs)

### 1. Accounting policies used in the preparation of the financial statements

These financial statements 2023 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

	2023	2022
<b>2.1 Inventories</b>		
Merchandise	3'850'536	2'441'430

### 3. Further details required by law

	2023	2022
<b>3.1 Net release of hidden reserves</b>		
Total net release of hidden reserves	0	0

### 3.2 Number of employees

Headcount in full-time equivalents on annual average up to 10 full-time employees	2023	2022
not over 50 full-time employees	x	x
not over 250 full-time employees		
over 250 full-time employees		

### 3.3 Investments

Business name, legal form, registered office

EGO Movement Stuttgart GmbH (in EURO)

	2023	2022
Sharecapital	25'000	25'000
Paid in	100%	100%
Capital share in %	100%	100%
Voting share in %	100%	100%

### 3.4 Own shares

	2023		2022	
	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

### 3.5 Total balance payable from purchase agreement like leasing or other leasing- or rental liabilities, with a term of more than twelve months after the balance sheet date.

	2023	2022
Purchase like leasing with a term of more than 12 months after the balance sheet date.	684'510	1'601'771

	2023	2022
<b>3.6 Liabilities towards pension funds</b>		
Total liabilities towards pension funds	125'743	847

	2023	2022
<b>3.7 Total amount pledged as security for own liabilities or for those of third parties</b>		
none		

	2023	2022
<b>3.8 Contingent liabilities Rental guarantees</b>		
Rental guarantees	118'976	71'962

### 3.9 Explanations about extraordinary, one-off items or items relating to other periods, in the income statement

	2023	2022
remaining	1'620	0
Consulting and capital increase expenses	131'400	0
Impairment accounts receivables	196'168	0
Correction KER	-7'346	0
Total expenses	321'842	0
Insurance refunds	7'890	0
various earnings	5	317
Total income	7'895	317
Total extraordinary, one-off items or items relating to other periods	329'737	317

### 3.10 Deviations from the going-concern assumption and their effect on the economic situation

the Go corporation AG incurred an operating loss, resulting in a significant operating cash drain. The management and the Board of Directors have committed to providing additional loans to ensure the continuation of the company's operations and to taking the necessary measures to rectify the operating loss in the following fiscal year.

### 3.11 Other significant events after the balance sheet date

No other significant events occurred between the balance sheet date and the date of approval of the financial statements by the board of directors. There were no significant events between the balance sheet date and the date of approval of the financial statements by the board of directors which could be the financial statements or which would have to be disclosed here.

### Proposal of the board of directors for appropriation of retained earnings 12/31/2023 (in Swiss francs)

	2023
Profit carried forward from previous year	-7'587'818.15
Net income (loss) for the period	-6'197'372.29
<b>Total at disposal of General Meeting</b>	<b>-13'785'190.44</b>
<b>Carried forward to next financial year</b>	<b>-13'785'190.44</b>

**RE-STATED ACCOUNTS OF  
THE GO CORPORATION**

# THE GO CORPORATION

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2024

	Notes	CHF in Mn.	Rupees in crores
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	0.85	7.79
Capital work-in-progress			
Goodwill			
Other Intangible assets	1	0.55	5.09
Deferred tax Assets			
		<u>1.40</u>	<u>12.88</u>
<b>Current assets</b>			
Inventories	2	6.79	62.50
Financial assets			
Trade receivables	3	1.45	13.35
Cash and cash equivalents	4	0.92	8.41
Other current assets	5	0.92	8.49
		<u>10.08</u>	<u>92.75</u>
Total Assets		<u>11.50</u>	<u>105.63</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	6	0.20	1.75
Other equity	7	(1.09)	(10.20)
		<u>(0.89)</u>	<u>(8.45)</u>
<b>Liabilities</b>			
<b>Non-Current liabilities</b>			
Financial liabilities			
(i) Borrowing	8	5.05	46.48
(ii) Lease liability		0.28	2.54
Other Long Term Liabilities		-	-
		<u>5.33</u>	<u>49.02</u>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	9	4.88	44.87
(ii) Lease liability		0.38	3.51
(i) Trade payables	10		
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (i) (a) above		1.69	15.55
(iii). Other financial liabilities			
Other current liabilities	11	0.12	1.13
		<u>7.07</u>	<u>65.06</u>
Total liabilities		<u>12.40</u>	<u>114.08</u>
Total equity and liabilities		<u>11.50</u>	<u>105.63</u>

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

	Notes	CHF in Mn.	Rupees in crores
I Revenue from operations	12	5.02	46.90
II Other income	13	0.20	1.85
III Total Income (I +II)		<u>5.22</u>	<u>48.75</u>
<b>IV Expenses:</b>			
Purchases of stock-in-trade		10.17	52.16
Changes in inventories of Stock-in -trade		(6.79)	(20.53)
Employee benefits expense	14	4.17	39.00
Finance costs	15	0.38	3.61
Depreciation and amortisation expense	16	1.09	10.13
Other expenses	17	2.12	19.88
		<u>11.14</u>	<u>104.25</u>
V Profit before exceptional items (III - IV)		(5.92)	(55.50)
VI Exceptional items		-	-
VII Profit before tax (V+ VI)		<u>(5.92)</u>	<u>(55.50)</u>
<b>VIII Tax expense</b>			
i) Current tax		-	(0.01)
ii) Deferred tax		-	-
IX Profit for the year (VII - VIII)		<u>(5.92)</u>	<u>(55.49)</u>
<b>X Other Comprehensive Income</b>			
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		(0.18)	(15.08)
		<u>(0.18)</u>	<u>(15.08)</u>
XI Total Comprehensive Income (IX + X)		<u>(6.10)</u>	<u>(70.57)</u>
<b>XII Earnings per equity share (Face value of CHF .01/- each)</b>			
Basic & Diluted earnings per share (in CHF/ in rupees)		(51.92)	(4,867.07)

# THE GO CORPORATION

## Notes on Accounts

	CHF in Mn.	Rupees in crores		CHF in Mn.	Rupees in crores
	As at	As at		As at	As at
	31-03-2024	31-03-2024		31-03-2024	31-03-2024
<b>2 INVENTORIES</b>			<b>11 OTHER CURRENT LIABILITIES</b>		
Stock in trade	6.79	62.50	Statutory dues	0.12	1.13
	6.79	62.50	Advance from customers	-	-
			Employee related	-	-
<b>3 TRADE RECEIVABLES</b>				0.12	1.13
Unsecured, considered good	1.56	14.36			
Less: Loss allowance	0.11	1.01			
	1.45	13.35			
<b>4 CASH AND CASH EQUIVALENTS</b>			<b>12 REVENUE FROM OPERATIONS</b>		
Cash in hand	0.01	0.06	Sale of Product	4.67	43.64
Cash Equivalents	0.91	8.35	Sale of service	0.35	3.26
Balances with banks in current accounts	-	-	Other operating revenues	-	-
	0.92	8.41		5.02	46.90
<b>5 OTHER CURRENT ASSETS</b>			<b>13 OTHER INCOME</b>		
GST/VAT/IT/Excise receivable	-	-	Interest Income	-	-
Vendor advance	0.70	6.47	Other non operating income	0.20	1.85
Prepaid expenses	-	0.02		0.20	1.85
Trade deposits	0.22	2.00			
Others	-	-	<b>14 EMPLOYEE BENEFITS EXPENSE</b>		
	0.92	8.49	Salaries, wages and bonus	3.70	34.59
			Contribution to provident and other funds	0.47	4.41
<b>6 EQUITY SHARE CAPITAL</b>			Staff welfare expenses	-	-
Issued, subscribed and fully paid up:				4.17	39.00
1,95,24,290 Ordinary shares of CHF 0.01 each	0.20	1.75			
	0.20	1.75	<b>15 FINANCE COST</b>		
			Interest	0.03	0.3
<b>7 OTHER EQUITY</b>			Finance cost	0.35	3.31
Retained earnings	(16.90)	(146.33)		0.38	3.61
Capital reserve	15.63	154.13	<b>16 DEPRECIATION</b>		
Foreign currency translation reserve	0.18	(18.00)	Depreciation on property plant and equipment	0.46	4.28
	(1.09)	(10.20)	Depreciation - Lease	0.63	5.85
			Amortisation on intangible assets	-	-
<b>8 FINANCIAL LIABILITIES - BORROWINGS ( NON CURRENT)</b>				1.09	10.13
Unsecured					
Term Loan from :			<b>17 OTHER EXPENSES</b>		
Bank	1.60	14.73	(a) Rent	0.46	4.29
Others	3.45	31.75	(b) Repairs - buildings	0.07	0.68
	5.05	46.48	(c) Insurance	0.05	0.48
			(d) Rates and taxes (excluding taxes on income)	-	-
<b>9 FINANCIAL LIABILITIES - BORROWINGS (CURRENT)</b>			(e) Audit fees	-	0.03
Unsecured			(f) Other marketing expenses	0.55	5.10
Short term loans from others (Unsecured)	4.58	42.11	(g) Miscellaneous expenses	0.99	9.30
Current maturity of LTB	0.30	2.76		2.12	19.88
	4.88	44.87			
<b>10 TRADE PAYABLES</b>					
Current					
Dues to Micro and Small Enterprises**	-	-			
Dues to enterprises other than Micro and Small Enterprises	1.69	15.55			
	1.69	15.55			

\*\* 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 GO CORPORATION

## 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	Right of use Asset	Total	Software	Trade marks, patents, licences	Design Development	Total
Cost of assets												
Gross carrying value as at 01-04-2023	-	-	0	0.59	0	0	1.91	2.50	0.52	0.07	0.06	0.65
Acquired on Business Combination	-	-	-	-	-	-	-	-	-	-	-	-
Additions during the year	-	-	-	-	-	-	-	-	0.24	-	0.04	0.28
Sub-total	-	-	-	0.59	-	-	1.91	2.50	0.76	0.07	0.10	0.93
Sales / deletion	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	0.59	-	-	1.91	2.50	0.76	0.07	0.10	0.93
Depreciation / Amortisation												
Upto 31-03-2023	-	-	0	0.15	-	-	0.66	0.81	0.11	0.02	0.01	0.14
For the year	-	-	-	0.23	-	-	0.63	0.86	0.22	0.00	0.01	0.23
Sub-total	-	-	-	0.38	-	-	1.29	1.67	0.33	0.02	0.02	0.37
Withdrawn on assets sold / deleted	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	0.38	-	-	1.29	1.67	0.33	0.02	0.02	0.37
Carrying value												
As at 31-03-2024	-	-	-	0.21	-	-	0.64	<b>0.85</b>	0.43	0.05	0.08	<b>0.55</b>

### 1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS - (continued)

Rupees in crores

Description	Property, Plant & Equipment								Other Intangible			
	Land	Building	Plant & equipments	Furniture and fixtures	Vehicles	Office equipment	Right of use Asset	Total	Software	Trade marks, patents, licences	Design Development	Total
Cost of assets												
Gross carrying value as at 01-04-2023	-	-	-	4.40	-	-	17.13	21.53	4.62	0.40	0.27	5.29
Additions	-	-	-	-	-	-	-	-	2.21	0.32	-	2.53
Foreign Currency translation reserve difference	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	4.40	-	-	17.13	21.53	6.83	0.72	0.27	7.82
Sales / deletion	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	4.40	-	-	17.13	21.53	6.83	0.72	0.27	7.82
Depreciation / Amortisation												
Upto 31-03-2023	-	-	-	0.43	-	-	5.82	6.25	0.87	0.03	(0.18)	0.72
For the year	-	-	-	2.12	-	-	5.85	7.97	2.06	0.09	0.01	2.16
Foreign Currency translation reserve difference	-	-	-	(0.08)	-	-	(0.40)	(0.48)	(0.05)	(0.09)	(0.01)	(0.15)
Sub-total	-	-	-	2.47	-	-	11.27	13.74	2.88	0.03	(0.18)	2.73
Withdrawn on assets sold / deleted	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	2.47	-	-	11.27	13.74	2.88	0.03	(0.18)	2.73
Carrying value												
As at 31-03-2024	-	-	-	1.93	-	-	5.86	<b>7.79</b>	3.95	0.69	0.45	<b>5.09</b>

## REPORT OF THE DIRECTOR FOR THE YEAR ENDED 31 MARCH 2024

The director presents his report with the financial statements of the company for the year ended 31 March 2024.

### PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of buying and selling of electric bikes.

### REVIEW OF BUSINESS

2023 was a very challenging year for EBCO, it was the hardest the UK Bicycle Market has seen in over a decade. According to the British Bicycle Association market data report "2023 saw a continuation of the downturn in the UK cycling market. Total market value for the year fell a further 6%, following a decline of 18% in 2022." Due to the glut of stock in the marketplace both at Retail and Distribution what sales were being made in the industry saw margin hits across all channels.

Due to the late stock arrival and a vacant sales force at EBCO, this meant that the business missed the main selling season and opportunity to obtain the real estate the business required. This has left the business with lower sales than expected and higher stock levels.

The market is starting to see a small but slow recovery. The business is forecasting 4,000 units in 2024, with the stock and sales team now in place the business is better prepared for the 2024/25 financial year.

### DIRECTOR

S M Mishra held office during the whole of the period from 1 April 2023 to the date of this report.

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  
8<sup>th</sup> May 2024

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EBCO LIMITED****Opinion**

We have audited the financial statements of EBCO Limited (the 'company') for the year ended 31 March 2024 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section 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 the UK, including the FRC's Ethical Standard, 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.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

**Other information**

The director is responsible for the other information. The other information comprises the information in the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Director has been prepared in accordance with applicable legal requirements.

**Matters 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 opinion:

- 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 are not made; or
- we have not received all the information 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 ISAs (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:

- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness;
- Reviewing minutes of meetings of those charged with governance; and
- Enquiry of management to identify any instances of non-compliance with laws and regulations.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms 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 1XT  
8 May 2024

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2024**

		2024	2023
	Notes	£	£
<b>TURNOVER</b>		<b>635,011</b>	440,553
Cost of sales		<b>815,792</b>	400,884
<b>GROSS (LOSS)/PROFIT</b>		<b>(180,781)</b>	39,669
Administrative expenses		<b>987,371</b>	609,216
		<b>(1,168,152)</b>	(569,547)
Other operating income		-	1,828
<b>OPERATING LOSS</b>	4	<b>(1,168,152)</b>	(567,719)
Interest payable and similar expenses		<b>197,509</b>	35,054
<b>LOSS BEFORE TAXATION</b>		<b>(1,365,661)</b>	(602,773)
Tax on loss		-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b>(1,365,661)</b>	(602,773)

**BALANCE SHEET AS AT 31 MARCH 2024**

	Notes	2024		2023	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	5		<b>59,954</b>		37,146
Tangible assets	6		<b>11,026</b>		10,583
			<b>70,980</b>		47,729
<b>CURRENT ASSETS</b>					
Stocks	7	<b>2,769,582</b>		805,610	
Debtors	8	<b>329,146</b>		332,582	
Cash at bank		-		142	
		<b>3,098,728</b>		1,138,334	
<b>CREDITORS</b>					
Amounts falling due within one year	9	<b>5,586,791</b>		2,237,485	
<b>NET CURRENT LIABILITIES</b>			<b>(2,488,063)</b>		(1,099,151)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>(2,417,083)</b>		(1,051,422)
<b>CAPITAL AND RESERVES</b>					
Called up share capital			<b>100</b>		100
Share premium			<b>219,970</b>		219,970
Retained earnings			<b>(2,637,153)</b>		(1,271,492)
			<b>(2,417,083)</b>		(1,051,422)

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2024.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2024 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

(a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the director and authorised for issue on..... and were signed by:

S M Mishra  
Director  
Company Registration No. 07176978

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024****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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "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 £2,488,063 (2023 - £1,099,151) and total net liabilities of £2,417,083 (2023 - £1,051,422).

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 measured 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 measured at cost less any accumulated amortisation and any accumulated 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**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Goods in transit**

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 provisions:

**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 and loss. Reversals of impairment losses are also recognised in profit or loss.

**Warranty provisions**

'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 sales. Any such warranty provision will be recognised as such in profit and loss. Reversals of warranty provisions are also recognised in profit or loss.

**Stock obsolescence provisions**

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 in 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 are 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 are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (Continued)

account in arriving at the operating result.

### 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 10 (2023 - 9).

### 4. OPERATING LOSS

The operating loss is stated after charging:

	2024	2023
	£	£
Depreciation - owned assets	4,016	4,803
Goodwill amortisation	3,750	5,000
Website, trademarks and branding amortisation	14,624	3,036
Auditors' remuneration	9,000	8,820

### 5. INTANGIBLE FIXED ASSETS

	Goodwill	Website, trademarks and branding	Totals
	£	£	£
<b>COST</b>			
At 1 April 2023	25000	73230	98230
Additions -	-	41182	41182
At 31 March 2024	25,000	114412	139412
<b>AMORTISATION</b>			
At 1 April 2023	21250	39834	61084
Amortization for the year	3750	14624	18374
At 31 March 2024	25000	54458	79458
<b>NET BOOK VALUE</b>			
At 31 March 2024	-	59954	59954
At 31 March 2023	3750	33396	37146

### 6. TANGIBLE FIXED ASSETS

	Plant & machinery	Fixtures & fittings	Motor vehicles	Office equipment	Totals
	£	£	£	£	£
<b>COST</b>					
At 1 April 2023	15,000	3,064	15,974	14,676	48,714
Additions	-	-	-	4,459	4,459
Disposals	-	-	(15,974)	-	(15,974)
At 31 March 2024	15,000	3,064	-	19,135	37,199
<b>DEPRECIATION</b>					
At 1 April 2023	7,713	3,064	15,974	11,380	38,131
Charge for year	1,103	-	-	2,913	4,016
Eliminated on disposal	-	-	(15,974)	-	(15,974)
At 31 March 2024	8,816	3,064	-	14,293	26,173
<b>NET BOOK VALUE</b>					
At 31 March 2024	6,184	-	-	4,842	11,026
At 31 March 2023	7,287	-	-	3,296	10,583

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2024 (Continued)

	2024	2023
	£	£
<b>7. STOCKS</b>		
Raw materials	22,986	34,520
Finished goods	2,746,596	568,617
Goods in transit	-	202,473
	<u>2,769,582</u>	<u>805,610</u>

### 8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade debtors	287,843	45,950
Other debtors	41,303	286,632
	<u>329,146</u>	<u>332,582</u>

### 9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Bank loans and overdrafts	1,937,034	307,774
Trade creditors	243,686	375,340
Amounts owed to related parties	3,141,930	1,480,051
Taxation and social security	38,210	24,162
Other creditors	225,931	50,158
	<u>5,586,791</u>	<u>2,237,485</u>

### 10. LEASING AGREEMENTS

Minimum lease payments under non-cancel lable operating leases fall due as follows:

Within one year	-	15,667
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### 11. SECURED DEBTS

The following secured debts are included within creditors:

Bank overdrafts	1,937,034	307,774
Invoice factoring	173,201	33,767
	<u>2,110,235</u>	<u>341,541</u>

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.

### 12. PENSION COMMITMENTS

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 £7,703 (2023 - £1,948).

The outstanding pension contributions due from the company and amounted to £2,140 (2023 - £411).

### 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 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 600006, Tamil Nadu, India.

### CHARTERED ACCOUNTANTS' REPORT TO THE DIRECTOR ON THE UNAUDITED FINANCIAL STATEMENTS

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of EBCO Limited for the year ended 31 March 2024 which comprise the Income Statement, Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed within the ICAEW's regulations and guidance at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the director of EBCO Limited in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of EBCO Limited and state those matters that we have agreed to state to the director of EBCO Limited in this report in accordance with ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than EBCO Limited and its director for our work or for this report.

It is your duty to ensure that EBCO Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of EBCO Limited. You consider that EBCO Limited is exempt from the statutory audit requirement for the year.

'We have not been instructed to carry out an audit or a review of the financial statements of EBCO Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Harrison Beale & Owen Limited  
Chartered Accountants  
Highdown House  
11 Highdown Road  
Leamington Spa  
Warwickshire  
CV311XT  
Date

**RE-STATED ACCOUNTS OF  
EBCO LIMITED**

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2024**

	Notes	GBP in Mn.	Rupees in crores
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	0.01	0.12
Capital work-in-progress		-	-
Intangible assets	1	0.07	0.72
Deferred tax Assets		-	-
		<u>0.08</u>	<u>0.84</u>
<b>Current assets</b>			
Inventories	2	2.77	29.09
Financial assets			
Trade receivables	3	0.29	3.02
Cash and cash equivalents		-	-
Other financial assets		-	-
Other current assets	4	0.04	0.43
		<u>3.10</u>	<u>32.54</u>
Total Assets		<u>3.19</u>	<u>33.38</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	5	-	-
Other equity	6	(2.38)	(25.30)
		<u>(2.38)</u>	<u>(25.30)</u>
<b>Liabilities</b>			
<b>Non-Current liabilities</b>			
Financial liabilities			
(i) Borrowing		-	-
(ii) Lease liability		-	-
Provisions		-	-
		<u>-</u>	<u>-</u>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowing	7	5.08	53.35
(ii) Lease liability		-	-
(iii) Trade payables	8		
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (iii) (a) above		0.24	2.56
Other current liabilities	9	0.27	2.77
		<u>5.59</u>	<u>58.68</u>
Total liabilities		<u>5.59</u>	<u>58.68</u>
Total equity and liabilities		<u>3.19</u>	<u>33.38</u>

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024**

	Notes	GBP in Mn.	Rupees in crores
I Revenue from operations	10	0.64	6.61
II Other income	11	0.01	0.05
III Total Income (I +II)		<u>0.65</u>	<u>6.66</u>
IV Expenses:			
Purchases of stock-in-trade		2.79	29.50
Changes in inventories of Stock-in -trade		(1.97)	(21.01)
Employee benefits expense	12	0.56	5.85
Finance costs	13	0.20	2.09
Depreciation and amortisation expense	14	0.01	0.19
Other expenses	15	0.39	4.20
		<u>1.98</u>	<u>20.82</u>
V Profit before exceptional items (III - IV)		(1.33)	(14.16)
VI Exceptional items		-	-
VII Profit before tax (V+ VI)		<u>(1.33)</u>	<u>(14.16)</u>
VIII Tax expense			
i) Current tax		-	-
ii) Deferred tax		-	-
IX Profit for the year (VII - VIII)		<u>(1.33)</u>	<u>(14.16)</u>
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	(0.49)
		<u>0.04</u>	<u>(0.49)</u>
XI Total Comprehensive Income (IX + X)		<u>(1.29)</u>	<u>(14.65)</u>
XII Earnings per equity share (Face value of CHF 1/- each)			
Basic & Diluted earnings per share (in CHF/ in rupees)		(13,300.00)	(1,416,000.00)

# EBCO LIMITED

## Notes on Accounts

### 1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

GBP in Mn.

Description	Property, Plant & Equipment					Goodwill	Trade marks	Total
	Plant & equipments	Furniture and fixtures	Motor Vehicles	Office Equipment	Total			
Cost of assets								
Gross carrying value as at 01-04-2023	0.01	-	-	-	0.02	0.01	0.04	0.05
Additions	-	-	0.00	-	0.00	-	0.04	0.04
Sub-total	0.01	-	0.00	-	0.02	0.01	0.08	0.09
Sales / deletion	-	-	-	0.00	0.00	-	-	-
Total	0.01	-	0.00	(0.00)	0.02	0.01	0.08	0.09
Depreciation / Amortisation								
Upto 31-03-2023	-	-	-	-	0.01	-	0.01	0.01
For the year	0.00	-	0.00	-	0.00	-	0.01	0.01
Sub-total	0.00	-	0.00	-	0.01	-	0.02	0.02
Withdrawn on assets sold / deleted	-	-	-	0.00	-	-	-	-
Total	0.00	-	0.00	(0.00)	0.01	-	0.02	0.02
Carrying value								
As at 31-03-2024	0.01	-	0.00	0.00	0.01	0.01	0.06	0.07

### 1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

Rupees in crores

Description	Property, Plant & Equipment					Goodwill	Trade marks	Total
	Plant & equipments	Furniture and fixtures	Office Equipment	Motor Vehicles	Total			
Cost of assets								
Gross carrying value as at 01-04-2023	0.08	-	0.05	0.04	0.17	0.10	0.38	0.48
Additions			0.05		0.05		0.43	0.43
Foreign Currency translation reserve difference					-			-
Sub-total	0.08	-	0.10	0.04	0.22	0.10	0.81	0.91
Sales / deletion				0.04	0.04			-
Total	0.08	-	0.10	-	0.18	0.10	0.81	0.91
Depreciation / Amortisation								
Upto 31-03-2023	0.01	-	0.01	0.04	0.06	-	0.04	0.04
For the year	0.01	-	0.03	-	0.04	-	0.15	0.15
Foreign Currency translation reserve difference					-			-
Sub-total	0.02	-	0.04	0.04	0.10	-	0.19	0.19
Withdrawn on assets sold / deleted	-	-	-	0.04	0.04	-	-	-
Total	0.02	-	0.04	-	0.06	-	0.19	0.19
Carrying value								
As at 31-03-2024	0.06	-	0.06	-	0.12	0.10	0.62	0.72

# EBCO LIMITED

## Notes on accounts - (continued)

	As at 31-03-2024		For the Year Ended 31-03-2024	
	GBP in Mn.	Rupees in crores	GBP in Mn.	Rupees in crores
2 INVENTORIES				
Stock in trade	2.77	29.09		
	<u>2.77</u>	<u>29.09</u>		
3 TRADE RECEIVABLES				
Unsecured, considered good	0.29	3.02		
	<u>0.29</u>	<u>3.02</u>		
4 OTHER CURRENT ASSETS				
Trade Deposits	0.04	0.43		
	<u>0.04</u>	<u>0.43</u>		
5 EQUITY SHARE CAPITAL				
Issued, subscribed and fully paid up:				
100 Ordinary shares of GBP 1 each	-	-		
	<u>-</u>	<u>-</u>		
6 OTHER EQUITY				
Retained earnings	(2.60)	(26.59)		
Capital reserve	0.22	1.78		
Foreign currency translation reserve	-	(0.49)		
	<u>(2.38)</u>	<u>(25.30)</u>		
7 FINANCIAL LIABILITIES - BORROWINGS (CURRENT)				
Unsecured				
Borrowings repayable on demand from banks:	1.94	20.35		
Current Maturities of long term borrowings:	3.14	33.00		
	<u>5.08</u>	<u>53.35</u>		
8 TRADE PAYABLES				
Dues to Micro and Small Enterprises**	-	-		
Dues to enterprises other than Micro and Small Enterprises	0.24	2.56		
	<u>0.24</u>	<u>2.56</u>		
9 OTHER CURRENT LIABILITIES				
Statutory dues	0.04	0.40		
Advance from customers	0.23	2.37		
Employee related	-	-		
	<u>0.27</u>	<u>2.77</u>		
10 REVENUE FROM OPERATIONS				
Sale of Product			0.64	6.61
Sale of service			-	-
Other operating revenues			-	-
			<u>0.64</u>	<u>6.61</u>
11 OTHER INCOME				
Other non operating income			0.01	0.05
			<u>0.01</u>	<u>0.05</u>
12 EMPLOYEE BENEFITS EXPENSE				
Salaries, wages and bonus			0.50	5.24
Pension Cost			0.01	0.07
Social Security Cost			0.05	0.54
			<u>0.56</u>	<u>5.85</u>
13 FINANCE COST				
Finance cost - related party			0.09	0.9
Finance cost			0.11	1.15
Other borrowing cost			0	0.04
			<u>0.20</u>	<u>2.09</u>
14 DEPRECIATION				
Depreciation on property plant and equipment			-	0.04
Amortisation on right of use asset			-	-
Amortisation on intangible assets			0.01	0.15
			<u>0.01</u>	<u>0.19</u>
15 OTHER EXPENSES				
(a) Power and fuel			-	-
(b) Rent			0.04	0.44
(c) Insurance			0.05	0.54
(d) Foreign exchange loss			0.04	0.40
(e) Advertisement and Publicity			0.10	1.12
(f) Miscellaneous expenses			0.16	1.70
			<u>0.39</u>	<u>4.20</u>

\*\* 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.

**RE-STATED ACCOUNTS OF  
SEMG**

# SWISS E-MOBILITY GROUP (HOLDING) AG

## BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2024

	Notes	'CHF in Mn.	Rupees in crores
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1	6.63	61.04
Capital work-in-progress		-	-
Goodwill		1.56	12.86
Other Intangible assets	1	15.29	140.78
Deferred tax Assets		4.59	42.28
		<u>28.07</u>	<u>256.96</u>
<b>Current assets</b>			
Inventories	2	42.21	388.52
Financial assets			
Trade receivables	3	9.85	90.67
Cash and cash equivalents	4	0.27	2.51
Other financial assets	5	0.60	5.54
Other current assets	6	15.48	142.50
		<u>68.41</u>	<u>629.74</u>
Total Assets		<u>96.50</u>	<u>886.70</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	7	0.15	1.23
Other equity	8	(17.80)	(165.11)
		<u>(17.65)</u>	<u>(163.88)</u>
<b>Liabilities</b>			
<b>Non-Current liabilities</b>			
Financial liabilities			
(i) Borrowing	9	43.00	395.77
(ii) Lease liability		1.15	10.58
Provisions		-	-
		<u>44.15</u>	<u>406.35</u>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowing	10	46.20	425.21
(ii) Lease liability		1.82	16.78
(iii) Trade payables	11		
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (iii) (a) above		19.27	177.29
Other current liabilities	12	2.71	24.95
		<u>70.00</u>	<u>644.23</u>
Total liabilities		<u>114.15</u>	<u>1,050.58</u>
Total equity and liabilities		<u>96.50</u>	<u>886.70</u>

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2024

	Notes	'CHF in Mn.	Rupees in crores
I Revenue from operations	13	69.38	648.79
II Other income		-	-
III Total Income (I +II)		<u>69.38</u>	<u>648.79</u>
<b>IV Expenses:</b>			
Purchases of stock-in-trade		57.63	546.45
Changes in inventories of Stock-in-trade		(7.24)	(75.26)
Employee benefits expense	14	19.17	179.20
Finance costs	15	3.07	28.75
Depreciation and amortisation expense	16	4.82	45.07
Other expenses	17	13.32	124.65
		<u>90.77</u>	<u>848.86</u>
V Profit before exceptional items (III - IV)		(21.39)	(200.07)
VI Exceptional items		-	-
VII Profit before tax (V+ VI)		<u>(21.39)</u>	<u>(200.07)</u>
<b>VIII Tax expense</b>			
i) Current tax		0.05	0.47
ii) Deferred tax		2.58	24.09
IX Profit for the year (VII - VIII)		<u>(24.02)</u>	<u>(224.63)</u>
<b>X Other Comprehensive Income</b>			
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		0.01	4.01
		<u>0.01</u>	<u>4.01</u>
XI Total Comprehensive Income (IX + X)		<u>(24.01)</u>	<u>(220.62)</u>
<b>XII Earnings per equity share (Face value of CHF 1/- each)</b>			
Basic & Diluted earnings per share (in CHF/ in rupees)		(2.11)	(197.03)

# SWISS E-MOBILITY GROUP (HOLDING) AG

## Notes on accounts - (continued)

### 1 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

CHF in Mn.

Description	Property, Plant & Equipment								Other Intangible			
	Land	Building	Plant & equipments	Furniture and fixtures	Office equipments	Vehicles	Right of use	Total	Software	Trade marks, patents, licences	Design Development	Total
Cost of assets												
Gross carrying value as at 01-04-2023	-	-	2.69	0.14	-	0.09	7.53	10.45	2.92	0.06	0.07	3.05
Additions	-	-	1.71	1.40	-	0.01	-	3.12	1.62	0.18	0	1.80
Sub-total	-	-	4.40	1.54	-	0.10	7.53	13.57	4.54	0.24	0.07	4.85
Sales / deletion	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	4.40	1.54	-	0.10	7.53	13.57	4.54	0.24	0.07	4.85
Depreciation / Amortisation												
Upto 31-03-2023	-	-	0.91	0.01	-	0.01	2.44	3.37	0.33	0.01	0.01	0.35
For the year	-	-	0.66	0.57	-	0.07	2.27	3.57	0.80	0.04	0.06	0.90
Sub-total	-	-	1.57	0.58	-	0.08	4.71	6.94	1.13	0.05	0.07	1.25
Withdrawn on assets sold / deleted	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	1.57	0.58	-	0.08	4.71	6.94	1.13	0.05	0.07	1.25
Carrying value												
As at 31-03-2024	-	-	2.83	0.96	-	0.02	2.82	6.63	3.41	0.19	-	3.60

Rupees in crores

Description	Property, Plant & Equipment								Other Intangible			
	Land	Building	Plant & equipments	Furniture and fixtures	Office equipments	Vehicles	ROU	Total	Software	Trade marks, patents, licences	Design Development	Total
Cost of assets	3			3	4	5		6	6			6
Gross carrying value as at 01-04-2023	-	-	23.80	1.14	-	0.75	45.58	71.27	23.97	0.48	0.57	25.02
Additions	-	-	15.71	12.89	-	0.09	-	28.69	14.91	1.66	-	16.57
Foreign Currency translation reserve difference	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	-	-	39.51	14.03	-	0.84	45.58	99.96	38.88	2.14	0.57	41.59
Sales / deletion	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	39.51	14.03	-	0.84	45.58	99.96	38.88	2.14	0.57	41.59
Depreciation / Amortisation												
Upto 31-03-2023	-	-	6.59	0.06	-	0.06	-	6.71	9.82	0.09	0.12	10.03
For the year	-	-	6.20	5.33	-	0.65	26.13	38.31	5.83	0.56	0.37	6.76
Foreign Currency translation reserve difference	-	-	-	-	-	-	(6.54)	(6.54)	(8.38)	-	-	(8.38)
Sub-total	-	-	12.79	5.39	-	0.71	19.59	38.48	7.27	0.65	0.49	8.41
Withdrawn on assets sold / deleted	-	-	(0.73)	0.20	-	0.06	-	(0.47)	-	-	-	-
<b>Total</b>	-	-	13.52	5.19	-	0.65	19.59	38.95	7.27	0.65	0.49	8.41
Carrying value												
As at 31-03-2024	-	-	26.02	8.84	-	0.19	25.99	61.04	31.61	1.49	0.08	33.17

# SWISS E-MOBILITY GROUP (HOLDING) AG

## Notes on accounts - (continued)

	'CHF in Mn. As at 31-03-2024	Rupees in crores As at 31-03-2024		'CHF in Mn. As at 31-03-2024	Rupees in crores As at 31-03-2024
2 INVENTORIES			9 FINANCIAL LIABILITIES - BORROWINGS (NON CURRENT)		
Stock in trade	42.21	388.52	Unsecured		
	<u>42.21</u>	<u>388.52</u>	Term Loan from :		
			Bank	-	-
			Others	43.00	395.77
3 TRADE RECEIVABLES				<u>43.00</u>	<u>395.77</u>
Unsecured, considered good	9.85	90.67	10 FINANCIAL LIABILITIES - BORROWINGS (CURRENT)		
	<u>9.85</u>	<u>90.67</u>	Unsecured		
4 CASH AND CASH EQUIVALENTS			Borrowings repayable on demand from banks:	46.00	423.37
Balances with banks in current accounts	0.27	2.51	Current Maturities of long term borrowings:	0.20	1.84
Cash on hand	-	-		<u>46.20</u>	<u>425.21</u>
	<u>0.27</u>	<u>2.51</u>	11 TRADE PAYABLES		
5 FINANCIAL ASSETS - OTHERS (CURRENT)			Dues to Micro and Small Enterprises**	-	-
Unsecured, considered good :			Dues to enterprises other than Micro and Small Enterprises	19.27	177.29
Claims receivable	0.60	5.54		<u>19.27</u>	<u>177.29</u>
	<u>0.60</u>	<u>5.54</u>			
6 OTHER CURRENT ASSETS			** 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.		
GST/VAT/IT/Excise receivable	0.24	2.20	12 OTHER CURRENT LIABILITIES		
Vendor advance	13.96	128.52	Statutory dues	0.20	1.84
Prepaid expenses	1.28	11.78	Advance from customers	0.73	6.73
	<u>15.48</u>	<u>142.50</u>	Employee related	1.78	16.38
7 EQUITY SHARE CAPITAL				<u>2.71</u>	<u>24.95</u>
Issued, subscribed and fully paid up:					
1,14,01,072 Ordinary shares of CHF 1 each	0.15	1.23			
	<u>0.15</u>	<u>1.23</u>			
8 OTHER EQUITY					
Retained earnings	(28.05)	(261.51)			
Capital reserve	10.24	81.98			
Foreign currency translation reserve	0.01	14.42			
	<u>(17.80)</u>	<u>(165.11)</u>			

## SWISS E-MOBILITY GROUP (HOLDING) AG

### Notes on accounts - (continued)

	'CHF in Mn. For the Year ended 31-03-2024	Rupees in crores For the Year ended 31-03-2024		'CHF in Mn. For the Year ended 31-03-2024	Rupees in crores For the Year ended 31-03-2024
13 REVENUE FROM OPERATIONS			16 DEPRECIATION		
Sale of Product	67.02	626.70	Depreciation on property plant and equipment	2.03	18.94
Sale of service	2.36	22.09	Amortisation on right of use asset	2.79	26.13
Other operating revenues	-	-	Amortisation on intangible assets	-	-
	<u>69.38</u>	<u>648.79</u>		<u>4.82</u>	<u>45.07</u>
14 EMPLOYEE BENEFITS EXPENSE			17 OTHER EXPENSES		
Salaries, wages and bonus	16.75	156.59	(a) Power and fuel	-	-
Contribution to provident and other funds	2.07	19.35	(b) Rent	0.92	8.64
Staff welfare expenses	0.35	3.26	(c) Repairs - plant and equipment	-	-
	<u>19.17</u>	<u>179.20</u>	(d) Rates and taxes (excluding taxes on income)	-	-
15 FINANCE COST			(e) Other marketing expenses	3.78	35.35
Interest	2.72	25.44	(f) Miscellaneous expenses	8.62	80.66
Interest on lease liabilities	0.35	3.31		<u>13.32</u>	<u>124.65</u>
Other borrowing cost	-	-			
	<u>3.07</u>	<u>28.75</u>			

## EMERALD HAVEN DEVELOPMENT LIMITED

### Balance Sheet as at March 31, 2024

	Note No.	As at March 31, 2024	₹ in Lakhs As at March 31, 2023
<b>Assets</b>			
<b>Non-Current Assets</b>			
Deferred Tax Asset (Net)	11	1,306.20	773.05
<b>Total Non-Current Assets</b>		<b>1,306.20</b>	<b>773.05</b>
<b>Current Assets</b>			
Inventories	3	38,969.31	31,493.37
Financial Assets			
i. Trade Receivables	4	2,625.06	3,390.88
ii. Cash and Cash Equivalents	5	12,212.81	8,832.98
iii. Other Financial Assets	6	6,694.99	2,655.41
Current Tax Assets (Net)	7	-	260.44
Other Current Assets	8	1,228.12	732.38
<b>Total Current Assets</b>		<b>61,730.29</b>	<b>47,365.46</b>
<b>Total Assets</b>		<b>63,036.49</b>	<b>48,138.51</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity Share Capital	9	5,718.64	5,718.64
Other Equity	10	1,487.77	1,218.00
<b>Total Equity</b>		<b>7,206.41</b>	<b>6,936.64</b>
<b>Current Liabilities</b>			
Financial Liabilities			
i. Borrowings	12	5,500.00	6,962.50
ii. Trade Payables	13		
- total outstanding dues of micro enterprises and small enterprises (MSME)		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		2,118.85	1,471.25
iii. Other Financial Liabilities	14	647.36	579.80
Current Tax Liabilities	7	31.96	-
Other Current Liabilities	15	47,531.91	32,188.32
<b>Total Current Liabilities</b>		<b>55,830.08</b>	<b>41,201.87</b>
<b>Total Liabilities</b>		<b>55,830.08</b>	<b>41,201.87</b>
<b>Total Equity and Liabilities</b>		<b>63,036.49</b>	<b>48,138.51</b>
Material Accounting Policies	1		

For and on behalf of the Board of Directors  
As per our report annexed  
For SRSV & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 015041S

S G MURALI      SAMEER SAH      SRIRAM SUBRAMANIAN IYER      G CHELLA KRISHNA  
Director          Director          Chief Executive Officer          Partner  
DIN: 00348902      DIN: 01844078          Membership No. 210474

P VISHAL ANAND      S SUKANYA  
Chief Financial Officer      Company Secretary

Place : Chennai  
Date : April 29, 2024

### Statement of Profit and Loss for the Year Ended March 31, 2024

	Note No.	For the Year ended March 31, 2024	₹ in Lakhs For the Year ended March 31, 2023
<b>Income</b>			
Revenue from Operations	16	14,928.70	1,694.98
Other Income	17	958.78	399.24
<b>Total Income</b>		<b>15,887.48</b>	<b>2,094.22</b>
<b>Expenses</b>			
Operating Expenses	18	11,195.07	2,161.70
Finance costs	19	-	200.88
Other Expenses	20	4,331.93	3,084.29
<b>Total Expenses</b>		<b>15,527.00</b>	<b>5,446.87</b>
<b>Profit / (Loss) Before Tax</b>		<b>360.49</b>	<b>(3,352.65)</b>
Income Tax Expense	21		
Current Tax		623.87	-
Deferred Tax		(533.14)	(842.60)
<b>Profit / (Loss) for the Year After Tax</b>		<b>269.76</b>	<b>(2,510.05)</b>
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
<b>Other Comprehensive Income for the period, Net of Tax</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income / (Loss) for the period</b>		<b>269.76</b>	<b>(2,510.05)</b>
Earnings per Equity Share			
Basic Earnings per Share (In ₹)	22	0.47	(4.39)
Material Accounting Policies	1		

For and on behalf of the Board of Directors  
As per our report annexed  
For SRSV & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 015041S

S G MURALI      SAMEER SAH      SRIRAM SUBRAMANIAN IYER      G CHELLA KRISHNA  
Director          Director          Chief Executive Officer          Partner  
DIN: 00348902      DIN: 01844078          Membership No. 210474

P VISHAL ANAND      S SUKANYA  
Chief Financial Officer      Company Secretary

Place : Chennai  
Date : April 29, 2024

# EMERALD HAVEN DEVELOPMENT LIMITED

## Cash Flow Statement for the Year Ended March 31, 2024

	Year ended March 31, 2024		₹ in Lakhs Year ended March 31, 2023	
<b>A. Cash Flow from Operating Activities:</b>				
Net Profit / (Loss) Before Tax		360.49		(3,352.65)
Add:				
Net (Profit) / Loss on discarded property, plant & equipment	-		11.24	
Interest Expense	-		200.88	
Interest income	(676.87)	(676.87)	(357.89)	(145.77)
<b>Operating Profit before Working Capital Changes</b>		<b>(316.38)</b>		<b>(3,498.42)</b>
Adjustments for:				
Trade Receivables - (Increase) / Decrease	765.83		(2,987.95)	
Inventories - (Increase) / Decrease	(6,773.12)		(17,821.28)	
Other Current Assets- (Increase) / Decrease	(171.39)		288.06	
Other Financial Assets- (Increase) / Decrease	(3,500.55)		(292.41)	
Trade Payables- Increase / (Decrease)	647.60		871.16	
Other Current Liabilities- Increase / (Decrease)	15,343.59		27,550.92	
Other Financial Liabilities- Increase / (Decrease)	67.56	6,379.52	118.24	7,726.74
<b>Cash Generated from Operations</b>		<b>6,063.14</b>		<b>4,228.32</b>
Income Taxes Refund / (Paid) - Net		(655.83)		(174.32)
<b>Net Cash Generated from Operating Activities</b>		<b>5,407.32</b>		<b>4,054.01</b>
<b>B. Cash Flow from Investing Activities:</b>				
Interest Income Received		137.84		28.82
<b>Net Cash from / (used in) Investing Activities</b>		<b>137.84</b>		<b>28.82</b>
<b>C. Cash Flow from Financing Activities :</b>				
Interest Paid on Loan	(702.82)		(1,191.89)	
Term loan availed / (repaid) from Financial Institutions	(1,462.50)	(2,165.32)	1,832.50	640.61
<b>Net Cash from / (used in) Financing Activities</b>		<b>(2,165.32)</b>		<b>640.61</b>
<b>Total (A+B+C) Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>3,379.84</b>		<b>4,723.44</b>
Cash and Cash Equivalents at the Beginning of the Year		8,832.98		4,109.54
Cash and Cash Equivalents at the End of the Year		12,212.81		8,832.98
<b>D. Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>3,379.84</b>		<b>4,723.44</b>

Note : The above Statement of Cash flow is prepared using indirect method.

For and on behalf of the Board of Directors

As per our report annexed  
For SRSV & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 015041S

S G MURALI  
Director  
DIN: 00348902

SAMEER SAH  
Director  
DIN: 01844078

SRIRAM SUBRAMANIAN IYER  
Chief Executive Officer

G CHELLA KRISHNA  
Partner  
Membership No. 210474

P VISHAL ANAND  
Chief Financial Officer

S SUKANYA  
Company Secretary

Place : Chennai

Date : April 29, 2024

# EMERALD HAVEN DEVELOPMENT LIMITED

## Statement of Changes in Equity

₹ in Lakhs

### I) Equity

Balance as at 31 <sup>st</sup> March 2022	5,718.64
Changes in Equity Share capital due to prior period errors	-
Restated balance as at 01-04-2022	-
Changes in Equity Share Capital during the year	-
Balance as at 31 <sup>st</sup> March 2023	5,718.64
Changes in Equity Share capital due to prior period errors	-
Restated balance as at 01-04-2023	-
Changes in Equity Share Capital during the year	-
Balance as at 31 <sup>st</sup> March 2024	5,718.64

### II) Other Equity

Particulars	Reserves & Surplus		Other Comprehensive Income	Total
	Retained Earnings	Securities Premium		
Balance as at 31 <sup>st</sup> March 2022	1,658.42	2,069.63	-	3,728.04
Profit / (Loss) For the FY 22-23	(2,510.05)	-	-	(2,510.05)
Balance as at 31 <sup>st</sup> March 2023	(851.63)	2,069.63	-	1,218.00
Profit / (Loss) For the FY 23-24	269.77	-	-	269.77
Balance as at 31 <sup>st</sup> March 2024	(581.86)	2,069.63	-	1,487.77

For and on behalf of the Board of Directors

As per our report annexed

For SRSV & ASSOCIATES

Chartered Accountants

Firm Registration No. 015041S

S G MURALI SAMEER SAH SRIRAM SUBRAMANIAN IYER G CHELLA KRISHNA  
 Director Director Chief Executive Officer Partner  
 DIN: 00348902 DIN: 01844078 Membership No. 210474

P VISHAL ANAND S SUKANYA  
 Chief Financial Officer Company Secretary

Place : Chennai

Date : April 29, 2024

## Notes to Balance Sheet

₹ in Lakhs

As at March 31, 2024 As at March 31, 2023

### 3 Inventories

Land held for Development	13,971.57	15,156.16
Construction-in-Progress	24,997.74	16,337.21
<b>Total Inventories</b>	<b>38,969.31</b>	<b>31,493.37</b>

\*Land owned by the Company at Singasandra and Anna Nagar is given as security for loan taken by the Company from NBFC and part of unsold inventory at Kolapakkam is given as security for loan taken by Emerald Haven Realty Limited (Holding Company).

### 4 Trade Receivables

Trade Receivables Considered Good - Unsecured	2,625.06	3,390.88
Less: Loss Allowance	-	-
<b>Total Trade Receivables</b>	<b>2,625.06</b>	<b>3,390.88</b>

Trade Receivables represents balance amount to be received from customer out of demands raised on milestone completion.

## Notes to Balance Sheet (continued)

### Ageing Schedule of Trade Receivables as at March 31, 2024

₹ in Lakhs

Particulars	Not Due	Outstanding for following periods from due date of payment						Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years		
(i) Undisputed trade receivables - considered good	258.49	1,914.12	300.08	151.96	0.40	-	2,625.06	
(ii) Undisputed trade receivables - considered doubtful (having significant increase in risk)	-	-	-	-	-	-	-	
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-	
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-	
(v) Undisputed trade receivables - considered doubtful (having significant increase in credit risk)	-	-	-	-	-	-	-	
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	
(vii) Allowance for Unsecured Credit impaired	-	-	-	-	-	-	-	
	<b>258.49</b>	<b>1,914.12</b>	<b>300.08</b>	<b>151.96</b>	<b>0.40</b>	<b>-</b>	<b>2,625.06</b>	

### Ageing Schedule of Trade Receivables as at March 31, 2023

Particulars	Not Due	Outstanding for following periods from due date of payment						Total
		Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years		
(i) Undisputed trade receivables - considered good	884.26	2,848.92	12.24	9.45	-	-	3,390.88	
(ii) Undisputed trade receivables - considered doubtful (having significant increase in risk)	-	-	-	-	-	-	-	
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-	
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-	
(v) Undisputed trade receivables - considered doubtful (having significant increase in credit risk)	-	-	-	-	-	-	-	
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-	
(vii) Allowance for Unsecured Credit impaired	-	-	-	-	-	-	-	
	<b>884.26</b>	<b>2,848.92</b>	<b>12.24</b>	<b>9.45</b>	<b>-</b>	<b>-</b>	<b>3,390.88</b>	

₹ in Lakhs

### 5 Cash and Cash Equivalents

Balances with Banks*	10,800.24	6,844.34
Cheques on Hand	-	76.24
In Deposit Accounts (Less than 3 Months) <sup>#</sup>	1,412.00	1,912.00
Cash on Hand	0.57	0.40
<b>Total Cash and Cash Equivalents</b>	<b>12,212.81</b>	<b>8,832.98</b>

\* Includes bank balance of Rs 3469.27.52 Lakhs (3378.52.00 Lakhs) maintained in project RERA a/c as per Real Estate Regulatory Authority (RERA) Act, which can be used only for specific permitted payments.

<sup>#</sup> Fixed Deposit amounting of Rs.6.00 Lakhs (Rs.6.00 Lakhs) was given as lien against credit card

### 6 Other Financial Assets

Advances to Related Parties*	6,694.99	2,655.41
<b>Total other Financial Assets</b>	<b>6,694.99</b>	<b>2,655.41</b>

## EMERALD HAVEN DEVELOPMENT LIMITED

### Notes to Balance Sheet (continued)

	₹ in Lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>7 Current Tax Assets / (Liabilities) (Net)</b>		
Advance Tax Less Provision for Tax	(31.96)	260.44
<b>Total Current Tax Assets (Net)</b>	<b>(31.96)</b>	<b>260.44</b>
<b>8 Other Current Assets</b>		
GST Input Credit	480.27	309.31
Security Deposit with Government Authorities	154.03	157.64
Mobilisation / Advances to Vendors	590.48	263.44
Accrued Interest	3.34	1.99
<b>Total Other Current Assets</b>	<b>1,228.12</b>	<b>732.38</b>

### 11 Deferred Tax Assets / (Liabilities)

The balance comprises temporary differences attributable to:

	As at March 31, 2024	As at March 31, 2023
Inventory	1,306.20	(232.97)
Carry Forward of Business Loss	(0.00)	1,006.03
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>1,306.20</b>	<b>773.05</b>

#### Movement in Deferred Tax Assets / (Liabilities)

	Inventory	Depreciation	Carry Forward of Business Loss	Total
<b>At March 31, 2022</b>	(365.16)	1.33	294.27	(69.54)
- to opening reserves	-	-	-	-
- to profit or loss	132.19	(1.34)	711.75	842.60
- to other comprehensive income	-	-	-	-
<b>At March 31, 2023</b>	(232.97)	(0.00)	1,006.03	773.05
(Charged) / credited:				
- to opening reserves	-	-	-	-
- to profit or loss	1,539.17	-	(1,006.03)	533.14
- to other comprehensive income	-	-	-	-
<b>At March 31, 2024</b>	<b>1,306.20</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>1,306.18</b>

### 12 Borrowings

Description	Repayment Frequency	Maturity	Rate of Interest	As at March 31, 2024	As at March 31, 2023
Secured Loan from NBFC					
Secured Loan 1 from NBFC*	12 Equated Quarterly Repayments amounting to ₹ 450 Lakhs July 2021 to April 2024	Apr-24	LTLR less 7.25%	-	1,462.50
Secured Loan 2 from NBFC**	12 Equated Quarterly Repayments amounting to ₹ 458.33 Lakhs Jan 2025 to Oct 2027	Oct-27	LTLR less 8.80%	5,500.00	5,500.00
<b>Total Borrowings :</b>				<b>5,500.00</b>	<b>6,962.50</b>

#### Details of securities created:-

\* First charge on land owned by the company at Singasandra, hypothecation of receivables and corporate guarantee of Emerald Haven Realty Limited.

\*\* First charge on land owned by the company at Anna Nagar and corporate guarantee of Emerald Haven Realty Limited.

	₹ in Lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>13 Trade Payables</b>		
Dues to Micro and Small Enterprises **	-	-
Dues to enterprises other than Micro and Small Enterprises	2,118.85	1,471.25
<b>Total Trade Payables</b>	<b>2,118.85</b>	<b>1,471.25</b>

\*\* 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 ₹ Nil.

#### The following details relating to Micro, Small and Medium Enterprises as required by (The Micro, Small and Medium Enterprises Development Act, 2006) MSME Act is as under:-

- the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;
- the amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;
- the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;
- the amount of interest accrued and remaining unpaid at the end of each accounting year; and
- the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.

#### Ageing Schedule of Trade Payables as at March 31, 2024

		₹ in Lakhs					
Particulars	Unbilled dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Other than MSME	-	671.06	388.85	22.30	2.39	8.87	1,093.47
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Other than MSME	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>671.06</b>	<b>388.85</b>	<b>22.30</b>	<b>2.39</b>	<b>8.87</b>	<b>1,093.47</b>
(v) Accrued Expenses	-	-	-	-	-	-	1,025.38
<b>Net Total</b>	<b>-</b>	<b>671.06</b>	<b>388.85</b>	<b>22.30</b>	<b>2.39</b>	<b>8.87</b>	<b>2,118.85</b>

#### Ageing Schedule of Trade Payables as at March 31, 2023

		₹ in Lakhs					
Particulars	Unbilled dues	Not Due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Other than MSME	-	470.97	859.33	2.43	1.02	9.19	1,342.94
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Other than MSME	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>470.97</b>	<b>859.33</b>	<b>2.43</b>	<b>1.02</b>	<b>9.19</b>	<b>1,342.94</b>
(v) Accrued Expenses	-	-	-	-	-	-	128.31
<b>Net Total</b>	<b>-</b>	<b>470.97</b>	<b>859.33</b>	<b>2.43</b>	<b>1.02</b>	<b>9.19</b>	<b>1,471.25</b>



# EMERALD HAVEN DEVELOPMENT LIMITED

## Financial Instruments and Risk Management

₹ in Lakhs

### 23 Fair Value Measurements

Financial Instruments by Category

	As at March 31, 2024		As at March 31, 2023	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial Assets</b>				
Trade Receivable	-	2,625.06	-	3,390.88
Cash and Cash Equivalents	-	12,212.81	-	8,832.98
Other Financial Assets	-	6,694.99	-	2,655.41
	-	21,532.86	-	14,879.27
<b>Financial Liabilities</b>				
Borrowings	-	5,500.00	-	6,962.50
Trade Payables	-	2,118.85	-	1,471.25
Other Financial Liabilities	-	647.36	-	579.80
	-	8,266.22	-	9,013.55

\* FVTPL - Fair Valued Through Profit and Loss

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.

#### (i) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade receivables, trade payables, Other payables and receivables, Other Financial Assets, cash and cash equivalents and other current financial liabilities, Borrowings 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.

### 24 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 manages the risk.

Risk	Exposure arising from	Risk Mitigation
Credit risk	Cash and cash equivalents	Surplus Cash is deposited only with banks / financial institutions with a high external credit rating.
Credit risk	Trade Receivables	Significant number of company's customers take a loan from bank/financial institution where credit risk is negligent. Possession of the property to customer is provided only after complete collection against unit which will mitigate the risk.
Liquidity risk	Borrowings	Company has pre-approved credit lines for completion of construction with banks and financial institutions for its projects based on the projects funding requirements. Credit lines/loans are negotiated well in advance to ensure liquidity for completing the project.
Market risk – interest rate	Borrowings at variable rates	Since all borrowings are rupee borrowings company can't enter into any hedging instrument to mitigate variable interest rate risk. Where there is surplus cash flow, the company will look to prepay its debt obligations and reduce interest cost.

#### (A) Credit Risk

Credit risk arises from cash and cash equivalents, investments carried at amortised cost 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 selected for placing deposits.

₹ in Lakhs

### (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. 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.

#### (i) Maturities of Financial Liabilities

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

#### Contractual Maturities of Financial Liabilities:

Particulars	Maturity	As at March 31, 2024	As at March 31, 2023
Borrowings	< than 12 months	-	1,957.50
Borrowings	> than 12 months	5,500.00	5,005.00
Trade Payables	< than 12 months	2,118.85	1,471.25
Other Financial Liabilities	< than 12 months	140.06	169.03
Other Financial Liabilities	> than 12 months	507.31	410.77

### 25 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.

Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio:

Net Debt (Total Borrowing net of Cash & Cash Equivalents) divided by Total Equity (as shown in the balance sheet).

The Company's strategy is to maintain an optimal gearing ratio. The gearing ratio is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Net Debt*	(6,712.81)	(1,870.48)
Total Equity	7,206.41	6,936.64
<b>Net Debt to Equity Ratio</b>	-	-

\* At 31 March 2024, the company's net debt is negative, hence ratio is not given.

#### Other Disclosures

### 26 Segment information

#### (a) Description of segments and principal activities

The company has one reportable segment namely, development of real estate property. The Co's entire operations are reviewed by chief operating decision makers as one Operating Segment.

#### (b) Entity Wide disclosures

- Company's major service is real estate development
- Company is domiciled and operates within India
- There is no major reliance on a single customer.

### 27 Contingent Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Income Tax Due (Dispute is pending with Assessing Officer for the AY 2017-18)	11.02	11.02

## EMERALD HAVEN DEVELOPMENT LIMITED

### Financial Instruments and Risk Management (continued)

28 Commitments ₹ in Lakhs

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil
(b) Other Commitments		
Expenditure related contractual commitments apart from Capital Commitments	Nil	Nil

### Other Disclosures

Particulars	As at / For the Year Ended March 31, 2024	As at / For the Year Ended March 31, 2023
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#### 29 Related Party Disclosure

##### (a) Related Parties and their relationship where transactions exists for the financial year 2023-24:

###### Holding Company

Emerald Haven Realty Limited

###### Key Management Personnel

Mr. S G Murali

Mr. Sameer Sah

Ms. Tanvi Kumar

Mr. Fong Loong Tuck

###### Fellow Subsidiaries

Emerald Haven Projects Private Limited

###### Enterprises in which Directors are Interested

ROCAF SDN BHD

Bayswater Partners Investments

##### (b) Transactions with Related Parties:

###### Holding Company

Emerald Haven Realty Limited

(i) Services Availed	3,138.52	1,091.77
(ii) Rent - corporate office	0.71	0.92
(iii) Interest Income	539.03	329.07
(iv) Inter Corporate Loan Given	1,300.00	3,650.00
(v) Inter Corporate Loan Repaid	-	(2,650.00)

###### Subsidiary of Holding Company's Associate

TVS Credit Services Limited

(i) Interest Expense Paid	-	32.41
(ii) Inter Corporate Loan taken	-	1,400.00
(iii) Inter Corporate Loan repaid	-	(1,400.00)

###### Directors or KMP

Mr. Fong Loong Tuck

(i) Services Availed	180.74	136.42
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###### Companies in which Directors are interested

ROCAF SDN BHD

(i) Services Availed	-	38.99
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###### Bayswater Partners Investments

(i) Services Availed	31.78	31.00
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₹ in Lakhs

Particulars	As at / For the Year Ended March 31, 2024	As at / For the Year Ended March 31, 2023
<b>(c) Balances with Related Parties (Payable)/Receivable:</b>		
Holding Company		
Emerald Haven Realty Limited		
(i) Inter Corporate Loans/Advance	3,000.00	1,700.00
(ii) Inter Corporate Advance	3,694.99	931.93
Fellow subsidiary		
Emerald Haven Projects Pvt Limited		
(i) Advance Receivable / (Payable)	(138.41)	23.47

#### 30 Commitments

Particulars	As at March 31, 2024	As at March 31, 2023
Payments to Auditors as		
a. Statutory Auditors	7.00	7.00
b. Tax Auditors	2.00	2.00
c. Certification charges	-	0.20
d. for reimbursement of expenses	-	0.61
<b>Total</b>	<b>9.00</b>	<b>9.81</b>

#### 31 Revenue from contracts with customers

a The Company has adopted Ind AS 115 from April 1, 2018 and had 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.

##### b 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:

S No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	Income from Sale of Property / Development	14,800.68	1,493.52
2	Other operating revenue	128.02	201.46
		<b>14,928.70</b>	<b>1,694.98</b>

c The operations of the Company relate to only one segment viz., real estate. Thus, the information on the relationship between disaggregated revenue under Ind AS 115 and for reportable segment under Ind AS 108 is not required.

##### d Reconciliation of contracts with customers

The following schedule gives the movement of contract liabilities for the reporting period.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Contract Liabilities at the beginning of the period	31,435.54	4,466.64
Add / (Less) :		
Demands raised during the year	29,933.21	28,627.62
Revenue recognized from contract liability	(14,800.68)	(1,658.72)
Contract Liabilities at the end of the period	46,568.07	31,435.54

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 recognised as revenue.

##### e Reconciliation of revenue with contract price

S No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1.	Revenue from operations as per Statement of Profit and loss	14,928.70	1,694.98
2.	Adjustments :	-	-
3.	Contract price	14,928.70	1,694.98

## EMERALD HAVEN DEVELOPMENT LIMITED

### Financial Instruments and Risk Management

₹ in Lakhs

#### 32 Ratio Analysis

S No.	Ratio	As at / For the Year Ended	As at / For the Year Ended	% Variance	Reasons
a	Current Ratio = Current assets / Current Liabilities	1.11	1.15	-4%	
b	Debt equity ratio = total debt / total shareholder's equity	0.76	1.00	-24%	Additional Debt taken for land acquisitions In current year has majorly led to increase in debt equity ratio.
c	Debt service coverage ratio = earnings available for debt services / total interest and principal repayments	0.12	(0.93)	-113%	EBIDTA is positive for the current year as compared to a loss in the previous year.
d	Return on equity ratio / return on investment ratio = Net profit after tax / Average shareholder's equity	0.04	(0.31)	-112%	PAT is positive for the current year as compared to a loss in the previous year.
e	Inventory turnover ratio = Net sales* / average Inventory	0.42	0.08	452%	Higher revenue recognition in the current year has impacted the ratio.
f	Trade receivables turnover ratio = Net sales / average trade receivables	8.81	1.59	455%	Higher revenue recognition in the current year has impacted the ratio.
g	Trade Payables turnover ratio = Net Purchases* / average trade Payables	10.40	20.25	-49%	Lower net purchases and reduction in average trade payables in the current year has impacted the ratio.
h	Net capital turnover ratio = Net sales / working capital	2.53	0.96	164%	Higher revenue recognition in the current year has impacted the ratio.
i	Net profit turnover ratio = Net profit after tax / Net sales	0.02	(0.43)	-104%	PAT is positive for the current year as compared to a loss in the previous year.
j	Return on Capital employed = Earnings before interest and taxes(EBIT) / Capital Employed	0.05	(0.38)	-113%	EBIT is positive for the current year as compared to a loss in the previous year.
k	Return on investment = Net profit after tax / Avg Shareholders Equity	0.04	(0.31)	-112%	PAT is positive for the current year as compared to a loss in the previous year.

\* Not Applicable - Refer note no.4

### Other Disclosures

₹ in Lakhs

#### 33 Additional Regulatory Information

- i Title deeds of immovable properties 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 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.
- vi 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.
- vii The Company has been sanctioned short term loan by a financial institution, which is considered as working capital limit. However there is no stipulation for submission of quarterly returns to the financial institution.
- viii The Company is not declared "willful defaulter" by any bank or financial institution or other lender.
- ix 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 2024.
- x 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 2024.
- xi 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.
- xii No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.
- xiii 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 shalla) 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
- xiv 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.

34 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

35 The Company has not dealt with any crypto currency.

For and on behalf of the Board of Directors

S G MURALI  
Director  
DIN: 00348902

SAMEER SAH  
Director  
DIN: 01844078

SRIRAM SUBRAMANIAN IYER  
Chief Executive Officer

As per our report annexed  
For SRSV & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 015041S

G CHELLA KRISHNA  
Partner  
Membership No. 210474

P VISHAL ANAND  
Chief Financial Officer

S SUKANYA  
Company Secretary

Place : Chennai

Date : April 29, 2024

**Emerald Haven Projects Private Limited**  
**Balance Sheet as at March 31, 2024**

**Rs. in Lakhs**

	Note No.	As at March 31, 2024	As at March 31, 2023
<b>Assets</b>			
<b>Non-Current Assets</b>			
Financial Assets			
Investments	2	2,054.63	2,054.63
<b>Total Non-Current Assets</b>		<b>2,054.63</b>	<b>2,054.63</b>
<b>Current Assets</b>			
Inventories	3	1,587.17	2,354.91
Financial Assets			
i. Cash and Cash Equivalents	4	1.18	0.52
ii. Other Financial Assets	5	138.69	-
Other Current Assets	6	11.97	11.95
<b>Total Current Assets</b>		<b>1,739.02</b>	<b>2,367.38</b>
<b>Total Assets</b>		<b>3,793.65</b>	<b>4,422.01</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity Share Capital	7	1,100.00	1,100.00
Other Equity	8	(1,039.02)	(938.78)
<b>Total equity</b>		<b>60.98</b>	<b>161.22</b>
<b>Current Liabilities</b>			
Financial Liabilities			
i. Borrowings	9	846.44	846.44
ii. Trade Payables			
- Total outstanding dues of micro and small enterprises		-	-
- Total outstanding dues of creditors other than micro and small enterprises	10	3.34	3.26
iii. Other Financial Liabilities	11	1,292.06	1,209.50
Other Current Liabilities	12	1,588.68	2,199.44
Current Tax Liabilities (Net)	13	2.15	2.15
<b>Total Current Liabilities</b>		<b>3,732.67</b>	<b>4,260.79</b>
<b>Total Liabilities</b>		<b>3,732.67</b>	<b>4,260.79</b>
<b>Total Equity and Liabilities</b>		<b>3,793.65</b>	<b>4,422.01</b>

**Material Accounting Policies**

1

As per our report annexed

**For and on behalf of the Board of Directors**

**For V.Sankar Aiyar & Co**

Chartered Accountants

Firm Regn No.: 109208W

**V Karunakara Reddy**  
**Director**  
**DIN 08417260**

**V Gopalakrishnan**  
**Director**  
**DIN 03291640**

**Sriram Subramanian Iyer**  
**Chief Executive Officer**

**K .BALAJI**

*Partner*

Membership No.: 224922

Chennai

Date: April 29, 2024

**P Vishal Anand**  
**CFO & CS**

**Emerald Haven Projects Private Limited**  
**Statement of Profit and Loss for the Year Ended March 31,2024**

Rs. in Lakhs

Particulars	Note No.	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>Income</b>			
Revenue from Operations	14	767.74	30.65
<b>Total Income</b>		<b>767.74</b>	<b>30.65</b>
<b>Expenses</b>			
Operating Expenses	15	861.10	123.76
Other Expenses	16	6.88	5.86
<b>Total Expenses</b>		<b>867.98</b>	<b>129.62</b>
<b>Profit / (Loss) Before Tax</b>		<b>(100.24)</b>	<b>(98.97)</b>
Income Tax Expense	17		
Current Tax		-	-
Deferred Tax		-	-
<b>Total Tax Expense</b>			-
<b>Profit / (Loss) for the Year</b>		<b>(100.24)</b>	<b>(98.97)</b>
<b>Other Comprehensive Income for the Year Net of Tax</b>		-	-
<b>Total Comprehensive Income for the Year</b>		<b>(100.24)</b>	<b>(98.97)</b>
Earnings per Equity Share			
Basic & Diluted Earnings per Share	18	(0.22)	(0.90)
Material 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 Karunakara Reddy**  
Director  
DIN 08417260

**V Gopalakrishnan**  
Director  
DIN 03291640

**Sriram Subramanian Iyer**  
Chief Executive Officer

**K .BALAJI**  
Partner  
Membership No.: 224922  
Chennai  
Date:April 29, 2024

**P Vishal Anand**  
CFO & CS

**Emerald Haven Projects Private Limited**  
**Cash Flow Statement for the Year Ended March 31, 2024**

Rs. in Lakhs

	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit/(Loss) Before Tax	(100.24)	(98.97)
	-----	-----
<b>Operating profit before working capital changes</b>	<b>(100.24)</b>	<b>(98.97)</b>
<b>Adjustments for:</b>		
Inventories- (Increase) / Decrease	767.74	30.65
Other Current Assets- (Increase) / Decrease	(0.03)	0.22
Trade Payables- Increase / (Decrease)	0.07	(1.39)
Other Financial Assets- (Increase) / Decrease	(138.69)	-
Other Current Liabilities- Increase / (Decrease)	(610.76)	(31.14)
Other Financial Liabilities Increase/ (Decrease)	82.56	99.56
	-----	-----
	100.89	97.90
	-----	-----
<b>Cash Generated from Operations</b>	<b>0.65</b>	<b>(1.07)</b>
Income taxes refund/(paid) - Net	-	-
	-----	-----
<b>Net Cash from Operating Activities</b>	<b>0.65</b>	<b>(1.07)</b>
<b>B. Cash Flow from Investing Activities:</b>	-	-
	-----	-----
<b>Net Cash from / (used in) Investing Activities</b>	-	-
<b>C. Cash Flow from Financing Activities :</b>	-	-
	-----	-----
<b>Net Cash from / (used in) Financing Activities</b>	-	-
<b>D. Total (A+B+C)</b>	<b>0.65</b>	<b>(1.07)</b>
Cash and Cash Equivalents at the Beginning of the Year	0.52	1.59
Cash and Cash Equivalents at the End of the Year	1.18	0.52
<b>E. Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>0.66</b>	<b>(1.07)</b>

Note : The above Statement of Cash flow is prepared using indirect method

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 Karunakara Reddy**  
Director  
DIN 08417260

**V Gopalakrishnan**  
Director  
DIN 03291640

**Sriram Subramanian Iyer**  
Chief Executive Officer

**K .BALAJI**  
Partner  
Membership No.: 224922  
Chennai  
Date: April 29, 2024

**P Vishal Anand**  
CFO & CS

**Emerald Haven Projects Private Limited**  
**Statement of Changes in Equity**

**I) Equity**

**Rs. in Lakhs**

<b>As at 31 March 2022</b>	<b>1,100.00</b>
Changes in Equity Share capital due to prior period errors	-
Restated balance as at 01-04-2022	-
Changes in Equity Share Capital during the year	-
<b>As at 31 March 2023</b>	<b>1,100.00</b>
Changes in Equity Share capital due to prior period errors	-
Restated balance as at 01-04-2023	-
Changes in Equity Share Capital during the year	-
<b>As at 31 March 2024</b>	<b>1,100.00</b>

**II) Other equity**

Particulars	Reserves & Surplus	Other comprehensive income	Total
	Retained earnings		
<b>Balance as at March 31, 2022</b>	<b>(839.81)</b>	-	<b>(839.81)</b>
Profit / (Loss) for the year	(98.97)	-	(98.97)
<b>Balance as at March 31, 2023</b>	<b>(938.78)</b>	-	<b>(938.78)</b>
Profit / (Loss) for the year	(100.24)	-	(100.24)
<b>Balance as at March 31, 2024</b>	<b>(1,039.02)</b>	-	<b>(1,039.02)</b>

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**

**K .BALAJI**  
*Partner*  
Membership No.: 224922  
Chennai  
Date: April 29, 2024

**V Karunakara Reddy**  
**Director**  
**DIN 08417260**

**V Gopalakrishnan**  
**Director**  
**DIN 03291640**

**Sriram Subramanian Iyer**  
**Chief Executive Officer**

**P Vishal Anand**  
**CFO & CS**

**Emerald Haven Projects Private Limited**  
**Notes to balance sheet**

Rs. in Lakhs

	As at March 31, 2024	As at March 31, 2023
<b>2 Non-current Assets</b>		
<b>Financial Assets</b>		
<b>Unquoted</b>		
<b>Equity investments at FVOCI</b>		
(i) 1,02,70,700 No.of equity shares at Face Value of Rs.10/- each fully paid up in Emerald Haven Development Limited. (PY 1.02.70.700 No.of equity shares at Face Value of Rs.10/- each)	2,054.63	2,054.63
<b>Total Non-current Assets</b>	<b>2,054.63</b>	<b>2,054.63</b>
Aggregate amount of unquoted investments	2,054.63	2,054.63
<b>3 Inventories</b>		
Land held for Development*	1,587.17	2,354.91
<b>Total Inventories</b>	<b>1,587.17</b>	<b>2,354.91</b>
*Land owned by the Company at Nedungundram & Paraniyuthur is given as security for loan taken by Emerald Haven Realty Limited (Holding Company).		
<b>4 Cash and Cash Equivalents</b>		
Balances with Banks	1.18	0.52
<b>Total Cash and Cash Equivalents</b>	<b>1.18</b>	<b>0.52</b>
<b>6 Other Current Assets</b>		
GST Receivable	11.86	11.84
Vendor Advance	0.11	0.11
<b>Total other current assets</b>	<b>11.97</b>	<b>11.95</b>
<b>5 Other Financial Assets</b>		
Advances to Related Parties	138.69	-
<b>Total other Financial Assets</b>	<b>138.69</b>	<b>-</b>

	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>10 Trade Payables</b>		
Dues to Micro and Small Enterprises**	-	-
Dues to enterprises other than Micro and Small Enterprises	3.34	3.26
<b>Total Trade Payables</b>	<b>3.34</b>	<b>3.26</b>

\*\*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.

**DISCLOSURE UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006**

(all are within agreed credit period and not due for payment)

(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 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;

(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 Schedule of Trade Payables as at March 31, 2024**

Particulars	Unbilled dues	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 yr.	1 - 2	2 - 3	More than 3 yrs	
(i) MSME	-	-	-	-	-	-	-
(ii) Other than MSME	-	-	0.09	-	-	1.00	1.09
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Other than MSME	-	-	-	-	-	-	-
<b>Total</b>							<b>1.09</b>
(v) Accrued Expenses							<b>2.25</b>
<b>Net Total</b>	<b>-</b>	<b>-</b>	<b>0.09</b>	<b>-</b>	<b>-</b>	<b>1.00</b>	<b>3.34</b>

**Ageing Schedule of Trade Payables as at March 31, 2023**

Particulars	Unbilled dues	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 yr.	1 - 2	2 - 3	More than 3 yrs	
(i) MSME	-	-	-	-	-	-	-
(ii) Other than MSME	-	-	0.01	-	-	1.00	1.01
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Other than MSME	-	-	-	-	-	-	-
<b>Total</b>							<b>1.01</b>
(v) Accrued Expenses							<b>2.25</b>
<b>Net Total</b>	<b>-</b>	<b>-</b>	<b>0.01</b>	<b>-</b>	<b>-</b>	<b>1.00</b>	<b>3.26</b>

	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>11 Other Financial Liabilities</b>		
Interest Accrued but Not Due	1,215.15	1,131.12
Payable to Related Parties	76.91	78.37
<b>Total Other Financial Liabilities</b>	<b>1,292.06</b>	<b>1,209.50</b>

	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>12 Other Current Liabilities</b>		
<b>Other Advance:</b>		
Security Deposit Received from Related Party	1,584.13	2,189.99
<b>Others:</b>		
Statutory Dues	4.55	9.46
<b>Total Other Current Liabilities</b>	<b>1,588.68</b>	<b>2,199.44</b>

	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>13 Current Tax Liabilities (Net)</b>		
Provision for Tax Net of Advance Tax and TDS Receivable	2.15	2.15
<b>Total Current Tax Liabilities (Net)</b>	<b>2.15</b>	<b>2.15</b>

**Emerald Haven Projects Private Limited**  
**Notes to balance sheet**

**7 Equity share capital**

**(a) Authorised, Issued, Subscribed and Fully Paid Up**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	Rs. in Lakhs	Number of Shares	Rs. in Lakhs
Authorised: Equity shares of Rs.10/- each	1,10,00,000	1,100.00	1,10,00,000	1,100.00
Issued, subscribed and fully paid up: Equity shares of Rs.10/- each	1,10,00,000	1,100.00	1,10,00,000	1,100.00
	1,10,00,000	1,100.00	1,10,00,000	1,100.00

**(b) Reconciliation of Equity Shares Outstanding at the Beginning and at the End of the Year**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	Rs. in Lakhs	Number of Shares	Rs. in Lakhs
Shares outstanding at the beginning of the year	1,10,00,000	1,100.00	1,10,00,000	1,100.00
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,10,00,000	1,100.00	1,10,00,000	1,100.00

**(c) Terms and Rights 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 of the Company held by Holding Company / More than 5%**

Name of the Shareholder	Class of Share	As at March 31, 2024		As at March 31, 2023	
		Number of shares	% holding	Number of shares	% holding
Emerald Haven Realty Limited (Holding Company) *	Equity	1,10,00,000	100%	1,10,00,000	100%

\* - includes shares held by nominees

**(e) Details of Shares held by Promoters in the Company**

Name of Promoter	Class of share	As at March 31, 2024		As at March 31, 2023		% Change during the year	
		No. of shares held	% of holding	No. of shares held	% of holding	As at March 31, 2024	As at March 31, 2023
Emerald Haven Realty Limited (Holding Company) *	Equity	1,10,00,000	100%	1,10,00,000	100%	Nil	Nil

\* - includes shares held by nominees

**8 Other Equity**

	Rs. in Lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>Retained Earnings</b>		
Opening Balance	(938.78)	(839.81)
Profit / (Loss) for the year	(100.24)	(98.97)
<b>Total Other Equity</b>	<b>(1,039.02)</b>	<b>(938.78)</b>

**Retained earnings:** Company's cumulative undistributed earnings since inception. This reserves is available for distribution to shareholders.

**9 Borrowings**

Description	Repayment Frequency	Maturity	Rate of interest (%) p.a.	Rs. in Lakhs	
				As at March 31, 2024	As at March 31, 2023
<b>Unsecured:</b>					
Inter Corporate Deposit from Holding Company	Payable on Maturity	Apr-25	11%	846.44	846.44
				<b>846.44</b>	<b>846.44</b>

**Emerald Haven Projects Private Limited**  
**Notes to statement of Profit or Loss**

Rs. in Lakhs

	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>14 Revenue from Operations</b>		
Sale of Land	767.74	30.65
<b>Total Revenue from Operations</b>	<b>767.74</b>	<b>30.65</b>
<b>15 Operating Expenses</b>		
<b>Opening stock:</b>		
Land held for Development	2,354.91	2,385.56
Construction in Progress	-	-
<b>Incurred during the year :</b>		
Construction work in progress	93.36	93.11
Land for development	-	-
<b>Closing Stock</b>		
Land held for Development	1,587.17	2,354.91
Construction-in-progress	-	-
<b>Total Operating Expenses</b>	<b>861.10</b>	<b>123.76</b>
<b>16 Other Expenses</b>		
Audit Fees #	2.00	2.00
Professional charges	3.25	1.68
Rent	0.71	0.98
Sitting Fees	0.41	0.49
Miscellaneous Expenses	0.51	0.71
<b>Total Other Expenses</b>	<b>6.88</b>	<b>5.86</b>
# Refer Note No.28 for details		
<b>17 Income Tax Expense</b>		
<b>(a) Income Tax Expense</b>		
<u>Current tax</u>		
Current tax on profits for the year	-	-
<b>Total current tax expense</b>	<b>-</b>	<b>-</b>
<b>(b) Reconciliation of Tax Expense and the Accounting Profit multiplied by Income Tax Rate:</b>		
Profit / (Loss) before income tax expense	(100.24)	(98.97)
<b>Tax at the Income tax rate of 26% (PY 26%)</b>	<b>(26.06)</b>	<b>(25.73)</b>
Tax effect of amounts which are not (deductible) taxable in calculating taxable	-	-
DTA on Disallowed Expenses	26.06	25.73
<b>Income tax expense</b>	<b>-</b>	<b>-</b>
<b>18 Earnings per share</b>		
<b>(a) Basic/Diluted Earnings per Share (in Rs.)</b>		
Basic/Diluted earnings per share attributable to the Equity Holders of the Company	(0.91)	(0.90)
<b>(b) Reconciliations of earnings used in calculating earnings per share</b>		
<i>Basic/diluted earnings per share</i>		
Profit / (Loss) attributable to equity holders of the company used in calculating basic/diluted earnings per share	(100.24)	(98.97)
<b>(c) Weighted Average Number of Equity Shares used as the denominator in calculating Basic/Diluted earnings per share</b>	1,10,00,000	1,10,00,000

19 Fair value measurements

Financial instruments by category

	As at March 31, 2024		As at March 31, 2023	
	FVOCI*	Amortised cost	FVOCI*	Amortised cost
<b>Financial assets</b>				
Investments- Equity instruments	2,054.63	-	2,054.63	-
Cash and Cash Equivalents	-	1.18	-	0.52
Other Financial Assets		138.69	-	-
<b>Total Financial Assets</b>	<b>2,054.63</b>	<b>139.87</b>	<b>2,054.63</b>	<b>0.52</b>
<b>Financial Liabilities</b>				
Trade Payables	-	3.34	-	3.26
Borrowings	-	846.44	-	846.44
Other Financial Liabilities	-	1,292.06	-	1,209.50
<b>Total financial liabilities</b>	<b>-</b>	<b>2,141.84</b>	<b>-</b>	<b>2,059.20</b>

\* FVOCI - Fair Valued Through Other Comprehensive Income

The Company has no Financial Assets or Liabilities that are valued at Fair Value through Profit and Loss.

(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.

(ii) Financial assets and liabilities measured at fair value - recurring fair value measurements

At 31 March 2024	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial Investments at FVOCI:	-	-	2,054.63	2,054.63
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>2,054.63</b>	<b>2,054.63</b>

At 31 March 2023	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial Investments at FVOCI:	-	-	2,054.63	2,054.63
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>2,054.63</b>	<b>2,054.63</b>

**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.

**(iii) Fair Value Measurements Using Significant Unobservable Inputs (level 3)**

Fair value measurements using significant unobservable inputs (level 3)

Particulars	Investment in Shares (Rs. In Lakhs)
As at March 31, 2022	2,054.63
Acquisition/(Disposal)	-
Gains/losses recognised in profit or loss	-
Gains/losses recognised in OCI	-
As at March 31, 2023	2,054.63
Acquisition/(Disposal)	-
Gains/losses recognised in profit or loss	-
Gains/losses recognised in OCI	-
As at March 31, 2024	2,054.63

**(iv) Valuation Inputs and Relationships to Fair Value**

Particulars	Fair value as at		Significant unobservable inputs	Probability-weighted range		Sensitivity
	March 31, 2024	March 31, 2023		March 31, 2024	March 31, 2023	
<b>Investment in Shares</b>	2,054.63	2,054.63	Risk adjusted discount rate	7%	7%	50 Basis point decrease in discount rate would have increased assets by 0.02 crs and 50 Basis point increase in discount rate has would have decreased the asset by 0.02 Crs

**(v) Valuation Processes**

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are observable

**(vi) Fair value of Financial Assets and Liabilities measured at Amortised Cost**

The carrying amounts of trade receivables, 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.

**Emerald Haven Projects Private Limited**  
**Financial Instruments and Risk Management (contd.)**

**20 Financial Risk Management**

**Rs. in Lakhs**

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 manages the risk

Risk	Exposure arising from	Risk Mitigation
Credit risk	Cash and cash equivalents	Surplus Cash is deposited only with banks/financial institutions with a high external credit rating.
Credit risk	Trade Receivables	Significant number of company's customers take a loan from bank/financial institution where credit risk is negligent. Possession of the property is provided only after complete collection which will mitigate the risk.
Liquidity risk	Borrowings	The Company has Inter Corporate Advance.
Market risk – interest rate	Borrowings at variable rates	All the company's borrowings are from its holding company and the interest rate is fixed interest rate. Hence it is not exposed to variable interest rate risk.

**(A) Credit risk**

Credit risk arises from cash and cash equivalents and deposits with banks.

*(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**

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. Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

*(i) Maturities of financial liabilities*

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities, and
- 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	Amount (in Rs. Lakhs)	
		March 31, 2024	March 31, 2023
Borrowings	> than 12 months	846.44	846.44
Trade payables	< than 12 months	3.34	3.26
Other financial liabilities	> than 12 months	1,292.06	1,209.50

**21 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.

The Company intends to fund its land bank expansion only through free cash flow and fresh equity investments. Borrowing is utilised for only completing construction for the real estate projects.

Consistent with others in the industry, The company monitors capital on the basis of the following gearing ratio:

Net Debt (Total Debt minus Cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet).

The company's strategy is to maintain a optional gearing ratio. The gearing ratios were as follows:

	As at March 31, 2024	As at March 31, 2023
Net debt	845.26	845.93
Total equity	60.98	161.22
<b>Net debt to equity</b>	<b>13.86</b>	<b>5.25</b>

**Emerald Haven Projects Private Limited**  
**Other Disclosures**

Rs. in Lakhs

**22 Segment information**

**(a) Description of segments and principal activities**

The Company is primarily engaged in the business of real estate development. The entity's entire operations are reviewed by Chief operating decision makers as on Operating segment namely "Real Estate Development".

**(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

**23 Contingent liabilities**

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Contingent liabilities	Nil	Nil

**24 Commitments**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(a) Capital commitments</b>		
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities	Nil	Nil
<b>(b) Other commitments</b>		
Expenditure related to contractual commitments apart from Capital Commitments	Nil	Nil

**25 Related Party Disclosure**

	For the Year Ended March 31,2024	For the Year Ended March 31,2023
<b>(a) Related parties and their relationship where transactions exists for the financial year 2023-24:</b>		
<u>Holding Company</u> Emerald Haven Realty Limited		
<b>Other Related Parties and their Relationship where transaction exists</b>		
<b>Fellow Subsidiary</b> Emerald Haven Development Limited		
Emerald Haven Realty Developers (Paraniputhur) Private Limited, previously known as Emerald Haven Realty Developers (Paraniputhur) LLP		
<b>Key Management Personnel</b>		
<b>Non Executive Directors</b> Mr. V Gopalakrishnan Mr. V Karunakara Reddy		
<b>(b) Transactions with Related Parties:</b>		
<b>Holding Company</b> <b>Emerald Haven Realty Limited</b>		
(i) Interest Expenses	93.36	93.11
(ii) Rent Expenses	0.84	1.16
(iii) Advance Received/(paid)	22.01	15.76
<b>Fellow subsidiary</b> <u>Emerald Haven Development Limited</u>		
(i) Revenue from Operations	161.89	-
<b>Emerald Haven Realty Developers (Paraniputhur) Private Limited</b>		
(i) JDA Accrual	588.79	30.65
<b>(c) Balances with Related Parties (Payable) / Receivable:</b>		
<b>Holding Company</b> <b>Emerald Haven Realty Limited</b>		
(i) Interest Accrued but not due	(1,215.15)	(1,131.12)
(ii) Advances Receivable / (Payable)	(76.91)	(54.90)
(iii) Intercorporate Deposit	(846.44)	(846.44)
<b>Fellow Subsidiary</b> <b>Emerald Haven Realty Developers (Paraniputhur) Private Limited</b>		
(i) Security Deposit received for JDA	(1,584.13)	(2,189.99)
<b>Emerald Haven Development Limited</b>		
(i) Advances Receivable / (Payable)	138.41	(23.47)

**Emerald Haven Projects Private Limited**  
**26 Ratio Analysis**

S No	Ratio	Current Year 31.03.2024	Previous Year 31.03.2023	% Variance	Reasons
a	Current Ratio= Current assets / Current Liabilities	0.47	0.56	-16%	-
b	Debt equity ratio= total debt / total shareholder's equity	13.88	5.25	164%	The variance is due to decrease in earnings. (Revenue is being recognised as per IND AS 115 on completion of the project and handing over to the customer).Operating cycle is from 3 to 7 years
c	Debt service coverage ratio= earnings available for debt services / total interest and principal repayments	(1.08)	(0.99)	9%	-
d	Return on equity ratio/ return on investment ratio= Net profit after tax / Average shareholder's equity	(0.90)	(0.47)	92%	The variance is due to decrease in earnings. (Revenue is being recognised as per IND AS 115 on completion of the project and handing over to the customer).Operating cycle is from 3 to 7 years.
e	Inventory turnover ratio= Net sales divided by average Inventory	0.39	0.01	2912%	The variance is due to decrease in earnings. (Revenue is being recognised as per IND AS 115 on completion of the project and handing over to the customer).Operating cycle is from 3 to 7 years.
f	Trade receivables turnover ratio= Net sales / average trade receivables	NA	NA	NA	The Company does not have any Trade Receivables.
g	Trade Payables turnover ratio= Net Purchases divided by average trade Payables	28.31	23.11	22%	-
h	Net capital turnover ratio= Net sales / working capital	(0.39)	(0.02)	2279%	The variance is due to decrease in earnings. (Revenue is being recognised as per IND AS 115 on completion of the project and handing over to the customer).Operating cycle is from 3 to 7 years.
i	Net profit turnover ratio= Net profit after tax / Net sales	(0.13)	(3.23)	-96%	The variance is due to decrease in earnings. (Revenue is being recognised as per IND AS 115 on completion of the project and handing over to the customer).Operating cycle is from 3 to 7 years.
j	Return on Capital employed = Earnings before interest and taxes(EBIT) / Capital Employed	(0.90)	(0.46)	96%	The variance is due to decrease in earnings. (Revenue is being recognised as per IND AS 115 on completion of the project and handing over to the customer).Operating cycle is from 3 to 7 years.
k	Return on investment=Net profit after tax /Avg Shareholders Equity	(0.90)	(0.47)	92%	The variance is due to decrease in earnings. (Revenue is being recognised as per IND AS 115 on completion of the project and handing over to the customer).Operating cycle is from 3 to 7 years.

**27 Revenue from contracts with customers**

1 The Company has adopted Ind AS 115 from April 1, 2018 and had 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.

2 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 :

S No	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	Income from Sale of Land	767.74	30.65
		<b>767.74</b>	<b>30.65</b>

3 The operations of the Company relate to only one segment viz., real estate. Thus, the information on the relationship between disaggregated revenue under Ind AS 115 and for reportable segment under Ind AS 108 is not required.

4 Reconciliation of contracts with customers

The following schedule gives the movement of contract liabilities for the reporting period.

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	Contract Liabilities at the beginning of the period	-	-
	Add / (Less) :	-	-
	Consideration received during the year as advance	-	-
	Revenue recognized from contract liability	-	-
	Contract Liabilities at the end of the period	-	-

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.

5 Reconciliation of revenue with contract price

S No	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1.	Revenue from operations as per Statement of Profit and loss	767.74	30.65
2.	Adjustments :	-	-
3.	Contract price	767.74	30.65

**28 Auditors Remuneration (Exclusive of GST):**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Payments to Auditors as		
a. Statutory Auditor	2.00	2.00

**29** 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.

**30 Additional Regulatory Information**

- i Title deeds of immovable properties 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 does not have any 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 2024.
  - 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 2024.
  - 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.  
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
  - xv 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  
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
  - xvi 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.
- 31** 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
- 32** The Company does not meet the thresholds prescribed under Section 135 of the Companies Act. Therefore, spending under Corporate Social Responsibility is not applicable.
- 33** 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 Karunakara Reddy**  
Director  
DIN 08417260

**V Gopalakrishnan**  
Director  
DIN 03291640

**Sriram Subramanian Iyer**  
Chief Executive Officer

**K .BALAJI**  
Partner  
Membership No.: 224922  
Chennai  
:Apri

**P Vishal Anand**  
CFO & CS

**Emerald Haven Realty Developers (Paraniputhur) Private Limited**  
**Balance Sheet as at March 31, 2024**

Rs in Lakhs

	Note No.	As at March 31, 2024	As at March 31, 2023
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	2	10.38	13.30
Deferred Tax Assets	3	277.59	364.70
<b>Total Non-Current Assets</b>		<b>287.97</b>	<b>378.00</b>
<b>Current Assets</b>			
Inventories	4	15,610.15	14,464.62
Financial Assets			
i. Trade Receivables	5	675.30	1,086.23
ii. Cash and Cash Equivalents	6	238.58	764.58
iii. Other Financial Assets	7	958.34	2,831.32
Current Tax Assets (Net)	8	285.00	227.27
Other Current Assets	9	2,087.03	2,817.18
<b>Total Current Assets</b>		<b>19,854.40</b>	<b>22,191.20</b>
<b>Total Assets</b>		<b>20,142.37</b>	<b>22,569.20</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	10A	896.26	896.26
Instruments in the nature of Equity	10B	1,183.74	1,183.74
Other Equity	11	(771.91)	(1,116.23)
<b>Total equity</b>		<b>1,308.09</b>	<b>963.77</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Financial liabilities			
i) Borrowings	12	1,000.00	4,457.18
ii) Trade payables	13		
- Total outstanding dues of micro enterprises and small enterprises (MSME)		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		340.43	591.60
iii) Other Financial Liabilities	14	141.02	45.58
Other Current Liabilities	15	17,352.83	16,511.07
<b>Total Current Liabilities</b>		<b>18,834.28</b>	<b>21,605.43</b>
<b>Total Liabilities</b>		<b>18,834.28</b>	<b>21,605.43</b>
<b>Total Equity and Liabilities</b>		<b>20,142.37</b>	<b>22,569.20</b>
Material 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**

**S G Murali**  
**Director**  
DIN - 00348902

**V Karunakara Reddy**  
**Director**  
DIN - 08417260

**Sriram Subramanian Iyer**  
**Chief Executive Officer**

**K.BALAJI**  
*Partner*  
Membership No. 224922  
Chennai  
Date: 29 April 2024

**P Vishal Anand**  
**Chief Financial Officer**

**S Sudarshan**  
**Company Secretary**

**Emerald Haven Realty Developers (Paraniputhur) Private Limited**  
**Statement of Profit and Loss for the Year Ended March 31, 2024**

Rs in Lakhs

	Note No.	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>Income</b>			
Revenue from Operations	16	6,086.76	379.10
Other income	17	382.34	113.16
<b>Total income</b>		<b>6,469.10</b>	<b>492.26</b>
<b>Expenses</b>			
Operating Expenses	18	5,686.08	382.41
Depreciation and Amortisation Expense	2	2.92	2.93
Other Expenses	19	348.67	970.92
<b>Total expenses</b>		<b>6,037.67</b>	<b>1,356.26</b>
<b>Profit/(Loss) Before Tax</b>		<b>431.43</b>	<b>(864.00)</b>
Income Tax Expense/(Benefit)	20	-	-
Current Tax		-	-
Deferred Tax	3	87.11	(208.98)
<b>Profit/(Loss) for the Year</b>		<b>344.32</b>	<b>(655.02)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss		-	-
<b>Total Comprehensive Income/(Loss) for the Year</b>		<b>344.32</b>	<b>(655.02)</b>
Material Accounting Policies	1		
Earnings per Equity Share			
Basic & Diluted Earnings per Share (In Rs)	21	3.84	(7.31)
Material 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**

**S G Murali**  
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Date: 29 April 2024

**P Vishal Anand**  
**Chief Financial Officer**

**S Sudarshan**  
**Company Secretary**

**Emerald Haven Realty Developers (Paraniputhur) Private Limited**  
**Cash Flow Statement for the Year Ended March 31, 2024**

Rs in Lakhs

	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit/(Loss) before Tax	431.43	(864.00)
Add/(Less) :		
Depreciation	2.92	2.93
Interest Income	(302.53)	(106.04)
<b>Operating profit before working capital changes</b>	<b>131.82</b>	<b>(967.11)</b>
<b>Adjustments for:</b>		
Inventories- (Increase) / Decrease	(1,145.51)	(4,698.19)
Other Current Assets- (Increase) / Decrease	730.15	76.31
Trade Receivables- (Increase) / Decrease	410.93	(768.08)
Other Financial Assets- (Increase) / Decrease	(251.02)	(70.96)
Trade Payables- Increase / (Decrease)	(251.17)	(145.97)
Other Financial liabilities- Increase / (Decrease)	545.82	606.85
Other Current Liabilities- Increase / (Decrease)	841.75	12,141.57
	-----	-----
	880.95	7,141.54
<b>Cash Generated from Operations</b>	<b>1,012.77</b>	<b>6,174.42</b>
Income Taxes Refund/(Paid) - Net	(57.73)	(109.27)
<b>Net Cash from Operating Activities</b>	<b>955.04</b>	<b>6,065.16</b>
<b>B. Cash Flow from Investing Activities:</b>		
Loans Given To Related Parties	(2,497.00)	(3,565.00)
Repayment Received From Related Parties	4,621.00	805.00
Interest Income Received	302.53	106.04
	-----	-----
	2,426.53	(2,653.96)
<b>Net Cash from / (used in) Investing Activities</b>	<b>2,426.53</b>	<b>(2,653.96)</b>
<b>C. Cash Flow from Financing Activities :</b>		
Redemption of OCD	(2,742.40)	-
Issue of CCD	2,000.00	-
Redemption of CCD	(1,000.00)	-
Loans from /(repayment to) Banks - Net	(1,714.78)	(3,234.10)
Interest Paid	(450.39)	(761.97)
	-----	-----
	(3,907.57)	(3,996.07)
<b>Net Cash from / (used in) Financing Activities</b>	<b>(3,907.57)</b>	<b>(3,996.07)</b>
<b>Total (A+B+C)</b>	<b>(526.00)</b>	<b>(584.87)</b>
Cash and Cash Equivalents at the Beginning of the Year	764.58	1,349.45
Cash and Cash Equivalents at the End of the Year	238.58	764.58
<b>D. Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(526.00)</b>	<b>(584.87)</b>

The above Statement of Cash flow is prepared using indirect method

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

**S G Murali**  
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DIN - 00348902

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Membership No. 224922  
Chennai  
Date: 29 April 2024

**P Vishal Anand**  
Chief Financial Officer

**S Sudarshan**  
Company Secretary

**Emerald Haven Realty Developers (Paraniputhur) Private Limited**  
**Statement of changes in equity**

Rs in Lakhs

**I) Equity Share Capital**

<b>Balance as at March 31, 2022</b>	<b>896.26</b>
Changes in Equity Share capital due to prior period errors	-
<b>Restated balance as at 01-04-2022</b>	<b>896.26</b>
Change in Equity Share Capital during the year	-
<b>Balance as at Match 31, 2023</b>	<b>896.26</b>
Changes in Equity Share capital due to prior period errors	-
<b>Restated balance as at 01-04-2023</b>	<b>896.26</b>
Change in Equity Share Capital during the year	-
<b>Balance as at Match 31, 2024</b>	<b>896.26</b>

**II) Optionally Convertible Redeemable Preference Shares**

<b>Balance as at March 31, 2022</b>	<b>1,183.74</b>
Changes in Preference Share capital due to prior period errors	-
<b>Restated balance as at 01-04-2022</b>	<b>1,183.74</b>
Change in Optionally Convertible Redeemable Preference Shares during the year	-
<b>Balance as at Match 31, 2023</b>	<b>1,183.74</b>
Changes in Preference Share capital due to prior period errors	-
<b>Restated balance as at 01-04-2023</b>	<b>1,183.74</b>
Change in Optionally Convertible Redeemable Preference Shares	-
<b>Balance as at Match 31, 2024</b>	<b>1,183.74</b>

**III) Other Equity**

Particulars	Reserves & Surplus	Total
	Retained earnings	
<b>Balance as at March 31, 2022</b>	<b>(461.21)</b>	<b>(461.20)</b>
Add :Profit/(Loss) for the FY 2022-23	(655.02)	(655.02)
<b>Balance as at March 31, 2023</b>	<b>(1,116.23)</b>	<b>(1,116.23)</b>
Add :Profit/(Loss) for the FY 2023-24	344.32	344.32
<b>Balance as at March 31, 2024</b>	<b>(771.91)</b>	<b>(771.91)</b>

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**

**S G Murali**  
**Director**  
DIN - 00348902

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Membership No. 224922  
Chennai  
Date: 29 April 2024

**P Vishal Anand**  
**Chief Financial Officer**

**S Sudarshan**  
**Company Secretary**

**Emerald Haven Realty Developers (Paraniputhur) Private Limited**  
**Notes to Balance Sheet**

Rs in Lakhs

**2 Property, Plant and Equipment**

Details	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 1 April 2023	Additions	Deductions / Other Adjustments	Balance as at 31 Mar 2024	Balance as at 1 April 2023	Depreciation for the year	Deductions / Other Adjustments	Balance as at 31 Mar 2024	Balance as at 31 Mar 2024	Balance as at 31 Mar 2023
<b>Tangible Assets</b>										
Vehicles	16.25	-	-	16.25	2.95	2.92	-	5.87	10.38	13.30
<b>Total (A)</b>	16.25	-	-	16.25	2.95	2.92	-	5.87	10.38	13.30
<b>Total</b>	<b>16.25</b>	<b>-</b>	<b>-</b>	<b>16.25</b>	<b>2.95</b>	<b>2.92</b>	<b>-</b>	<b>5.87</b>	<b>10.38</b>	<b>13.30</b>

1. The Company does not have any Capital Work in Progress
2. There are no intangible assets under development.

**3 Deferred Tax Assets (Net)**

The balance comprises temporary differences attributable to:

<b>Deferred Tax Assets/(Liabilities)</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Carry Forward of Business Loss	496.74	901.65
Depreciation	0.12	(0.13)
Inventory	(219.27)	(536.82)
<b>Net Deferred Tax Assets</b>	<b>277.59</b>	<b>364.70</b>

<b>Movement in Deferred Tax Assets /(Liabilities)</b>	<b>Inventory</b>	<b>Depreciation</b>	<b>Carry Forward of Business Loss</b>	<b>Total</b>
<b>At March 31, 2022</b>	<b>(1,038.26)</b>	<b>(0.30)</b>	<b>1,194.28</b>	<b>155.72</b>
(Charged)/Credited:				
- to Profit or Loss	501.45	0.17	(292.63)	208.98
- to Other Comprehensive Income	-	-	-	-
<b>At March 31, 2023</b>	<b>(536.82)</b>	<b>(0.13)</b>	<b>901.65</b>	<b>364.70</b>
(Charged)/Credited:				
- to Profit or Loss	317.54	0.25	(404.91)	(87.11)
- to Other Comprehensive Income	-	-	-	-
<b>At March 31, 2024</b>	<b>(219.27)</b>	<b>0.12</b>	<b>496.74</b>	<b>277.59</b>

Note : The Company has recognised deferred tax asset on the basis that future taxable profits will be available to utilize those temporary differences and losses.

**4 Inventories**

Land held for Development	1,928.86	2,463.26
Construction-in-Progress	13,681.29	12,001.36
<b>Total Inventories</b>	<b>15,610.15</b>	<b>14,464.62</b>

**5 Trade Receivables**

Trade Receivables considered good - Unsecured*	675.30	1,086.23
Less: Loss Allowance	-	-
<b>Total Trade Receivables</b>	<b>675.30</b>	<b>1,086.23</b>

\*Trade receivable represents balance amount to be received from customer out of demands raised on milestone completion, however, revenue is recognised on completion of performance obligation as required under Ind AS 115

As at March 31, 2024  
As at March 31, 2023

**Ageing schedule of Trade Receivables as at 31 March, 2024**

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	
(i) Undisputed trade receivables - considered good	146.82	136.72	391.76	-	-	-	675.30
(ii) Undisputed trade receivables - considered doubtful (having significant increase in Credit risk)	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Undisputed trade receivables - considered doubtful (having significant increase in risk)	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
(vii) Allowance for Unsecured, Credit Impaired	-	-	-	-	-	-	-
<b>Total Trade Receivables</b>	<b>146.82</b>	<b>136.72</b>	<b>391.76</b>	-	-	-	<b>675.30</b>

**Ageing schedule of Trade Receivables as at 31 March, 2023**

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	
(i) Undisputed trade receivables - considered good	365.03	703.33	14.66	-	-	3.21	1,086.23
(ii) Undisputed trade receivables - considered doubtful (having significant increase in Credit risk)	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Undisputed trade receivables - considered doubtful (having significant increase in risk)	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
(vii) Allowance for Unsecured, Credit Impaired	-	-	-	-	-	-	-
<b>Total Trade Receivables</b>	<b>365.03</b>	<b>703.33</b>	<b>14.66</b>	-	-	<b>3.21</b>	<b>1,086.23</b>

**6 Cash and Cash Equivalents**

Balances with Banks *		
In Current Accounts	238.58	671.32
Cheques on Hand	-	93.26
<b>Total Cash and Cash Equivalents</b>	<b>238.58</b>	<b>764.58</b>

\*Includes bank balance of Rs 80.76 Lakhs (PY Rs 382.65 Lakhs) maintained in Project Specific RERA bank a/c as per Real Estate Regulatory Authority (RERA) Act, which can be used only for specific permitted payments

**7 Other Financial Assets**

Advance to Related Party	698.40	2,737.88
Interest Accrued but not due from Related Party	259.94	93.44
<b>Total Other Financial Assets</b>	<b>958.34</b>	<b>2,831.32</b>

**8 Current Tax Assets (Net)**

Advance Tax and TDS receivable less Provision for Tax	285.00	227.27
<b>Total Current Tax Assets (Net)</b>	<b>285.00</b>	<b>227.27</b>

**9 Other Current Assets**

Security Deposit Made With Govt Authorities	165.28	140.25
Security Deposit Given To Related Party	1,584.13	2,189.99
Receivable From Government Authorities	226.82	287.23
Mobilisation / Advances To Vendors	110.79	199.71
<b>Total Other Current Assets</b>	<b>2,087.03</b>	<b>2,817.18</b>

	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
<b>13 Trade Payables</b>		
Dues To Micro And Small Enterprises **	-	-
Dues To Enterprises Other Than Micro And Small Enterprises	340.43	591.60
<b>Total Trade Payables</b>	<b>340.43</b>	<b>591.60</b>

\*\*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) MSME Act is as under:-**

(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 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;	-	-
(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 Payables as at 31 March 2024**

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	-	241.95	89.00	-	-	5.09	<b>336.04</b>
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Other than MSME	-	-	-	-	-	-	-
(v) Accrued Expenses	-	-	-	-	-	-	<b>4.39</b>
<b>Total Trade Payables</b>	<b>-</b>	<b>241.95</b>	<b>89.00</b>	<b>-</b>	<b>-</b>	<b>5.09</b>	<b>340.43</b>

**Ageing schedules of Trade Payables as at 31 March 2023**

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	-	300.47	195.89	-	-	5.09	<b>501.45</b>
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Other than MSME	-	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	-	<b>90.15</b>
<b>Total Trade Payables</b>	<b>-</b>	<b>300.47</b>	<b>195.89</b>	<b>-</b>	<b>-</b>	<b>5.09</b>	<b>591.60</b>

<b>14 Other Financial Liabilities</b>		
Interest Accrued but not due	62.66	-
Money received in Trust (Corpus fund)	78.36	45.58
<b>Total Other Financial Liabilities</b>	<b>141.02</b>	<b>91.17</b>
<b>15 Other Current Liabilities</b>		
Revenue received in Advance	16,939.90	15,961.61
<b>Other Advance:</b>		
Advance Received from Customers	323.95	454.03
<b>Others:</b>		
Statutory Dues Payable	88.98	95.43
<b>Total Other Current Liabilities</b>	<b>17,352.83</b>	<b>16,511.07</b>

**Emerald Haven Realty Developers (Paraniputhur) Private Limited**  
**Notes to Balance Sheet - Equity Share Capital and Other Equity**

**10A Equity Share Capital**

**Authorised, Issued , Subscribed and Fully Paid Up**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	Rs in Lakhs	Number of Shares	Rs in Lakhs
<b>Authorised:</b> Equity shares of Rs.10/- each	10,000,000	1,000.00	10,000,000	1,000.00
<b>Issued, Subscribed and Fully Paid Up:</b> Equity shares of Rs.10/- each	8,962,565	896.26	8,962,565	896.26
	<b>8,962,565</b>	<b>896.26</b>	<b>8,962,565</b>	<b>896.26</b>

**Reconciliation of equity shares outstanding at the beginning and at the end of the year:**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	Rs in Lakhs	Number of shares	Rs in Lakhs
Shares outstanding at the beginning of the year	8,962,565	896.26	8,962,565	896.26
Shares issued during the year	-	-	-	-
<b>Equity Shares outstanding at the end of the year</b>	<b>8,962,565</b>	<b>896.26</b>	<b>8,962,565</b>	<b>896.26</b>

**Terms and rights attached to equity shares (i.e.) Rights and preferences attached to equity share:**

The equity shares of Company 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.

**10B Instruments in the Nature of Equity**

**Preference Share Capital**

**Authorised, Issued , Subscribed and Fully Paid Up**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	Rs in Lakhs	Number of Shares	Rs in Lakhs
<b>Authorised:</b> Preference shares of Rs.10/-each	12,000,000	1,200.00	12,000,000	1,200.00
<b>Issued, Subscribed and Fully Paid Up:</b> Preference shares of Rs.10/-each	11,837,435	1,183.74	11,837,435	1,183.74
	<b>11,837,435</b>	<b>1,183.74</b>	<b>11,837,435</b>	<b>1,183.74</b>

**Reconciliation of Preference shares outstanding at the beginning and at the end of the year:**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Rs in Lakhs	Number of shares	Rs in Lakhs
Shares outstanding at the beginning of the year	11,837,435	1,184	11,837,435	1,184
Add : Issued During the Year	-	-	-	-
<b>Preference Shares outstanding at the end of the year</b>	<b>11,837,435</b>	<b>1,183.74</b>	<b>11,837,435</b>	<b>1,183.74</b>

**Terms & Rights attached to Optionally Convertible Redeemable Preference Shares:**

The Optionally Convertible Redeemable Preference Shares of the Company having a par value of Rs.10/- each. Each share holder in this class is eligible for voting rights provided in the Act read with the Articles of the Company. The shareholders in this class will rank senior to the Equity Shares and Junior to the Debentures and upon the occurrence of an Event of default shall rank junior to class B Debentures and class B OCRPS.

**Emerald Haven Realty Developers (Paraniputhur) Private Limited**  
**Notes to Balance Sheet - Equity Share Capital and Other Equity**

**10C (i) Shares of the company held by holding company**

Name of Shareholder	Class of share	As at March 31, 2024		As at March 31, 2023	
		No. of shares held	% of holding	No. of shares held	% of holding
Emerald Haven Realty Limited	Equity	8,962,565	100%	8,962,565	100%
Emerald Haven Realty Limited (Class A Preference shares)*	Preference	6,037,092	100%	6,037,092	100%
Emerald Haven Realty Limited (Class B Preference shares)*	Preference	5,800,343	100%	5,800,343	100%

\* - includes shares held by nominees

**10C (ii) Details of shareholders holding more than 5% of shares of the Company**

Name of shareholder	Class of Share	As at March 31, 2024		As at March 31, 2023	
		No. of shares held	% of holding	No. of shares held	% of holding
Emerald Haven Realty Limited *	Equity	8,962,565	100%	8,962,565	100%
Emerald Haven Realty Limited	Preference	5,800,343	100%	5,800,343	49%

\* - includes shares held by nominees

**10C (iii) Details of shares held by promoters in the Company**

Name of Promoter	Class of Shares	As at March 31, 2024		As at March 31, 2023		% Change during the year	
		Number of shares	% holding	Number of shares	% holding	As at March 31, 2024	As at March 31, 2023
Emerald Haven Realty Limited	Equity	8,962,565	100%	8,962,565	100%	0%	0%
Emerald Haven Realty Limited *	Preference - (Class A)	6,037,092	100%	6,037,092	100%	0%	0%
Emerald Haven Realty Limited *	Preference - (Class B)	5,800,343	100%	5,800,343	100%	0%	0%

\* - includes shares held by nominees

**11 Other Equity**

	As at March 31, 2024	As at March 31, 2023
<b>Retained Earnings</b>		
Opening balance	(1,116.23)	(461.21)
Net Profit/(Loss) for the Year	344.32	(655.02)
<b>Total Other Equity</b>	<b>(771.91)</b>	<b>(1,116.23)</b>

**Nature and purpose of reserve:**

**Retained earnings:** Company's cumulative undistributed earnings since its inception. This reserve is available for distribution to shareholders.

**12 Borrowings**

Description	Repayment Frequency	Maturity	Rate of interest (%) p.a.	#REF!	As at March 31, 2023
<b>Secured:</b>					
Term Loan - From NBFC#	30% of all sales receipts / realizations / receivables from customers	60 months from the date of first disbursement (i.e., FY26-27)	HDFC CF-PLR minus 250 bps	-	1,714.78
<b>Optionally Convertible Debentures**</b>					
- Issued to Emerald Haven Realty Limited (Class A Debentures)	Redemption on maturity	Rs 2420.70 lakhs ( PY Rs 2860.70 lakhs) during the FY 2024-25 and Rs 321.70 lakhs during the FY 2025-26	15.00%	-	2,742.40
<b>Compulsorily Convertible Debentures</b>					
- Issued To Malini Srinivasan	Redemption on maturity	Rs 1000/- Face Value of Rs.10/ Debentures at a coupon rate of 13% Compounded Quarterly for a period of 5 Years	13.00%	1,000.00	-
<b>Total Borrowings</b>				<b>1,000.00</b>	<b>4,457.18</b>

**Details of Securities Created and Terms of Payment:**

# The Term loan from NBFC was secured by hypothecation of Stock , Receivables , Other Current assets and First Charge on Land Held at Paraniputhur.

\*\*Secured by second charge of land held at Paraniputhur

**Emerald Haven Realty Developers (Paraniputhur) Private Limited**  
**Notes to Statement of Profit or Loss**

Rs in Lakhs

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>16 Revenue from Operations</b>		
Income from Property Development	5,918.50	297.10
Other Operating Revenues	168.26	82.00
<b>Total Revenue</b>	<b>6,086.76</b>	<b>379.10</b>
<b>17 Other Income</b>		
Interest Income From Related Parties	302.53	103.82
Interest on Fixed Deposit	-	2.22
Interest on Income Tax Refund	-	0.18
Other Non-Operating Income	41.18	3.01
Interest Collected from Customers	38.62	3.93
<b>Total Other Income</b>	<b>382.34</b>	<b>113.16</b>
<b>18 Operating Expenses</b>		
<b>Opening Stock:</b>		
Land for Development	2,463.26	2,497.73
Construction-in-Progress	12,001.36	7,268.70
<b>(A)</b>	<b>14,464.62</b>	<b>9,766.43</b>
<b>Incurred during the Year :</b>		
Land for Development	202.60	-
Construction-in-Progress	6,629.00	5,080.60
<b>(B)</b>	<b>6,831.60</b>	<b>5,080.60</b>
<b>Closing Stock:</b>		
Land for Development	1,928.86	2,463.26
Construction-in-Progress	13,681.29	12,001.36
<b>(C)</b>	<b>15,610.15</b>	<b>14,464.62</b>
<b>(A)+(B)-(C) Operating Expenses</b>	<b>5,686.08</b>	<b>382.41</b>
<b>19 Other Expenses</b>		
*Payments To Auditors	5.02	3.60
Advertisement Expenses	155.17	828.61
Professional & Consultancy Charges	14.26	16.14
Rates & Taxes	0.60	0.54
Rent	0.68	3.35
Repairs & Maintenance	91.22	54.13
Office Maintenance	6.56	7.81
Internet & Communication Charges	-	0.33
Power & Fuel	55.30	35.64
Security Charges	14.99	16.12
Bank Charges	2.16	2.75
Miscellaneous Expenses	2.70	1.88
<b>Total Other Expenses</b>	<b>348.67</b>	<b>970.92</b>
<b>*Refer Note No.31 for details</b>		
<b>20 Income Tax Expense</b>		
<b>(a) Income Tax Expense</b>		
<b>Current Tax</b>		
Current tax on profits for the year	-	-
<b>Total Current Tax Expense</b>	<b>-</b>	<b>-</b>
<b>Deferred Tax</b>		
Decrease (Increase) in Deferred Tax Assets	87.11	(208.98)
(Decrease) Increase in Deferred Tax Liabilities	-	-
<b>Total Deferred Tax Expense/(Benefit)</b>	<b>87.11</b>	<b>(208.98)</b>
<b>Income Tax Expense/(Benefit)</b>	<b>87.11</b>	<b>(208.98)</b>
<b>(b) Reconciliation of Tax Expense and Accounting Profit multiplied by India's Tax Rate:</b>		
Profit / (Loss) before Income Tax Expense	431.43	(864.00)
<b>Tax at the Income Tax Rate of 25.168% (PY : 25.168%)</b>	<b>108.58</b>	<b>(224.64)</b>
Tax Expense on which Deferred Tax not recognised	(21.48)	15.66
<b>Income Tax Expense</b>	<b>87.11</b>	<b>(208.98)</b>

**Emerald Haven Realty Developers (Paraniputhur) Private Limited**  
**Notes to financial statements**

Rs in Lakhs

<b>21 Earnings Per Share</b>	<b>For the Year Ended March 31, 2024</b>	<b>For the Year Ended March 31, 2023</b>
<b>(a) Basic/Diluted Earnings per Share</b>		
Basic/Diluted Earnings per Share attributable to the Equity Holders of the Company (In Rs)	3.84	(7.31)
<b>(b) Reconciliations of Earnings used in calculating Earnings per Share</b>		
Profit/(loss) attributable to equity holders of the company used in calculating basic earnings per share	344.32	(655.02)
<b>(c) Weighted Average number of Equity Shares used as the denominator in calculating Basic/Diluted Earnings per Share</b>		
	8,962,565	8,962,565

**Note:** There are no diluted potential equity shares, hence basic and diluted EPS remains the same.

**22 Operating Segment**

**(a) Description of Segments and Principal Activities**

The Company has one reportable segments namely, Development of Real Estate Property. The Company'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

**23 Fair Value Measurements**

<b>Financial Instruments by Category</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
	<b>Amortised Cost</b>	<b>Amortised Cost</b>
<b>Financial Assets</b>		
Cash and Cash Equivalents	238.58	764.58
Trade Receivables	675.30	1,086.23
Other Financial Assets	958.34	2,831.32
<b>Total Financial Assets</b>	<b>1,872.22</b>	<b>4,682.13</b>
<b>Financial Liabilities</b>		
Borrowings	1,000.00	4,457.18
Trade Payable	340.43	591.60
Other Financial Liabilities	141.02	45.58
<b>Total Financial Liabilities</b>	<b>1,481.45</b>	<b>5,094.36</b>

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

**Emerald Haven Realty Developers (Paraniputhur) Private Limited**  
**Notes to financial statements**

**(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.

**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.

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) Fair value of Financial Assets and Liabilities measured at Amortised Cost**

The carrying amounts of trade receivables, cash and cash equivalents, trade payables and borrowings 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.

The fair values for loans, security deposits and investment in government securities were calculated based on cash flows discounted using a current lending rate. They are classified as level 2 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are observable

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are observable

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**24 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 manages the risk.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Risk Mitigation</b>
Credit risk	Cash and cash equivalents	Surplus Cash is deposited only with banks/financial institutions with a high external credit rating.
Credit risk	Trade Receivables	Significant number of company's customers take a loan from bank/financial institution where credit risk is negligent. Possession of the property to customer is provided only after complete collection against unit which will mitigate the risk.
Liquidity risk	Borrowings	Credit lines/loans are negotiated well in advance to ensure liquidity for completing the project.
Market risk – interest rate	Borrowings at variable rates	Since all borrowings are rupee borrowings company can't enter into any hedging instrument to mitigate variable interest rate risk. Where there is surplus cash flow, the company will look to prepay its debt obligations and reduce interest cost.

**(A) Credit Risk**

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions.

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:**

<b>Particulars</b>	<b>Maturity</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Borrowings	> than 12 months	1,000.00	4,457.18
Trade Payables	< than 12 months	340.43	591.60
Other Financial Liabilities	> than 12 months	141.02	45.58

**25 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 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 gearing ratio a optimal gearing ratio. The gearing ratios were as follows:

<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Net debt	761.42	3,692.60
Total equity	1,308.09	963.77
<b>Net debt to equity ratio</b>	<b>0.58</b>	<b>3.83</b>

26

Related Party Disclosure		For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Particulars			
<b>(a)</b>	<b>Related parties and their relationship where transactions exists for the financial year 2023-24</b>		
	<b>Holding company</b> Emerald Haven Realty Limited		
	<b>Fellow Subsidiary</b> Emerald Haven Projects Private Limited Emerald Haven Property Development Limited		
	<b>Key Management personnel</b> Seeplaputhur Ganapathiramaswamy Murali Vandavagili Raghavareddy Karunakarreddy		
<b>(b)</b>	<b>Transactions with related parties:</b>		
	<b>Holding Company</b> <b>Emerald Haven Realty Limited,</b>		
(i)	Issue/(Redemption) of 15% Optionally Convertible Debentures (OCD)	(2,742.40)	-
(ii)	Interest Expenses OCD	399.98	411.36
(ii)	Rent Expenses	0.68	0.84
(iv)	Advances Given	33.70	-
(v)	Inter Corporate Loan given	2,497.00	3,565.00
(vi)	Inter Corporate Loan (repayment received)	(4,621.00)	(805.00)
(vii)	Interest Income	(302.53)	(103.82)
	<b>Fellow Subsidiary</b> <b>Emerald Haven Property Development Limited</b>		
(i)	Advance to related party	28.70	-
	<b>Emerald Haven Projects Private Limited</b>		
(i)	Land Development Accruals	605.85	30.64
<b>(c)</b>	<b>Balances with related parties- Receivable / (Payable):</b>		
	<b>Holding Company</b> <b>Emerald Haven Realty Limited</b>		
(i)	Equity Sahre Capital	896.26	896.26
	Inter Corporate Loans/Advances	(2,090.30)	2,737.88
	Interest (Payable) / Receivable	259.94	93.44
	Optionally Convertible Debentures	-	(2,742.40)
	Optionally Convertible Preference Share Capital	(1,183.74)	(1,183.74)
	<b>Fellow subsidiary</b> <b>Emerald Haven Projects Private Limited</b>		
(i)	Security deposit given towards JDA	1,584.13	2,189.99
(ii)	<b>Emerald Haven Property Development Limited</b> Inter Corporate Advances	28.70	-

**27 Revenue from Contracts with Customers**

a The Company has adopted Ind AS 115 from April 1, 2018 and had 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.

b 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 :

S No	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	Income from Sale of Property Development	5,918.50	297.10
2	Other operating revenue	168.26	82.00
		<b>6,086.76</b>	<b>379.10</b>

c The operations of the Company relate to only one segment namely Development of Real Estate Property. Thus, the information on the relationship between disaggregated revenue under Ind AS 115 and for reportable segment under Ind AS 108 is not required.

d Reconciliation of contracts with customers

The following schedule gives the movement of contract liabilities for the reporting period.

S No	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1.	Contract Liabilities at the beginning of the period	16,007.19	4,010.28
	Add / (Less) :		
2.	Customer Milestones raised during the year	7,015.83	12,366.41
3.	Revenue recognized from contract liability	(6,004.75)	(369.50)
4.	Contract Liabilities at the end of the period	17,018.28	16,007.19

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.

e Reconciliation of revenue with contract price

S No	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1.	Revenue from operations as per Statement of Profit and loss.	6,086.76	379.10
2.	Adjustments :		
3.	Contract price	6,086.76	379.10

**Emerald Haven Realty Developers (Paraniputhur) Private Limited**

**28 Ratio Analysis**

S No	Ratio	As At/For the Year Ended March 31, 2024	As At/For the Year Ended March 31, 2023	% Variance	Reasons
a	Current Ratio= Current assets / Current Liabilities	1.05	1.03	3%	-
b	Debt equity ratio= total debt / total shareholder's equity	0.76	4.62	-83%	As OCDS issued by Emerald Haven Realty Limited has been fully redeemed,hence there has been a substantial change in Debt Equity Ratio
c	Debt service coverage ratio= earnings available for debt services / total interest and principal repayments	0.29	(0.13)	-317%	As OCDS issued by Emerald Haven Realty Limited has been fully redeemed and Loan from HDFC has been fully repaid, that's why hence has been a substantial change in Debt Service Coverage Ratio.
d	Return on equity ratio/ return on investment ratio= Net profit after tax / Average shareholder's equity	0.30	(0.51)	160%	Revenue is being recognised as per IND AS 115 on completion of the project and handing over to the customer - During current year, part of the project(Phase - 1) have been completed and handed over to customers. Hence, the net profit for the current year due to increase in revenue.
e	Inventory turnover ratio= Net sales divided by average Inventory	0.40	0.03	1194%	Revenue is being recognised as per IND AS 115 on completion of the project and handing over to the customer - During current year, part of the project(Phase - 1) have been completed and handed over to customers. Hence, the net profit for the current year due to increase in revenue.
f	Trade receivables turnover ratio= Net sales / average trade receivables	6.91	0.54	1180%	Revenue is being recognised as per IND AS 115 on completion of the project and handing over to the customer - During current year, part of the project(Phase - 1) have been completed and handed over to customers. Hence, the net profit for the current year due to increase in revenue.
g	Trade Payables turnover ratio= Net Purchases divided by average trade Payables	14.66	7.64	92%	Revenue is being recognised as per IND AS 115 on completion of the project and handing over to the customer - During current year, part of the project(Phase - 1) have been completed and handed over to customers. Hence, the net profit for the current year due to increase in revenue.
h	Net capital turnover ratio= Net sales / working capital	5.97	0.65	822%	Revenue is being recognised as per IND AS 115 on completion of the project and handing over to the customer - During current year, part of the project(Phase - 1) have been completed and handed over to customers. Hence, the net profit for the current year due to increase in revenue.
i	Net profit turnover ratio= Net profit after tax / Net sales	0.06	(1.73)	-103%	Revenue is being recognised as per IND AS 115 on completion of the project and handing over to the customer - During current year, part of the project(Phase - 1) have been completed and handed over to customers. Hence, the net profit for the current year due to increase in revenue.
j	Return on Capital employed = Earnings before interest and taxes(EBIT) / Avg Capital Employed	1.53	(0.53)	-387%	Revenue is being recognised as per IND AS 115 on completion of the project and handing over to the customer - During current year, part of the project(Phase - 1) have been completed and handed over to customers. Hence, the net profit for the current year due to increase in revenue.
k	Return on investment = Net profit after tax /Avg Shareholders Equity	0.30	(0.51)	160%	Revenue is being recognised as per IND AS 115 on completion of the project and handing over to the customer - During current year, part of the project(Phase - 1) have been completed and handed over to customers. Hence, the net profit for the current year due to increase in revenue.

**Emerald Haven Realty Developers (Paraniputhur) Private Limited**  
**Other disclosures**

Rs in Lakhs

**29 Contingent liabilities**

	As at March 31, 2024	As at March 31, 2023
<b>Claims against the company not acknowledged as debts:</b>		
(i) Refund to customer pursuant to order by Hon'ble Single Member, TNRERA, Chennai (Appeal pending at Hon'ble Tamilnadu Real Estate Appellate Tribunal, Chennai)	15.29	-
(ii) Appeal made to the GST Appealate Authority for the order received under Order in Original No.51/2023 (GST) dated 28.11.2023 (Appeal pending at Hon'ble State GST Tribunal, Chennai).	6.39	-

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 .

	As at March 31, 2024	As at March 31, 2023
<b>30 Commitments</b>		
<b>(a) Capital Commitments</b>		
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities	-	-
<b>(b) Other Commitments</b>		
Expenditure related to contractual commitments apart from Capital Commitments	-	-

**31 Auditors' Remuneration (included under Other Expenses) - (Excluding Taxes)**

Particulars	As at March 31, 2024	As at March 31, 2023
Payments to Auditors as		
(a) Statutory Auditors	3.75	2.75
(b) Tax Auditors	0.75	0.75
(c) Certification Charges	0.25	0.10
(d) For Other Services	-	-
(d) For Reimbursement given (Out of Pocket)	0.27	-
<b>Total</b>	<b>5.02</b>	<b>3.60</b>

**32** In the opinion of the management, the current assets 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.

**33 Corporate Social Responsibility**

The Company does not meet the thresholds prescribed under Section 135 of the Companies Act. Therefore, spending under Corporate Social Responsibility is not applicable.

**34 Additional Regulatory Information**

- (i) Title deeds of immovable properties 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 Property, Plant and Equipment (including Right to Use Assets).
- (iv) The Company does not have any intangible assets
- (v) 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.
- (vi) 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.
- (vii) The Company has not been sanctioned short term loan by a financial institution during the year, which is considered as working capital limit.
- (viii) No bank or financial institution has declared the company as "wilful defaulter"
- (ix) 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 2024.
- (x) All applicable cases where registration of charges or satisfaction is required with Registrar of Companies have been done. No registration or satisfaction is pending at end of financial year ended 31 March 2024.
- (xi) 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.
- (xii) No scheme of arrangements has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.
- (xiii) 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(s) or entity(is), 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
- (xiv) 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.

**35** The Company has not surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961.

**36** The Company has not dealt with any crypto currency.

**37** Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.

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**

**K.BALAJI**  
*Partner*  
 Membership No. 224922  
 Chennai  
 Date: 29 April 2024

**S G Murali**  
**Director**  
 DIN - 00348902

**V Karunakara Reddy**  
**Director**  
 DIN - 08417260

**Sriram Subramanian Iyer**  
**Chief Executive Officer**

**P Vishal Anand**  
**Chief Financial Officer**

**S Sudarshan**  
**Company Secretary**

**Emerald Haven Town and Country Private Limited**  
**Balance Sheet as at March 31, 2024**

Rs in Lakhs

	Note No.	As at March 31, 2024	As at March 31, 2023
<b>Assets</b>			
<b>Non-Current Assets</b>			
Deferred Tax Assets (Net)	2	694.26	723.49
<b>Total Non-Current Assets</b>		<b>694.26</b>	<b>723.49</b>
<b>Current Assets</b>			
Inventories	3	33,017.36	28,301.61
Financial Assets			
i. Trade Receivables	4	687.26	1,470.38
ii. Cash and Cash Equivalents	5	2,665.64	3,799.35
Current Tax Assets (Net)	6	251.91	363.40
Other Current Assets	7	4,451.34	2,535.11
<b>Total Current Assets</b>		<b>41,073.52</b>	<b>36,469.85</b>
<b>Total Assets</b>		<b>41,767.78</b>	<b>37,193.34</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity Share Capital	8A	803.65	803.65
Instruments in the Nature of Equity	8B	5,878.31	5,878.31
Other Equity	9	(2,060.96)	(2,102.57)
<b>Total Equity</b>		<b>4,621.00</b>	<b>4,579.39</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Financial Liabilities			
i) Borrowings	10	-	675.00
ii) Trade Payables			
- Total outstanding dues of micro and small enterprises		-	-
- Total outstanding dues of creditors other than micro and small enterprises	11	914.72	938.14
iii) Other Financial Liabilities	12	306.46	936.53
Other Current Liabilities	13	35,925.57	30,064.28
<b>Total Current Liabilities</b>		<b>37,146.76</b>	<b>32,613.95</b>
<b>Total Liabilities</b>		<b>37,146.76</b>	<b>32,613.95</b>
<b>Total Equity and Liabilities</b>		<b>41,767.78</b>	<b>37,193.34</b>
Material 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**

**S G Murali**  
Director  
DIN - 00348902

**K Gopala Desikan**  
Director  
DIN - 00067107

**Sriram Subramanian Iyer**  
Chief Executive Officer

**K. BALAJI**  
Partner  
Membership No. 224922  
Chennai  
Date: April 29, 2024

**P Vishal Anand**  
Chief Financial Officer

**R Raja Prakash**  
Company Secretary

**Emerald Haven Town and Country Private Limited**  
**Statement of Profit and Loss for the Year ended March 31, 2024**

**Rs in Lakhs**

	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Income</b>			
Revenue from Operations	14	2,219.05	4,075.55
Other Income	15	240.45	25.04
<b>Total Income</b>		<b>2,459.50</b>	<b>4,100.59</b>
<b>Expenses</b>			
Operating Expenses	16	2,097.62	4,136.21
Other Expenses	17	291.02	1,118.00
<b>Total Expenses</b>		<b>2,388.64</b>	<b>5,254.21</b>
<b>Profit/(Loss) Before tax</b>		<b>70.86</b>	<b>(1,153.62)</b>
Income tax (Expense)/Benefit	18		
Current Tax		-	-
Deferred Tax		(29.23)	298.19
<b>Profit/(Loss) For the Year</b>		<b>41.63</b>	<b>(855.43)</b>
<b>Other Comprehensive Income for the Year, Net of Tax</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income/(loss) For the year</b>		<b>41.63</b>	<b>(855.43)</b>

**Earnings per Equity Share**

Basic & Diluted Earnings per Share (Rs.)	19	0.52	(10.64)
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Material 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**

**S G Murali**  
Director  
DIN - 00348902

**K Gopala Desikan**  
Director  
DIN - 00067107

**Sriram Subramanian Iyer**  
Chief Executive Officer

**K. BALAJI**

Partner

Membership No. 224922

Chennai

Date: April 29, 2024

**P Vishal Anand**  
Chief Financial Officer

**R Raja Prakash**  
Company Secretary

**Emerald Haven Town and Country Private Limited**  
**Cash Flow Statement for the Year ended March 31, 2024**

**Rs in Lakhs**

	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit/(Loss) Before Tax	70.86	(1,153.62)
Add:		
Interest Income	(238.56)	(25.04)
	-----	-----
<b>Operating Profit before Working Capital Changes</b>	<b>(167.70)</b>	<b>(1,178.66)</b>
<b>Adjustments for:</b>		
Trade Payables - Increase / (Decrease)	(23.42)	273.63
Other Financial Liabilities - Increase / (Decrease)	(630.07)	18.95
Other Current Liabilities - Increase / (Decrease)	5,861.29	20,524.78
Other Current Assets - (Increase) / Decrease	(4,237.86)	453.12
Inventories - (Increase) / Decrease	(4,531.26)	(6,360.70)
Trade Receivables- (Increase) / Decrease	783.12	(11.50)
	-----	-----
	<b>(2,778.20)</b>	<b>14,898.29</b>
<b>Cash Generated from Operations</b>	<b>(2,945.89)</b>	<b>13,719.63</b>
Income Taxes Refund/(Paid) - Net	133.12	(225.60)
<b>Net Cash from Operating Activities</b>	<b>(2,812.78)</b>	<b>13,494.03</b>
<b>B. Cash Flow from Investing Activities:</b>		
Loan given	2,300.00	1,084.06
Interest Income Received	238.56	24.91
<b>Net Cash from / (used in) Investing Activities</b>	<b>2,538.56</b>	<b>1,108.97</b>
<b>C. Cash flow from Financing Activities :</b>		
Redemption of Optionally Convertible Debentures	(675.00)	(3,697.74)
Borrowings from/(Repayment to) Bank	-	(7,000.00)
Loans availed from Related Party	-	44.00
Interest paid (Incl premium on Redemption)	(184.49)	(2,806.78)
	-----	-----
	<b>(859.49)</b>	<b>(13,460.51)</b>
<b>Net Cash from / (used in) Financing Activities</b>	<b>(859.49)</b>	<b>(13,460.51)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(1,133.71)</b>	<b>1,142.49</b>
Cash and Cash Equivalents at the Beginning of the Year	3,799.35	2,656.86
Cash and Cash Equivalents at the End of the Year	2,665.64	3,799.35
<b>D. Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(1,133.71)</b>	<b>1,142.49</b>

Note: The above Statement of Cash flow is prepared using indirect method

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**

**S G Murali**  
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DIN - 00348902

**K Gopala Desikan**  
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*Partner*  
Membership No. 224922  
Chennai  
Date: April 29, 2024

**P Vishal Anand**  
**Chief Financial Officer**

**R Raja Prakash**  
**Company Secretary**

**Emerald Haven Town and Country Private Limited**  
**Statement of Changes in Equity**

Rs in Lakhs

**I) Equity Share Capital**

<b>As at March 31, 2022</b>	<b>803.65</b>
Change in Equity Share Capital due to prior period errors	-
Restated balance as at 01-04-2022	-
Change in Equity Share Capital during the year	-
<b>At March 31, 2023</b>	<b>803.65</b>
Change in Equity Share Capital due to prior period errors	-
Restated balance as at 01-04-2023	-
Change in Equity Share Capital during the year	-
<b>As at March 31, 2024</b>	<b>803.65</b>

**II) Optionally Convertible Redeemable Preference Share Capital**

<b>Balance as at March 31, 2022</b>	<b>3,214.58</b>
Change in optionally convertible redeemable preference shares of Rs10/- each	-
<b>Balance as at March 31, 2023</b>	<b>3,214.58</b>
Change in optionally convertible redeemable preference shares of Rs10/- each	-
<b>Balance as at March 31, 2024</b>	<b>3,214.58</b>

**III) Optionally Convertible Debentures**

<b>Balance as at March 31, 2022</b>	-
Change in optionally convertible debentures*	-
- Transfer from Financial liabilities (Borrowings)	4,914.27
- Redemmed during the year	(2,250.54)
<b>Balance as at March 31, 2023</b>	<b>2,663.73</b>
Change in optionally convertible debentures	-
<b>Balance as at March 31, 2024</b>	<b>2,663.73</b>

\*Refer Note 10

**IV) Other Equity**

Particulars	Reserves & Surplus	General Reserve	Other Comprehensive Income	Total
	Retained Earnings			
<b>Balance as at March 31, 2022</b>	(1,247.14)	-	-	(1,247.14)
Profit/(Loss) for the period	(855.43)	-	-	(855.43)
Remeasurement of post employment benefit obligations (Net of tax)		-	-	
<b>Balance as at March 31, 2023</b>	<b>(2,102.57)</b>	-	-	<b>(2,102.57)</b>
Profit/(Loss) for the period	41.63	-	-	41.63
Remeasurement of post employment benefit obligations (Net of tax)	-	-	-	-
<b>Balance as at March 31, 2024</b>	<b>(2,060.96)</b>	-	-	<b>(2,060.96)</b>

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**

**S G Murali**  
**Director**  
DIN - 00348902

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**R Raja Prakash**  
**Company Secretary**

**Emerald Haven Town and Country Private Limited**  
**Notes to Balance Sheet**

Rs in Lakhs

**2 Deferred Tax Assets/(Liabilities)**

The balance comprises temporary differences attributable to:

	March 31, 2024	March 31, 2023
Inventory	532.67	(421.29)
Carry Forward of Business Loss	161.58	1,144.78
<b>Total Deferred Tax Assets/(Liabilities)</b>	<b>694.26</b>	<b>723.49</b>
<b>Net deferred tax assets</b>	<b>694.26</b>	<b>723.49</b>

**Movement in Deferred Tax Assets/(Liabilities)**

	Inventory	Carry Forward of Business Loss	Total
<b>At March 31, 2022</b>	<b>(1,531.02)</b>	<b>1,956.32</b>	<b>425.30</b>
(Charged)/Credited:			
- to profit or loss	1,109.73	(811.54)	298.19
- to other comprehensive income	-	-	-
<b>At March 31, 2023</b>	<b>(421.29)</b>	<b>1,144.78</b>	<b>723.49</b>
(Charged)/Credited:			
- to profit or loss	953.96	(983.20)	(29.23)
- to other comprehensive income	-	-	-
<b>At March 31, 2024</b>	<b>532.67</b>	<b>161.58</b>	<b>694.26</b>

Note: The Company has recognised deferred tax asset on the basis that future taxable profits will be available to utilize those temporary differences and losses.

**3 Inventories**

Land held for Development*	7,422.19	8,426.32
Construction in Progress	25,595.17	19,875.29
<b>Total Inventories</b>	<b>33,017.36</b>	<b>28,301.61</b>

\*A part of the land owned by the Company at Karapakkam is given as security for loan taken by Emerald Haven Realty Limited (Holding company).

**4 Trade Receivables**

Trade Receivables considered good - Unsecured*	687.26	1,470.38
Less: Loss allowance	-	-
<b>Total Trade Receivables</b>	<b>687.26</b>	<b>1,470.38</b>

\*Trade receivable represents balance amount to be received from customer out of demands raised on milestone completion. However revenue is recognised on completion of performance obligation as required under Ind AS 115, i.e at a point in time.

**Ageing Schedule of Trade Receivables as at 31 March, 2024**

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 Year	1 - 2 Years	2 - 3 Years	More than 3 years	
(i) Undisputed trade receivables - considered good	14.82	256.78	415.66	-	-	-	<b>687.26</b>
(ii) Undisputed trade receivables - considered doubtful (having significant increase in Credit risk)	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
(vi) Allowance for Unsecured, Credit Impaired	-	-	-	-	-	-	-
	<b>14.82</b>	<b>256.78</b>	<b>415.66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>687.26</b>

**Ageing Schedule of Trade Receivables as at 31 March, 2023**

Particulars	Not Due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months to 1 Year	1 - 2 Years	2 - 3 Years	More than 3 years	Total
(i) Undisputed trade receivables - considered good	378.67	856.96	190.81	43.94	-	-	1,470.38
(ii) Undisputed trade receivables - considered doubtful (having significant increase in Credit risk)	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
(vi) Allowance for Unsecured, Credit Impaired	-	-	-	-	-	-	-
	<b>378.67</b>	<b>856.96</b>	<b>190.81</b>	<b>43.94</b>	-	-	<b>1,470.38</b>

**5 Cash and Cash Equivalents**

Balances with Banks*	2,653.64	2,872.68
In Deposit Accounts ( Less than 3 months )#	12.00	712.00
Cheques, drafts on hand	-	214.67
<b>Total Cash and Cash Equivalents</b>	<b>2,665.64</b>	<b>3,799.35</b>

\*Includes bank balance of Rs. 2078.04 Lakhs (PY Rs.1962.6 Lakhs ) in project specific RERA bank a/c as per Real Estate Regulatory Authority (RERA) Act, which can be used for specific permitted payments only.

# Fixed deposit amounting of Rs.12.00 Lakhs (PY Rs.12.00 Lakhs ) was given as lien against credit card.

**6 Current Tax Assets (Net)**

Advance Tax and TDS receivable less Provision for Tax	251.91	363.40
<b>Total Current Tax Assets (Net)</b>	<b>251.91</b>	<b>363.40</b>

**7 Other Current Assets**

Balances with Tax Authorities	-	4.38
GST Receivable	76.98	13.71
Advances to Vendors	679.13	1,108.60
Security Deposits	311.15	311.15
Advance to Related Parties*	3,384.07	1,095.29
Accrued Interest	0.02	1.98
<b>Total Other Current Assets</b>	<b>4,451.34</b>	<b>2,535.11</b>

\*Includes of Rs.3,384.07 Lakhs (PY Rs.1,084.06) loan granted to its Emerald Haven Realty Limited, which is repayable on or before March 2025.

**Emerald Haven Town and Country Private Limited**  
**Notes to Balance Sheet - Equity Share Capital and Other Equity**

**8A Equity Share Capital**

**Authorised, Issued, Subscribed and Fully Paid Up**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	Rs in Lakhs	Number of Shares	Rs in Lakhs
<b>Authorised:</b> Equity shares of Rs.10/- each	8,100,000	810.00	8,100,000	810.00
<b>Issued, Subscribed and Fully Paid Up:</b> Equity shares of Rs.10/- each	8,036,450	803.65	8,036,450	803.65
	<b>8,036,450</b>	<b>803.65</b>	<b>8,036,450</b>	<b>803.65</b>

**Reconciliation of equity shares outstanding at the beginning and at the end of the year:**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	Rs in Lakhs	Number of shares	Rs in Lakhs
Shares outstanding at the beginning of the year	8,036,450	803.65	8,036,450	803.65
Shares issued during the year	-	-	-	-
<b>Equity Shares outstanding at the end of the year</b>	<b>8,036,450</b>	<b>803.65</b>	<b>8,036,450</b>	<b>803.65</b>

**Terms and rights attached to equity shares (i.e.) 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.

**8B Instruments in the Nature of Equity**

**8B (i) Preference Share Capital**

**Authorised, Issued, Subscribed and Fully Paid Up**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	Rs in Lakhs	Number of Shares	Rs in Lakhs
<b>Authorised:</b> Preference shares of Rs.10/-each	32,500,000	3,250.00	32,500,000	3,250.00
<b>Issued, Subscribed and Fully Paid Up:</b> Preference shares of Rs.10/-each	32,145,799	3,214.58	32,145,799	3,214.58
	<b>32,145,799</b>	<b>3,214.58</b>	<b>32,145,799</b>	<b>3,214.58</b>

**Reconciliation of Preference shares outstanding at the beginning and at the end of the year:**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Rs in Lakhs	Number of shares	Rs in Lakhs
Shares outstanding at the beginning of the year	32,145,799	3,214.58	32,145,799	3,214.58
Add : Issued During the Year	-	-	-	-
<b>Preference Shares outstanding at the end of the year</b>	<b>32,145,799</b>	<b>3,214.58</b>	<b>32,145,799</b>	<b>3,214.58</b>

**Terms & Rights attached to Optionally Convertible Redeemable Preference Shares:**

The Optionally Convertible Redeemable Preference Shares of the Company having a par value of Rs.10/-each. Each share holder in this class is eligible for voting rights provided in the Act read with the Articles of the Company. The Shareholders in this class will rank senior to the Equity Shares and junior to the Debentures and upon the occurrence of an Event of default shall rank junior to class B Debentures and class B OCRPS.

**Emerald Haven Town and Country Private Limited**  
**Notes to Balance Sheet - Equity Share Capital and Other Equity**

**8B (ii) Optionally Convertible Debentures**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Rs in Lakhs	Number of shares	Rs in Lakhs
Optionally convertible debentures outstanding at the beginning of the year	26,637,335	2,663.73	-	-
Add : Transfer from financial liabilities (borrowings)	-	-	49,142,688	4,914.27
Less: Redeemed during the year	-	-	(22,505,353)	(2,250.54)
Less: Conversion to equity shares during the year	-	-	-	-
<b>Optionally convertible debentures outstanding at the end of the year</b>	<b>26,637,335</b>	<b>2,663.73</b>	<b>26,637,335</b>	<b>2,663.73</b>
<b>Total Instruments in the Nature of Equity (8B(i)+8B(ii))</b>		<b>5,878.31</b>		<b>5,878.31</b>

**8C (i) Shares of the company held by holding company**

Name of Shareholder	Class of share	As at March 31, 2024		As at March 31, 2023	
		No. of shares held	% of holding	No. of shares held	% of holding
Emerald Haven Realty Limited *	Equity	6,090,185	76%	6,090,185	76%
Emerald Haven Realty Limited	Preference	29,860,738	93%	24,360,739	76%

\* - includes shares held by nominees

**8C (ii) Details of shareholders holding more than 5% of shares of the Company**

Name of shareholder	Class of Share	As at March 31, 2024		As at March 31, 2023	
		No. of shares held	% of holding	No. of shares held	% of holding
Emerald Haven Realty Limited *	Equity	6,090,185	76%	6,090,185	76%
Emerald Haven Realty Limited	Preference	29,860,738	93%	24,360,739	76%
ASK Real Estate Special Opportunities Fund -II	Equity	1,946,265	24%	1,946,265	24%
ASK Real Estate Special Opportunities Fund -II	Preference	2,285,061	7%	7,785,061	24%

\* - includes shares held by nominees

**8C (iii) Details of shares held by promoters in the Company**

Name of Promoter	Class of Shares	As at March 31, 2024		As at March 31, 2023		% Change during the year	
		Number of shares	% holding	Number of shares	% holding	As at March 31, 2024	As at March 31, 2023
Emerald Haven Realty Limited	Equity	6,090,185	76%	6,090,185	76%	0%	25%
Emerald Haven Realty Limited	Preference	29,860,738	93%	24,360,739	76%	17%	25%

**9 Other Equity**

Rs in Lakhs

	As at March 31, 2024	As at March 31, 2023
<b>Retained Earnings</b>		
Opening balance	(2,102.57)	(1,247.14)
Net Profit/(Loss) for the Year	41.63	(855.43)
<b>Total Other Equity</b>	<b>(2,060.96)</b>	<b>(2,102.57)</b>

**Nature and purpose of reserve:**

**Retained earnings:** Company's cumulative undistributed earnings since its inception. This reserve is available for distribution to shareholders.

**10 Borrowings**

Description	Repayment Frequency	Maturity	Rate of interest (%) p.a.	As at March 31, 2024	As at March 31, 2023
<u>Secured:</u>					
Optionally Convertible Debentures**					
- Issued to Emerald Haven Realty Limited (Class A Debentures)	Redemption on maturity	Rs 2,341.04 (PY: Rs 4,900.32) during the FY 2025-26 and Rs 1,247.56 during the FY 2026-27	15.00%	-	344.25
- Issued to ASK Real Estate Special Opportunities Fund - II (Class B Debentures)		Rs 2,249.23 (PY: Rs 4,708.15) during the FY 2025-26 and Rs 1,198.64 during the FY 2026-27	15.00%	-	330.75
<b>Total</b>				-	<b>675.00</b>

\*\* During the previous year, the Board of Directors proposed for reduction in coupon rate of Optionally Convertible Debentures [2,50,62,771 Nos of Class A (Rs. 10/- each) and 2,40,79,917 Nos of Class B (Rs. 10/- each)] from 15% p.a. to 0.01% p.a. with effect from 30 November 2022. The consent of the debenture holders was obtained in the meeting held on 29th November 2022. Consequently, these debentures were reclassified from financial liabilities to instruments in the nature of equity.

\*\* Under the Investment Agreement between ASK Real Estate Special Opportunities Fund - II, Emerald Haven Town and Country Private Limited, Emerald Haven Realty Limited, Both Class A and Class B debentures shall rank equally, except on occurrence of Events of Default (as defined in the Investment Agreement), where the Class B debentures shall rank senior to class A debentures (as per Investment Agreement).

\*\*Security by mortgage of land & receivables held at Karapakkam (1st charge) and Manapakkam (1st charge).

**Emerald Haven Town and Country Private Limited**

**Notes to Balance Sheet**

**Rs in Lakhs**

**As at  
March 31, 2024**      **As at  
March 31, 2023**

**11 Trade Payables**

Dues to Micro and Small Enterprises **	-	-
Dues to enterprises other than Micro and Small Enterprises	914.72	938.14
<b>Total Trade Payables</b>	<b>914.72</b>	<b>938.14</b>

\*\*The Company has not received any memorandum (as required to be filed by the supplier with the notified authorities under the Micro, Medium and Small 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) MSME Act is as under:-**

(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 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;	-	-
(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 Schedule of Trade Payables as at 31 March 2024**

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	-	809.54	76.93	11.27	10.47	6.51	914.72
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Other than MSME	-	-	-	-	-	-	-
	-	809.54	76.93	11.27	10.47	6.51	914.72

**Ageing Schedule of Trade Payables as at 31 March 2023**

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	-	629.41	295.79	10.47	1.85	0.62	938.14
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Other than MSME	-	-	-	-	-	-	-
	-	629.41	295.79	10.47	1.85	0.62	938.14

**12 Other Financial Liabilities**

Interest Accrued but Not Due (Payable to related party)	0.24	18.95
Payable to related party	306.22	917.58
<b>Total Other Financial Liabilities</b>	<b>306.46</b>	<b>936.53</b>

**13 Other Current Liabilities**

Statutory Dues Payable	7.66	134.38
Advance Received from Customers	826.96	384.77
Revenue Received in Advance	35,090.95	29,545.14
<b>Total Other Current Liabilities</b>	<b>35,925.57</b>	<b>30,064.28</b>

**Emerald Haven Town and Country Private Limited**  
**Notes to Statement of Profit & Loss**

	Rs in Lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>14 Revenue from Operations</b>		
Income from Sale of Land	2,208.07	4,068.73
Other Operating Revenue	10.99	6.82
<b>Total Revenue from Operations</b>	<b>2,219.05</b>	<b>4,075.55</b>
<b>15 Other Income</b>		
Interest Income from		
(i) Fixed Deposits	3.26	24.33
(ii) Income Tax Refund	16.15	0.12
(iii) Related Parties	219.16	0.59
Scrap Sale	1.89	-
<b>Total Other Income</b>	<b>240.45</b>	<b>25.04</b>
<b>16 Operating Expenses</b>		
<b>Opening Stock:</b>		
Land for Development	8,426.32	10,236.96
Construction-in-Progress	19,875.29	11,703.95
(A)	<u>28,301.61</u>	<u>21,940.91</u>
<b>Incurred During the Year :</b>		
Land for Development	-	-
Construction-in-Progress	6,813.37	10,496.91
(B)	<u>6,813.37</u>	<u>10,496.91</u>
<b>Closing Stock:</b>		
Land held for Development	7,422.19	8,426.32
Construction-in-Progress	25,595.17	19,875.29
(C)	<u>33,017.36</u>	<u>28,301.61</u>
<b>Operating Expenses (A)+(B)-(C)</b>	<b>2,097.62</b>	<b>4,136.21</b>
<b>17 Other Expenses</b>		
Audit Fees (Refer Note no. 29)	4.70	2.80
Rates & Taxes	1.83	7.82
Advertisement Expenses	186.60	1,004.86
Consultancy & Professional Charges	19.03	14.03
Rent	7.76	9.11
Office Maintenance	2.68	2.72
Internet Charges	-	0.57
Repairs & Maintainance	18.51	20.43
Security Charges	18.90	21.55
Power and Fuel	25.99	22.35
Miscellaneous Expenses	5.01	11.76
<b>Total Other Expenses</b>	<b>291.02</b>	<b>1,118.00</b>

**Emerald Haven Town and Country Private Limited**  
**Notes to Statement of Profit & Loss**

Rs in Lakhs

For the year ended  
March 31, 2024

For the year ended  
March 31, 2023

**18 Income Tax Expense**

**(a) Income Tax Expense**

**Current tax**

Current tax on profits for the year

- -

**Total Current Tax Expense (A)**

- -

**Deferred tax**

(Decrease) Increase in deferred tax assets

(29.23) 298.19

Decrease (Increase) in deferred tax liabilities

- -

**Total Deferred Tax (Expense)/Benefit (B)**

**(29.23) 298.19**

**Income Tax (Expense)/Benefit (A+B)**

**(29.23) 298.19**

**(b) Reconciliation of Tax Expense and the Accounting Profit multiplied by Income Tax Rate:**

Profit / (Loss) before income tax expense

70.86 (1,153.62)

**Tax at the Income Tax Rate of 25.17% (PY: 26%)**

17.84 (299.94)

Tax effect of amounts which are not deductible (taxable) in calculating taxable income:

DTA on Disallowance of expenses

11.40 (11.67)

**Income Tax Expense/(Benefit)**

**29.23 (311.61)**

**19 Earnings Per Share**

**(a) Basic/Diluted Earnings Per Share**

Basic/diluted earnings per share attributable to the equity holders of the Company (in Rs.)

0.52 (10.64)

**(b) Reconciliations of earnings used in calculating earnings per share**

Profit/(loss) attributable to equity holders of the company used in calculating basic earnings per share

41.63 (855.43)

(c) Weighted average number of equity shares used as the denominator in calculating basic/diluted earnings per share

8,036,450 8,036,450

**Note:** There are no dilutive potential Equity Share hence basic and diluted EPS remains the same.

**20 Operating Segment**

**(a) Description of segments and principal activities**

The company has one reportable segment namely, development of real estate property. 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

**21 Fair Value Measurements**

**Financial Instruments by Category**

	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
	<b>Amortised cost</b>	<b>Amortised cost</b>
<b>Financial Assets</b>		
Cash and Cash Equivalents	2,665.64	3,799.35
Trade Receivables	687.26	1,470.38
<b>Total Financial Assets</b>	<b>3,352.90</b>	<b>5,269.73</b>
<b>Financial Liabilities</b>		
Borrowings	-	675.00
Trade Payable	914.72	938.14
Other Financial Liabilities	306.46	936.53
<b>Total Financial Liabilities</b>	<b>1,221.18</b>	<b>2,549.67</b>

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.

**(i) Fair value of Financial Assets and Liabilities measured at Amortised Cost**

The carrying amounts of trade receivables, trade payables, other payables and receivables, cash and cash equivalents, borrowings 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.

**22 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 manages the risk.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Risk Mitigation</b>
Credit risk	Cash and cash equivalents	Surplus Cash is deposited only with banks/financial institutions with a high external credit rating.
Credit risk	Trade Receivables	Significant number of company's customers take a loan from bank/financial institution where credit risk is negligent. Possession of the property to customer is provided only after complete collection against unit which will mitigate the risk.
Liquidity risk	Borrowings	Company has pre-approved credit lines for completion of construction with banks and financial institutions for its projects based on the projects funding requirements. Credit lines/loans are negotiated well in advance to ensure liquidity for completing the project.
Market risk – interest rate	Borrowings at variable rates	Since all borrowings are rupee borrowings company can't enter into any hedging instrument to mitigate variable interest rate risk. Where there is surplus cash flow, the company will look to prepay its debt obligations and reduce interest cost.

**(A) Credit risk**

Credit risk arises from cash and cash equivalents, investments carried at amortised cost 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 selected for placing deposits.

**(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. 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.

*(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.

**Contractual Maturities of Financial Liabilities:**

Particulars	Maturity	Amount	Amount
		March 31, 2024	March 31, 2023
Trade Payables	< than 12 months	914.72	938.14
Other Financial Liabilities	< than 12 months	306.46	936.53
Borrowings	>12 months	-	675.00

**23 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.

Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio:

Net Debt (Total Borrowing net of Cash & Cash Equivalents) divided by Total Equity (as shown in the balance sheet).

The Company's strategy is to maintain an optimal gearing ratio. The gearing ratio is as follows:

Particulars	March 31, 2024	March 31, 2023
Net Debt	(2,665.64)	(3,124.35)
Total Equity	4,621.00	4,579.39
<b>Net Debt to Equity Ratio</b>	-	-

\* At 31 March 2024, the company's net debt is negative, hence ratio is not given.

**Emerald Haven Town and Country Private Limited**  
**Other Disclosure**

Rs in Lakhs

24	Related Party Disclosure	As at / For the year ended March 31, 2024	As at / For the year ended March 31, 2023
(a)	<b>Related parties and their relationship where transactions exists for the financial year 2023-24:</b>		
	<b>Holding Company</b> Emerald Haven Realty Limited		
	<b>Associate</b> ASK Real Estate Special Opportunities Fund -II		
	<b>Key Management Personnel (Directors)</b> Kuppusamy Iyengar Gopaladesikan Seeplaputhur Ganapathiramaswamy Murali Lakshmipathi Chockalingam Vandavagili Raghavareddy Karunakarreddy Hans Jernos Chandrasekar		
(b)	<b>Transactions with Related Parties:</b>		
	<b>Holding Company</b> <b>Emerald Haven Realty Limited</b>		
(i)	Interest Income	219.16	0.58
(iv)	Rent Expenses	0.60	0.45
(ii)	Issue/(Redemption) of Optionally Convertible Debentures	(344.25)	(2,373.79)
(iii)	Interest Accrued on Optionally Convertible Debentures	5.22	364.83
(iv)	Premium on Redemption of Optionally Convertible Debentures	79.72	1,072.45
(v)	Inter corporate Loan Given	2,300.00	1,084.06
	<b>Associate</b> <b>ASK Real Estate Special Opportunities Fund - II</b>		
(i)	Issue/(Redemption) of Optionally Convertible Debentures	(330.75)	(1,323.95)
(ii)	Interest Accrued on Optionally Convertible Debentures	4.76	350.44
(iii)	Premium on Redemption of Optionally Convertible Debentures	76.60	1,030.39
(c)	<b>Balances with Related Parties: Receivable / (Payable)</b>		
	<b>Holding Company</b> <b>Emerald Haven Realty Limited</b>		
(i)	Optionally Convertible Debentures	(2,663.73)	(3,007.98)
(ii)	Interest Payable but Not Due	0.24	(9.17)
(iii)	Optionally Convertible Preference shares	(2,986.07)	(2,436.07)
(iv)	Inter Corporate Loan	3,384.06	1,084.06
	<b>Associate</b> <b>ASK Real Estate Special Opportunities Fund</b>		
(i)	Optionally Convertible Debentures	-	(330.75)
(ii)	Interest Payable but Not Due	-	(9.79)
(iii)	Optionally Convertible Preference Shares	(228.51)	(778.51)

**25 Revenue from Contracts with Customers**

a The Company has adopted Ind AS 115 from April 1, 2018 and had 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.

b 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 :

S No	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	Income from Sale of Land	2,208.07	4,068.73
2	Other Operating Revenue	10.99	6.82
		<b>2,219.05</b>	<b>4,075.55</b>

c The operations of the Company relate to only one segment viz., real estate. Thus, the information on the relationship between disaggregated revenue under Ind AS 115 and for reportable segment under Ind AS 108 is not required.

d Reconciliation of Contracts with Customers

The following schedule gives the movement of contract liabilities for the reporting period.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Contract Liabilities at the beginning of the period	29,545.14	8,867.65
Add / (Less) :		
Customer Milestones raised during the year	7,753.88	24,746.21
Revenue recognized from contract liability	(2,208.07)	(4,068.73)
Contract Liabilities at the end of the period	35,090.95	29,545.14

Customer Milestones are raised as per contracted payment schedule entered with customers, and is recognised as a contract liability. As and when the entire performance obligation is met the same is recognized as revenue.

e Reconciliation of Revenue with Contract Price

S No	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1.	Revenue from operations as per Statement of Profit and loss	2,208.07	4,068.73
	Adjustments :		
2.	Contract price	2,208.07	4,068.73

**Emerald Haven Town and Country Private Limited**

**26 Ratio Analysis**

<b>S No</b>	<b>Ratio</b>	<b>Current Year 31.03.2024</b>	<b>Previous Year 31.03.2023</b>	<b>% Variance</b>	<b>Reasons</b>
<b>a</b>	Current Ratio= Current assets / Current Liabilities	1.11	1.12	-1%	
<b>b</b>	Debt equity ratio= total debt / total shareholder's equity	-	0.15	-100%	Variance is due to redemption of debentures during the year.
<b>c</b>	Debt service coverage ratio= earnings available for debt services / total interest and principal repayments	0.25	(0.08)	-392%	Variance is due to increase in earnings as a result of significant reduction in marketing cost since most of the units have been sold and interest income from inter corporate loan. Also, majority of the principal was repaid in previous year.
<b>d</b>	Return on equity ratio/ return on investment ratio= Net profit after tax / Average shareholder's equity	0.01	(0.23)	-104%	Variance is due to net profit after tax for the year compared to net loss after tax in previous year. Net profit is as a result of increase in earnings due to significant reduction in marketing cost since most of the units have been sold and interest income from inter corporate loan during the current year.
<b>e</b>	Inventory turnover ratio= Net sales divided by average Inventory	0.07	0.16	-55%	Variance is due to decrease in sales as a result of reduction in number of units handed over to the customer on completion of performance obligation as per Ind AS 115 during the current year compared to previous year.
<b>f</b>	Trade receivables turnover ratio= Net sales / average trade receivables **	NA	NA	NA	
<b>g</b>	Trade Payables turnover ratio= Net Purchases divided by average trade Payables	7.35	13.10	-44%	Variance is due to lower net purchases and increase in average trade payables in the current year compared to previous year.
<b>h</b>	Net capital turnover ratio= Net sales / working capital	0.57	1.06	-47%	Variance is due to decrease in sales as a result of reduction in number of units handed over to the customer on completion of performance obligation as per Ind AS 115 during the current year compared to previous year.
<b>i</b>	Net profit turnover ratio= Net profit after tax / Net sales	0.02	(0.21)	-109%	Variance is due to net profit after tax for the year compared to net loss after tax in previous year. Net profit is as a result of increase in earnings due to significant reduction in marketing cost since most of the units have been sold and interest income from inter corporate loan during the current year partially offset by decrease in sales.
<b>j</b>	Return on Capital employed = Earnings before interest and taxes(EBIT) /Avg Capital Employed	0.05	(0.25)	-121%	Variance is due to increase in EBIT as a result of significant reduction in marketing cost since most of the units have been sold and interest income from inter corporate loan.
<b>k</b>	Return on investment=Net profit after tax /Avg Shareholders Equity	0.01	(0.23)	-104%	Variance is due to net profit after tax for the year compared to net loss after tax in previous year. Net profit is as a result of increase in earnings due to significant reduction in marketing cost since most of the units have been sold and interest income from inter corporate loan during the current year partially offset by decrease in sales.

\*\* - Not Applicable refer Note No.4

**Emerald Haven Town and Country Private Limited**  
**Other Disclosures**

Rs in Lakhs

**27 Contingent Liabilities and Commitments not provided for**

<b>(a) Contingent Liabilities</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Claims against the company not acknowledged as debts :		
Income Tax	21.86	21.86

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 .

**28 Commitments**

<b>(a) Capital Commitments</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil
<b>(b) Other Commitments</b>		
Expenditure related to contractual commitments apart from Capital Commitments	Nil	Nil

**29 Payment to auditors (exclusive of GST) comprises**

<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
As statutory auditors	4.00	2.00
Taxation matters	0.50	0.50
Certification matters	0.20	0.30
	<b>4.70</b>	<b>2.80</b>

**30 Corporate Social Responsibility**

The Company does not meet the thresholds prescribed under Section 135 of the Companies Act. Therefore, spending under Corporate Social Responsibility is not applicable.

**31 Additional Regulatory Information**

- (i) Title deeds of immovable properties 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 does not have any Property, Plant and Equipment (including Right to Use Assets).
- (iv) The Company does not have any Capital Work in Progress
- (v) The Company does not have any intangible assets
- (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) No bank or financial institution has declared the company as "willful defaulter"
- (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 2024.
- (xii) All applicable cases where registration of charges or satisfaction is required with Registrar of Companies have been done. No registration or satisfaction is pending at end of financial year ended 31 March 2024.
- (xiii) There are no Subsidiaries for the Company. Hence, reporting under clause L (xiii) of Notification GSR 207(E ) dated 24 March 2021, does not arise.

**Emerald Haven Town and Country Private Limited**  
**Other Disclosures**

(xiv) No scheme of arrangements 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(s) or entity(ies), 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.

**32** 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 Income Tax Act, 1961.

**33** The Company has not dealt with any crypto currency.

**34** Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.

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**

**S G Murali**  
Director  
DIN - 00348902

**K Gopala Desikan**  
Director  
DIN - 00067107

**Sriram Subramanian Iyer**  
Chief Executive Officer

**K. BALAJI**  
Partner  
Membership No. 224922  
Chennai  
Date: April 29, 2024

**P Vishal Anand**  
Chief Financial Officer

**R Raja Prakash**  
Company Secretary

**Emerald Haven Life Spaces (Radial Road) Limited**  
**Balance Sheet as at March 31, 2024**

Rs. in Lakhs

	Note No.	As at March 31, 2024	As at March 31, 2023
<b>Assets</b>			
<b>Current Assets</b>			
Financial Assets			
i) Trade Receivables	2	10,970.40	10,970.40
ii) Cash and Cash Equivalents	3	0.40	19.27
Current Tax Assets - net	4	15.26	19.73
Other Current Assets	5	1,051.61	1,499.94
<b>Total Current Assets</b>		<b>12,037.67</b>	<b>12,509.34</b>
<b>Total Assets</b>		<b>12,037.67</b>	<b>12,509.34</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity Share Capital	6	5,569.98	5,569.98
Other Equity	7	(4,393.69)	(3,709.15)
<b>Total Equity</b>		<b>1,176.29</b>	<b>1,860.83</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Financial Liabilities			
i) Borrowings	8	5,475.00	5,925.00
ii) Trade Payables			
-total outstanding dues of micro enterprises and small enterprises (MSME)	9	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		2,944.55	2,907.14
iii) Other Financial Liabilities	10	2,372.57	1,765.76
Other Current Liabilities	11	69.26	50.61
<b>Total Current Liabilities</b>		<b>10,861.38</b>	<b>10,648.51</b>
<b>Total Liabilities</b>		<b>10,861.38</b>	<b>10,648.51</b>
<b>Total Equity and Liabilities</b>		<b>12,037.67</b>	<b>12,509.34</b>
Material 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

**K.BALAJI**  
Partner  
Membership No. 224922  
Place: Chennai  
Date: 29 Apr 24

**N Srinivasa Ramanujam**  
Director  
DIN 07384809

**Sameer Sah**  
Director  
DIN 01844078

**Sriram Subramanian Iy**  
Chief Executive Office

**P Vishal Anand**  
Chief Financial Officer

**R. Swaminathan**  
Company Secretary

**Emerald Haven Life Spaces (Radial Road) Limited**  
**Statement of Profit and Loss for the Year Ended March 31, 2024**

		Rs. in Lakhs	
	Note No.	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Revenue from Operations	12	-	277.81
Other Income	13	149.80	194.42
<b>Total Income</b>		<b>149.80</b>	<b>472.23</b>
<b>Expenses</b>			
Operating Expenses	14	-	128.44
Finance Costs	15	827.08	865.00
Other Expenses	16	7.26	13.80
<b>Total Expenses</b>		<b>834.34</b>	<b>1,007.24</b>
<b>Profit / (Loss) Before Tax</b>		<b>(684.54)</b>	<b>(535.01)</b>
Income Tax Expense / (Benefit)	17		
Current Tax		-	-
Deferred Tax		-	10.68
<b>Profit / (Loss) for the Year</b>		<b>(684.54)</b>	<b>(545.68)</b>
<b>Other Comprehensive Income</b>			
<i>Items that will be reclassified to profit or loss</i>		-	-
<b>Other comprehensive income for the year, net of tax</b>		-	-
<b>Total Comprehensive Income / (Loss) for the Year</b>		<b>(684.54)</b>	<b>(545.68)</b>
Earnings per Equity Share			
Basic & Diluted Earnings per Share	18	(1.23)	(0.98)

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**

**K.BALAJI**  
Partner  
Membership No. 224922  
Place: Chennai  
Date: 29 Apr 24

**N Srinivasa Ramanujam**  
Director  
DIN 07384809

**Sameer Sah**  
Director  
DIN 01844078

**Sriram Subramanian Iyer**  
Chief Executive Officer

**P Vishal Anand**  
Chief Financial Officer

**R. Swaminathan**  
Company Secretary

**Emerald Haven Life Spaces (Radial Road) Limited**  
**Cash Flow Statement for the Year Ended March 31, 2024**

Rs. in Lakhs

	For the year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit / (Loss) Before Tax	(684.54)	(535.01)
Add / (Less)		
Interest Income	(149.02)	(194.42)
Interest Expense	827.08	865.00
	678.06	670.58
<b>Operating Profit / (Loss) before Working Capital Changes</b>	<b>(6.48)</b>	<b>135.57</b>
<b>Adjustments for:</b>		
Inventories - (Increase) / Decrease	-	128.44
Trade Receivables - (Increase) / Decrease	-	(185.27)
Other Current Assets - (Increase) / Decrease	(1.67)	(1.13)
Trade Payables - Increase / (Decrease)	37.41	1,026.19
Other Financial Liabilities - Increase / (Decrease)	(67.69)	(86.06)
Other Current Liabilities - Increase / (Decrease)	18.65	(204.32)
	<b>(13.30)</b>	<b>677.85</b>
<b>Cash Generated from Operations</b>	<b>(19.78)</b>	<b>813.42</b>
Income taxes refund / (paid) - Net	4.47	(1.89)
<b>Net Cash from Operating Activities</b>	<b>(15.31)</b>	<b>811.53</b>
<b>B. Cash Flow from Investing Activities:</b>		
Loan (Provided to) / Repayment from Related Party	450.00	375.00
Interest Income	149.02	194.42
<b>Net Cash from / (used in) Investing Activities</b>	<b>599.02</b>	<b>569.42</b>
<b>C. Cash Flow from Financing Activities :</b>		
Interest Expense paid	(152.59)	(988.12)
Loan Availed / (Repaid) from Financial Institutions	(450.00)	(375.00)
	<b>(602.59)</b>	<b>(1,363.12)</b>
<b>Net Cash from / (used in) Financing Activities</b>	<b>(602.59)</b>	<b>(1,363.12)</b>
<b>Total (A+B+C)</b>	<b>(18.87)</b>	<b>17.83</b>
Cash and Cash Equivalents at the Beginning of the Year	19.27	1.44
Cash and Cash Equivalents at the End of the Year	0.40	19.27
<b>D. Total (Net Increase / (Decrease) in Cash and Cash Equivalents)</b>	<b>(18.87)</b>	<b>17.83</b>

The above Statement of Cash flow is prepared using indirect method

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**

**K.BALAJI**  
Partner  
Membership No. 224922  
Place: Chennai

**N Srinivasa Ramanujam**  
Director  
DIN 07384809

**Sameer Sah**  
Director  
DIN 01844078

**Sriram Subramanian Iyer**  
Chief Executive Officer

**Emerald Haven Life Spaces (Radial Road) Limited**  
**Statement of Changes in Equity**

**I) Equity Share Capital**

		Rs. in Lakhs
<b>As at April 1, 2022</b>		<b>5,569.98</b>
Changes in Equity Share capital due to prior period errors		-
Restated balance as at April 1, 2022		5,569.98
Changes in equity share capital during the year		-
<b>As at March 31, 2023</b>		<b>5,569.98</b>
Changes in Equity Share capital due to prior period errors		-
Restated balance as at April 1, 2023		5,569.98
Changes in equity share capital during the year		-
<b>As at March 31, 2024</b>		<b>5,569.98</b>

**II) Other Equity**

Particulars	Rs. in Lakhs		
	Reserves & Surplus Retained Earnings	Demerger Adjustment Reserve	Total
<b>Balance as at April 1, 2022</b>	<b>(163.47)</b>	<b>(3,000.00)</b>	<b>(3,163.47)</b>
Profit / (Loss) for the period	(545.68)	-	(545.68)
<b>Balance as at March 31, 2023</b>	<b>(709.15)</b>	<b>(3,000.00)</b>	<b>(3,709.15)</b>
Profit / (Loss) for the period	(684.54)	-	(684.54)
<b>Balance as at March 31, 2024</b>	<b>(1,393.69)</b>	<b>(3,000.00)</b>	<b>(4,393.69)</b>

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

**K.BALAJI**  
Partner  
Membership No. 224922  
Place: Chennai  
Date: 29 Apr 24

**N Srinivasa Ramanujam**  
Director  
DIN 07384809

**Sameer Sah**  
Director  
DIN 01844078

**Sriram Subramanian Iyer**  
Chief Executive Officer

**P Vishal Anand**  
Chief Financial Officer

**R. Swaminathan**  
Company Secretary

**Emerald Haven Life Spaces (Radial Road) Limited**  
**Notes to Balance Sheet**

Rs. in Lakhs  
As at  
**March 31, 2024**                      **March 31, 2023**

**2 Trade Receivables**

Trade receivables considered good - Unsecured	10,970.40	10,970.40
Less: Loss allowance	-	-
<b>Total Trade Receivables</b>	<b>10,970.40</b>	<b>10,970.40</b>

**Ageing Schedule of Trade Receivables as at March 31, 2024**

Particulars		Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i)	Undisputed trade receivables - considered good	-	-	-	185.27	2,360.81	8,424.32	<b>10,970.40</b>
(ii)	Undisputed trade receivables - considered doubtful (having significant increase in risk)	-	-	-	-	-	-	-
(iii)	Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(iv)	Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v)	Undisputed trade receivables - considered doubtful (having significant increase in Credit risk)	-	-	-	-	-	-	-
(vi)	Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
(vii)	Allowance for Unsecured, Credit Impaired	-	-	-	-	-	-	-
		-	-	-	<b>185.27</b>	<b>2,360.81</b>	<b>8,424.32</b>	<b>10,970.40</b>

**Ageing Schedule of Trade Receivables as at March 31, 2023**

Particulars		Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i)	Undisputed trade receivables - considered good	-	-	185.27	2,360.81	1,197.98	7,226.34	<b>10,970.40</b>
(ii)	Undisputed trade receivables - considered doubtful (having significant increase in risk)	-	-	-	-	-	-	-
(iii)	Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(iv)	Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v)	Undisputed trade receivables - considered doubtful (having significant increase in Credit risk)	-	-	-	-	-	-	-
		-	-	-	-	-	-	-

**Emerald Haven Life Spaces (Radial Road) Limited**  
**Notes to Balance Sheet**

	As at March 31, 2024	Rs. in Lakhs As at March 31, 2023
<b>3 Cash and Cash Equivalents</b>		
Balances with Banks	0.40	19.27
<b>Total Cash and Cash Equivalents</b>	<b>0.40</b>	<b>19.27</b>
<b>4 Current Tax Assets (Net)</b>		
Advance Tax, TDS receivable (Net of Provision for Tax)	15.26	19.73
<b>Total Current Tax Assets (Net)</b>	<b>15.26</b>	<b>19.73</b>
<b>5 Other Current Assets</b>		
Loan to Related Party*	975.00	1,425.00
GST Receivable	74.94	74.94
Other Current Assets	1.67	-
<b>Total Other Current Assets</b>	<b>1,051.61</b>	<b>1,499.94</b>

\* Loan of Rs.975 lakhs (PY Rs.1,425 lakhs) to Company's promoter which is repayable in May, 2026

**Emerald Haven Life Spaces (Radial Road) Limited**  
**Notes to Balance Sheet**

Rs. in Lakhs

**9 Trade Payables**

Dues to Micro and Small Enterprises **	-	-
Dues to enterprises other than Micro and Small Enterprises	2,944.55	2,907.14
<b>Total Trade Payables</b>	<b>2,944.55</b>	<b>2,907.14</b>

\*\*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:-**

(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 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;	-	-
(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 Schedule of Trade Payables as at March 31, 2024**

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	-	-	826.37	245.95	1,871.33	-	2,943.65
(iii)	Disputed dues - MSME	-	-	-	-	-	-	-
(iv)	Disputed dues - Other than MSME	-	-	-	-	-	-	-
	<b>Total (A)</b>	-	-	826.37	245.95	1,871.33	-	2,943.65
(i)	Accured Expenses (B)							0.90
	<b>Grand Total (A+B)</b>	-	-	826.37	245.95	1,871.33	-	2,944.55

**Ageing Schedule of Trade Payables as at March 31, 2023**

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	-	-	1,022.69	1,162.14	718.81	-	2,903.64
(iii)	Disputed dues - MSME	-	-	-	-	-	-	-
(iv)	Disputed dues - Other than MSME	-	-	-	-	-	-	-
	<b>Total (A)</b>	-	-	1,022.69	1,162.14	718.81	-	2,903.64
(i)	Accured Expenses (B)							3.50
	<b>Grand Total (A+B)</b>	-	-	1,022.69	1,162.14	718.81	-	2,907.14

**10 Other Financial Liabilities**

**Interest Accrued but Not Due**

- To Related Parties	243.55	40.50
- To Others	2,129.02	1,725.26

<b>Total Other Financial Liabilities</b>	<b>2,372.57</b>	<b>1,765.76</b>
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**11 Other Current Liabilities**

**Others :**

Statutory Dues	69.26	50.61
<b>Total Other Current Liabilities</b>	<b>69.26</b>	<b>50.61</b>

**Emerald Haven Life Spaces (Radial Road) Limited**  
**Notes to Balance Sheet - Equity Share Capital and Other Equity**

**6 Equity Share Capital**

Authorised Equity Share Capital	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	Rs. in Lakhs	Number of Shares	Rs. in Lakhs
Equity Shares of Rs.10/- each	60,000,000	6,000.00	60,000,000	6,000.00
<b>Total</b>	<b>60,000,000</b>	<b>6,000.00</b>	<b>60,000,000</b>	<b>6,000.00</b>

Issued, Subscribed, Fully Paid Up Equity Share Capital	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	Rs. in Lakhs	Number of Shares	Rs. in Lakhs
Equity shares of Rs.10/- each	55,699,768	5,569.98	55,699,768	5,569.98
<b>Total</b>	<b>55,699,768</b>	<b>5,569.98</b>	<b>55,699,768</b>	<b>5,569.98</b>

**Reconciliation of Equity Shares Outstanding at the Beginning and at the End of the Year**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Rs. in Lakhs	Number of shares	Rs. in Lakhs
Shares outstanding at the beginning of the year	55,699,768	5,569.98	55,699,768	5,569.98
Shares Issued / (Redeemed) during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>55,699,768</b>	<b>5,569.98</b>	<b>55,699,768</b>	<b>5,569.98</b>

**Terms and rights attached to equity shares**

(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.

(ii) Shares of the company held by holding company

Name of shareholder	Class of share	As at March 31, 2024		As at March 31, 2023	
		No. of shares held	% of holding	No. of shares held	% of holding
Emerald Haven Realty Limited with nominees - Holding Company*	Equity	49,699,768	89.23%	49,699,768	89.23%

\* - includes shares held by nominees

(iii) Details of share holders holding more than 5% of total paid up Equity Share Capital

Name of shareholder	Class of share	As at March 31, 2024		As at March 31, 2023	
		No. of shares held	% of holding	No. of shares held	% of holding
Emerald Haven Realty Limited with nominees - Holding Company*	Equity	49,699,768	89.23%	49,699,768	89.23%
Broadcom PCC	Equity	6,000,000	10.77%	6,000,000	10.77%

\* - includes shares held by nominees

(iv) Details of Shares held by promoters in the company

Name of Promoter	Class of share	As at March 31, 2024		As at March 31, 2023		% Change during the year	
		No. of shares held	% of holding	No. of shares held	% of holding	As at March 31, 2024	As at March 31, 2023
Emerald Haven Realty Limited with nominees - Holding Company*	Equity	49,699,768	89.23%	49,699,768	89.23%	Nil	Nil

\* - includes shares held by nominees

**7 Other Equity**

	Rs. in Lakhs	
	As at March 31, 2024	As at March 31, 2023
<b>a) Retained Earnings</b>		
Opening Balance	(709.15)	(163.47)
Net Profit / (Loss) for the Period	(684.54)	(545.68)
<b>Closing Balance (a)</b>	<b>(1,393.70)</b>	<b>(709.15)</b>
<b>b) Demerger Adjustment Reserve</b>		
Opening Balance	(3,000.00)	(3,000.00)
Adjustment to Reserves	-	-
<b>Closing Balance (b)</b>	<b>(3,000.00)</b>	<b>(3,000.00)</b>
<b>Total Other Equity (a+b)</b>	<b>(4,393.70)</b>	<b>(3,709.15)</b>

**Retained Earnings:** Company's cumulative earnings since inception. These are available for distribution to shareholders.

**Demerger Adjustment Reserve** - This reserve was created in FY 2021-22 pursuant to a scheme of arrangement approved by the NCLT. This reserve is represents the excess of assets over liabilities of the Demerger Company.

8 Borrowings

Description	Repayment Frequency	No. of instal-ments due	Maturity	Rate of interest (%) p.a.	As at March 31, 2024	As at March 31, 2023
<b>Secured :</b>						
Term Loan from NBFC*	Monthly Installments of Rs 37.50 Lakhs starting from Jun 2022 to May 2026.	48	FY 2026-27	LTLR less 8.25%	975.00	1,425.00
<b>Unsecured:</b>						
Compulsorily Convertible Debentures	Redemption on maturity	-	FY 2025-26	15.00%	4,500.00	4,500.00
					<b>5,475.00</b>	<b>5,925.00</b>

\*Details of securities created:

Second Charge on the Land at Kovilambakkam owned by Fellow Subsidiary.

**Emerald Haven Life Spaces (Radial Road) Limited**  
**Notes to Statement of Profit & Loss**

Rs. in Lakhs

	For the Year Ended Mar 31, 2024	For the Year Ended March 31, 2023
<b>12 Revenue from Operations</b>		
Sale of Land	-	277.81
<b>Total Revenue</b>	<b>-</b>	<b>277.81</b>
<b>13 Other Income</b>		
Interest Income from;		
(i) Related Parties	149.02	193.77
(ii) Income Tax Refund	0.78	0.65
<b>Total Other Income</b>	<b>149.80</b>	<b>194.42</b>
<b>14 Operating Expense</b>		
<b>Opening stock:</b>		
Land for development	-	121.44
Construction-in-progress	-	7.00
<b>Total (a)</b>	<b>-</b>	<b>128.44</b>
<b>Incurred during the year :</b>		
Land for development	-	-
Construction-in-progress	-	-
<b>Total (b)</b>	<b>-</b>	<b>-</b>
<b>On Demerger / Utilised :</b>		
Land for development	-	-
Construction-in-progress	-	-
<b>Total (c)</b>	<b>-</b>	<b>-</b>
<b>Closing stock:</b>		
Land for development	-	-
Construction-in-progress	-	-
<b>Total (d)</b>	<b>-</b>	<b>-</b>
<b>Total Operating Expenses (a+b-c-d)</b>	<b>-</b>	<b>128.44</b>
<b>15 Finance Costs</b>		
Interest on Term Loan	150.23	190.00
Other Interest Expenses	676.85	675.00
<b>Total Finance Costs</b>	<b>827.08</b>	<b>865.00</b>

**Emerald Haven Life Spaces (Radial Road) Limited**  
**Notes to Statement of Profit & Loss**

Rs. in Lakhs

	For the Year Ended Mar 31, 2024	For the Year Ended March 31, 2023
<b>16 Other Expenses</b>		
Auditors Remuneration *	1.00	3.50
Professional Charges	4.69	2.70
Rates and Taxes	0.86	6.48
Rent	0.71	0.98
Miscellaneous Expenses	0.01	0.15
<b>Total Other Expenses</b>	<b>7.26</b>	<b>13.80</b>

\* Refer note 27 for breakup of Auditors Remuneration

**17 Income Tax Expense**

**Current Tax**

Current Tax on Profits for the Year	-	-
Tax on Profits pertaining to earlier years	-	-

**Total Current Tax Expense**

	-	-
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**Deferred tax**

Decrease / (Increase) in Deferred Tax Assets	-	10.68
(Decrease) / Increase in Deferred Tax Liabilities	-	-

**Total Deferred Tax Expense / (Benefit)**

	-	<b>10.68</b>
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**Income Tax Expense**

	-	<b>10.68</b>
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**(b) Reconciliation of Tax Expense and the Accounting Profit multiplied by Income Tax Rate :**

Profit / (Loss) Before Income Tax Expenses	(684.54)	(535.01)
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**Tax at the Income Tax rate of 26%**

Tax effect of amounts which are not (deductible) taxable in calculating taxable income :	(177.98)	(139.10)
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Tax losses for which no deferred income tax was recognized	177.98	149.78
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**Income Tax Expense**

	-	<b>10.68</b>
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**18 Earnings Per Share**

**(a) Basic / Diluted Earnings Per Share**

Basic / Diluted Earnings Per Share attributable to the Equity Holders of the Company (Rs.)	(1.23)	(0.98)
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**(b) Reconciliations of Earnings used in calculating Earnings Per Share**

Profit / (Loss) attributable to Equity holders of the Company used in calculating basic Earnings Per Share	(684.54)	(545.68)
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**(c) Weighted average number of Equity shares used as the denominator in calculating Basic / Diluted Earnings Per Share**

	55,699,768	55,699,768
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19 Fair Value Measurements

Financial Instruments by Category	As at March 31, 2024	As at March 31, 2023
	Amortised Cost	Amortised Cost
<b>Financial Assets</b>		
Trade Receivables	10,970.40	10,970.40
Cash and Cash Equivalents	0.40	19.27
<b>Total Financial Assets</b>	<b>10,970.80</b>	<b>10,989.67</b>
<b>Financial Liabilities</b>		
Borrowings	5,475.00	5,925.00
Trade Payable	2,944.55	2,907.14
Other Financial Liabilities	2,372.57	1,765.76
<b>Total Financial Liabilities</b>	<b>10,792.12</b>	<b>10,597.90</b>

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.

(i) Fair Value of financial assets and liabilities measured at Amortised Cost

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

20 Operating Segment

(a) Description of segments and principal activities

The company has one reportable segments namely, development of real estate property. 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

21 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 manages the risk.

Risk	Exposure arising	Risk Mitigation
Credit risk	Cash and Cash Equivalents	Surplus cash is deposited only with banks / financial institutions with a high external credit rating
Credit risk	Trade Receivables	Significant number of company's customers take a loan from bank / financial institution where credit risk is negligent. Possession of the property is provided only after complete collection from customers which will mitigate the risk.
Liquidity risk	Borrowings	Company has pre-approved credit lines for completion of construction with banks and financial institutions for its projects, based on the projects funding requirements. Credit lines / loans are negotiated well in advance to ensure liquidity for completing the project.
Market risk – interest rate	Borrowings at Variable Rates	Since all the borrowings are Rupee borrowings, company cannot enter into any hedging instrument to mitigate variable interest rate risk. Where there is surplus Cash Flow, the company will look to prepay its debt obligations and reduce interest cost.

(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 selected for placing deposits.

(B) Liquidity Risk

(i) Maturities of Financial Liabilities

The table below analyses 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	Rs. in Lakhs	
		As at March 31, 2024	As at March 31, 2023
Borrowings	< than 12 months	450.00	450.00
Borrowings	> than 12 months	5,025.00	5,475.00
Trade Payables	< than 12 months	2,944.55	2,907.14
Other Financial Liabilities	> than 12 months	2,372.57	1,765.76

## Emerald Haven Life Spaces (Radial Road) Limited

### 22 Capital Management

Rs. in Lakhs

#### (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 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 an optimal gearing ratio. The gearing ratios were as follows:

	As at March 31, 2024	As at March 31, 2023
Net Debt	5,474.60	5,905.73
Total Equity	1,176.29	1,860.83
<b>Net Debt to Equity ratio</b>	<b>4.65</b>	<b>3.17</b>

### 23 Related Party Disclosure

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2024
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**Related parties and their relationship where transactions exists**

#### (a) for the financial year 2023-24

##### **Holding company**

Emerald Haven Realty Limited

##### Key Management Personnel

##### Non Executive Directors

N Srinivasa Ramanujam

##### Independent Directors

L Bhadri

G Gireesh

##### Additional Director

Sameer Shah

#### (b) Transactions with Related Parties:

##### **Holding Company**

Emerald Haven Realty Limited

(i) Interest Expenses	225.62	45.00
(ii) Interest Income	149.02	193.77
(iii) Rent Expenses	0.71	1.42
(iv) Joint Development Accruals	-	185.27
(v) Loan Given / (Repayment received)	(450.00)	(375.00)
(vi) Advance Received	40.20	2,668.47

#### (c) Balances with related parties:

##### **Holding Company**

(i) Emerald Haven Realty Limited - (Payable) / Receivable		
Compulsorily Convertible Debentures	(1,500.00)	(1,500.00)
Loan Outstanding	975.00	1,425.00

## Emerald Haven Life Spaces (Radial Road) Limited

### 22 Capital Management

Rs. in Lakhs

#### (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 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 an optimal gearing ratio. The gearing ratios were as follows:

	As at March 31, 2024	As at March 31, 2023
Net Debt	5,474.60	5,905.73
Total Equity	1,176.29	1,860.83
<b>Net Debt to Equity ratio</b>	<b>4.65</b>	<b>3.17</b>

#### 23 Related Party Disclosure

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2024
Advance Receivable/(Payable)	(2,943.63)	(2,903.43)

**Emerald Haven Life Spaces (Radial Road) Limited**  
**Other Disclosures**

**24 Revenue from Contracts with Customers**

**Rs. in Lakhs**

(a) The Company has adopted Ind AS 115 from April 1, 2018 and had 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.

(b) 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 :

S No	Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
1	Income from Sale of Property Development	-	277.81
		-	277.81

(c) The operations of the Company relate to only one segment viz., Real Estate. Thus, the information on the relationship between disaggregated revenue under Ind AS 115 and for reportable segment under Ind AS 108 is not required.

(d) Reconciliation of Contracts with Customers

The following schedule gives the movement of contract liabilities for the reporting period.

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Contract Liabilities at the Beginning of the Period	-	92.54
Add / (Less) :		
Customers Milestone raised during the Year	-	185.27
Revenue recognized from Contract Liability	-	277.81
Contract Liabilities at the End of the Period	-	-

Customer Milestones are raised as per contracted payment schedule entered with customers, and is recognised as a contract liability. As and when the entire performance obligation is met the same is recognized as revenue.

(e) Reconciliation of Revenue with Contract Price

S No	Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
1	Revenue from Operations as per Statement of Profit and loss	-	277.81
2	Adjustments	-	-
3	Contract Price	-	277.81

S No	Ratio	Current Year 31.03.2024	Previous Year 31.03.2023	% Variance	Reasons
a	Current Ratio = Current Assets / Current Liabilities	1.11	1.17	-6%	
b	Debt Equity Ratio = Total Debt / Total Shareholder's Equity	4.65	3.18	46%	The variance is due to reduction in revenue during the current year.
c	Debt Service Coverage Ratio = Earnings available for Debt Services / Total Interest and Principal Repayments	0.11	0.26	-56%	The variance is due to reduction in revenue during the current year.
d	Return on Equity Ratio / Return on Investment Ratio = Net Profit after Tax / Average Shareholder's Equity	(0.45)	(0.26)	76%	The variance is due to reduction in revenue during the current year.
e	Inventory Turnover Ratio = Net Sales divided by Average Inventory	NA	4.33	NA	The variance is due to reduction in revenue during the current year.
f	Trade Receivables Turnover Ratio = Net Sales / Average Trade Receivables	NA	0.03	NA	The variance is due to reduction in revenue during the current year.
g	Trade Payables Turnover Ratio = Net Purchases divided by Average Trade Payables	NA	-	NA	There are no projects in progress and hence the Company has not made any purchases.
h	Net capital turnover ratio= Net sales / working capital	NA	0.15	NA	The variance is due to reduction in revenue during the current year.
i	Net Profit Turnover Ratio = Net Profit after Tax / Net Sales	NA	(1.96)	NA	The variance is due to reduction in revenue during the current year.
j	Return on Capital Employed = Earnings Before Interest and Taxes (EBIT) / Capital Employed	0.09	0.15	-39%	The variance is due to reduction in revenue during the current year.
k	Return on Investment = Net Profit after Tax / Average Shareholder's Equity	(0.45)	(0.26)	76%	The variance is due to reduction in revenue during the current year.

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**26 Contingent Liabilities and Commitments Not Provided For;**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Contingent Liabilities</b>	Nil	Nil

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Commitments</b>		
<b>(a) Capital commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil
<b>(b) Other Commitments</b>		
Expenditure related to contractual commitments apart from Capital	Nil	Nil

**27 Auditors' Remuneration (included under other expenses) - (Excluding Taxes)**

Particulars	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Payments to auditors as (a) Statutory auditors	1.00	3.50
<b>Total</b>	<b>1.00</b>	<b>3.50</b>

**28 Additional Regulatory Information**

- i The Company does not hold any immovable property in its own name.
- ii The Company does not have any investment property.
- iii The Company does not have any 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 on 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 2024.
- 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 2024.
- 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 During the year, 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.

- 29 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
- 30 The Company does not meet the thresholds prescribed under Section 135 of the Companies Act. Therefore, spending under Corporate Social Responsibility is not applicable.
- 31 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**

**K. BALAJI**  
*Partner*  
Membership No. 224922  
Place: Chennai  
Date: 29 Apr 24

**N Srinivasa Ramanujam**  
Director  
DIN 07384809

**Sameer Sah**  
Director  
DIN 01844078

**Sriram Subramanian Iyer**  
Chief Executive Officer

**P Vishal Anand**  
Chief Financial Officer

**R. Swaminathan**  
Company Secretary

**Emerald Haven Property Development Limited**  
**Balance Sheet as at March 31, 2024**

Rs. in Lakhs

	Note No.	As at March 31, 2024	As at March 31, 2023
<b>Assets</b>			
<b>Non-Current Assets</b>			
Deferred Tax Asset (Net)	2	-	0.51
<b>Total Non-Current Assets</b>		<b>-</b>	<b>0.51</b>
<b>Current Assets</b>			
Inventories	3	5,951.25	10,797.49
Financial Assets			
(i) Trade Receivables	4	1,634.46	-
(ii) Cash and Cash Equivalents	5	10,370.56	1.89
Other Current Assets	6	124.06	35.64
<b>Total Current Assets</b>		<b>18,080.33</b>	<b>10,835.02</b>
<b>Total Assets</b>		<b>18,080.33</b>	<b>10,835.53</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity Share Capital	7	0.50	0.50
Other Equity	8	1,910.94	(6.34)
<b>Total Equity</b>		<b>1,911.44</b>	<b>(5.84)</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Deferred Tax Liability (Net)	2	153.07	-
<b>Total Non-Current Liabilities</b>		<b>153.07</b>	<b>-</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Trade Payables			
- Total outstanding dues of micro and small enterprises			
- Total outstanding dues of creditors other than micro and small enterprises			
	9	361.03	1.50
(ii) Other Financial Liabilities	10	1,697.50	256.64
(iii) Borrowings	11	10,343.80	10,554.22
Other Current Liabilities	12	3,132.37	29.00
Current Tax Liabilities (Net)	13	481.12	-
<b>Total Current Liabilities</b>		<b>16,015.82</b>	<b>10,841.37</b>
<b>Total Liabilities</b>		<b>16,168.89</b>	<b>10,841.37</b>
<b>Total Equity and Liabilities</b>		<b>18,080.33</b>	<b>10,835.53</b>
Material 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**

**K. BALAJI**  
Partner  
Membership No. 224922  
Chennai  
Date: April 29, 2024

**N Srinivasa Ramanujam**  
Director  
DIN 07384809

**Sriram Subramanian Iyer**  
Director  
DIN 06967858

**Emerald Haven Property Development Limited**  
**Statement of Profit and Loss for the year ended March 31, 2024**

Rs. in Lakhs

	Note No.	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>Income</b>			
Revenue from Operations	14	11,183.11	-
Other Income	15	16.23	-
<b>Total Income</b>		<b>11,199.34</b>	<b>-</b>
<b>Expenses</b>			
Operating Expenses	16	7,135.83	-
Other Expenses	17	1,405.56	1.96
<b>Total Expenses</b>		<b>8,541.39</b>	<b>1.96</b>
<b>Profit/(Loss) Before Tax</b>		<b>2,657.95</b>	<b>(1.96)</b>
Income Tax Expense/(Benefit)			
Current Tax	18	587.11	-
Deferred Tax	2	153.58	(0.51)
<b>Total Income Tax Expense/(Benefit)</b>		<b>740.68</b>	<b>(0.51)</b>
<b>Profit/(Loss) For The Year</b>		<b>1,917.27</b>	<b>(1.45)</b>
<b>Other Comprehensive Income</b>			
<i>Items that will be reclassified to profit or loss</i>		-	-
<b>Other Comprehensive Income for the Year, Net of Tax</b>		-	-
<b>Total Comprehensive Income/(Loss) For the Year</b>		<b>1,917.27</b>	<b>(1.45)</b>
<b>Earnings per Equity Share (In Rs.)</b>			
Basic & Diluted Earnings per Share	19	38,345.31	(29.01)

Material Accounting Policies

1

As per our report annexed

For and on behalf of the Board of Directors

**For V.Sankar Aiyar & Co**

Chartered Accountants

Firm Regn No : 109208W

**K. BALAJI**

Partner

Membership No. 224922

Chennai

Date: April 29, 2024

**N Srinivasa Ramanujam**  
Director  
DIN 07384809

**Sriram Subramanian Iyer**  
Director  
DIN 06967858

**Emerald Haven Property Development Limited**  
**Cash Flow Statement for the year ended March 31, 2024**

Rs. in Lakhs

	Year Ended March 31, 2024	Year Ended March 31, 2023
<b>A. Cash Flow from Operating Activities:</b>		
Net Profit/(Loss) Before Tax	2,657.95	(1.96)
Add:		
Interest Expenses	570.09	-
<b>Operating Profit before Working Capital Changes</b>	<b>3,228.04</b>	<b>(1.96)</b>
<b>Adjustments for:</b>		
Inventories (Increase)/Decrease	4,276.15	(10,797.49)
Trade Receivables (Increase)/Decrease	(1,634.46)	-
Other Current Assets (Increase)/Decrease	(88.42)	(35.64)
Trade Payables Increase/(Decrease)	359.53	(1.83)
Other Financial Liabilities Increase/(Decrease)	1,485.20	255.40
Other Current Liabilities Increase/(Decrease)	3,103.36	29.00
	7,501.29	(10,550.56)
<b>Cash Generated from Operations</b>	<b>10,729.33</b>	<b>(10,550.56)</b>
Income Taxes Refund/(Paid) - Net	(105.98)	-
<b>Net Cash from Operating Activities</b>	<b>10,623.35</b>	<b>(10,552.52)</b>
<b>B. Cash Flow from Investing Activities:</b>		
<b>Net Cash from / (used in) Investing Activities</b>	<b>-</b>	<b>-</b>
<b>C. Cash Flow from Financing Activities:</b>		
Interest Paid	(44.34)	-
Issue of Non-convertible debentures to other parties	4,680.00	-
Borrowings from/(Repayment) to other parties	(4,890.42)	10,554.22
	(254.76)	10,554.22
<b>Net Cash from / (used in) Financing Activities</b>	<b>(254.76)</b>	<b>10,554.22</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>10,368.59</b>	<b>1.71</b>
Cash and Cash Equivalents at the Beginning of the Year	1.89	0.19
Cash and Cash Equivalents at the End of the Year	10,370.56	1.89
<b>D. Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>10,368.67</b>	<b>1.71</b>

Note : The above Statement of Cash flow is prepared using indirect method

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**

**K. BALAJI**  
Partner  
Membership No. 224922  
Chennai  
Date: April 29, 2024

**N Srinivasa Ramanujam**  
Director  
DIN 07384809

**Sriram Subramanian Iyer**  
Director  
DIN 06967858

**Emerald Haven Property Development Limited**  
**Statement of Changes in Equity**

Rs. in Lakhs

**I) Equity Share Capital**

<b>Balance as at March 31, 2022</b>	<b>0.50</b>
Change in Equity Share Capital due to prior period errors	-
Restated balance as at 01-04-2022	-
Change in Equity Share Capital during the year	-
<b>Balance as at March 31, 2023</b>	<b>0.50</b>
Change in Equity Share Capital due to prior period errors	-
Restated balance as at 01-04-2023	-
Change in Equity Share Capital during the year	-
<b>Balance as at March 31, 2024</b>	<b>0.50</b>

**II) Other Equity**

Particulars	Reserves & Surplus	Other Comprehensive Income	Total
	Retained Earnings		
<b>Balance as at March 31, 2022</b>	(4.89)	-	<b>(4.89)</b>
Profit/(Loss) for the period	(1.45)	-	(1.45)
<b>Balance as at March 31, 2023</b>	<b>(6.34)</b>	-	<b>(6.34)</b>
Profit/(Loss) for the period	1,917.27	-	1,917.27
<b>Balance as at March 31, 2024</b>	<b>1,910.94</b>	-	<b>1,910.94</b>

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**

**K. BALAJI**  
Partner  
Membership No. 224922  
Chennai  
Date: April 29, 2024

**N Srinivasa Ramanujam**  
Director  
DIN 07384809

**Sriram Subramanian Iyer**  
Director  
DIN 06967858

**Emerald Haven Property Development Limited**  
**Notes to Financial Statement**

Rs. in Lakhs

	As at March 31, 2024	As at March 31, 2023
<b>2 Deferred Tax Assets/(Liabilities)</b>		
The balance comprises temporary differences attributable to:		
Inventory	(153.07)	-
Business Loss	-	0.51
<b>Net Deferred Tax Assets/(Liabilities)</b>	<b>(153.07)</b>	<b>0.51</b>

**Movement in Deferred Tax Assets/ (Liabilities)**

	Inventory	Carry Forward of Business Loss	Total
<b>At March 31, 2022</b>	-	-	-
(Charged)/credited:			
- to profit or loss	-	0.51	0.51
- to other comprehensive income	-	-	-
<b>At March 31, 2023</b>	-	<b>0.51</b>	<b>0.51</b>
(Charged)/credited:			
- to profit or loss	(153.07)	(0.51)	(153.58)
- to other comprehensive income	-	-	-
<b>At March 31, 2024</b>	<b>(153.07)</b>	-	<b>(153.07)</b>

Note : The Company has recognised deferred tax asset on the basis that future taxable profits will be available to utilize those temporary differences and losses.

**3 Inventories**

Land held for Development*	5,327.33	10,451.81
Construction-in-Progress	623.92	345.68
<b>Total Inventories</b>	<b>5,951.25</b>	<b>10,797.49</b>

\*Land owned by the Company at Pudupakkam is given as security for loan taken by Emerald Haven Realty Limited (Holding Company).

**4 Trade Receivables**

Trade Receivables considered good - Unsecured	1,634.46	-
Less: Loss allowance	-	-
<b>Total Trade Receivables</b>	<b>1,634.46</b>	-

Trade receivable represents balance amount to be received from customer out of demands raised on milestone completion, where revenue is recognised on completion of performance obligation as required under Ind AS 115.

**Ageing Schedule of Trade Receivables as at 31 March, 2024**

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 Year	1 - 2 Years	2 - 3 Years	More than 3 years	
(i) Undisputed trade receivables - considered good	5.93	1,628.53	-	-	-	-	1,634.46
(ii) Undisputed trade receivables - considered doubtful (having significant increase in Credit risk)	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
(vi) Allowance for Unsecured, Credit Impaired	-	-	-	-	-	-	-
	<b>5.93</b>	<b>1,628.53</b>	-	-	-	-	<b>1,634.46</b>

As at  
March 31, 2024

As at  
March 31, 2023

Ageing Schedule of Trade Receivables as at 31 March, 2023

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 Year	1 - 2 Years	2 - 3 Years	More than 3 years	
(i) Undisputed trade receivables - considered good	-	-	-	-	-	-	-
(ii) Undisputed trade receivables - considered doubtful (having significant increase in Credit risk)	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
(vi) Allowance for Unsecured, Credit Impaired	-	-	-	-	-	-	-

5 Cash and Cash Equivalents

Balances with Banks#	10,239.60	1.89
Cheques, Drafts on hand	130.96	-

**Total Cash and Cash Equivalents** **10,370.56** **1.89**

# Includes bank balance of Rs 7,812.57 Lakhs (Rs. Nil) maintained in Project specific RERA bank a/c as per Real Estate Regulatory Authority (RERA) Act, which can be used only for specific permitted payments.

6 Other Current Assets

GST Input Credit	63.60	22.18
Mobilisation/Advances to vendors	59.44	13.46
Security Deposit	1.01	-

**Total Other Current Assets** **124.06** **35.64**

7 Equity Share Capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	Rs. in Lakhs	Number of Shares	Rs. in Lakhs
<b>Authorised:</b> Equity Shares of Rs.10/- each	10,000	1.00	10,000	1.00
<b>Issued, Subscribed and Fully Paid Up:</b> Equity Shares of Rs.10/- each	5,000	0.50	5,000	0.50
	<b>5,000</b>	<b>0.50</b>	<b>5,000</b>	<b>0.50</b>

Reconciliation of Equity Shares Outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of Equity Shares	Rs. in Lakhs	Number of shares	Rs. in Lakhs
Shares outstanding at the beginning of the year	5,000	0.50	5,000	0.50
Shares issued during the year	-	-	-	-
Shares Redeemed during the year	-	-	-	-
Shares outstanding at the end of the year	5,000	0.50	5,000	0.50

**As at**                      **As at**  
**March 31, 2024**    **March 31, 2023**

**Terms and rights attached to equity shares**

(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.

**(ii) Shares of the Company held by Holding Company**

Name of shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Emerald Haven Realty Limited (Holding Company) *	5,000	100%	5,000	100%

\* - includes shares held by nominees

**(iii) Details of shareholders holding more than 5% of shares of the company**

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Emerald Haven Realty Limited (Holding Company) *	5,000	100%	5,000	100%

\* - includes shares held by nominees

**(iv) Details of Shares held by Promoters in the Company**

Name of Promoter	Class of Share	As at March 31, 2024		As at March 31, 2023		% Change during the year	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding	As at March 31, 2024	As at March 31, 2023
Emerald Haven Realty Limited (Holding Company) *	Equity	5,000	100%	5,000	100%	Nil	Nil

\* Includes shares held by nominees

**8 Other Equity**

**Retained earnings**

Opening Balance	(6.34)	(4.89)
Net profit/(loss) for the period	1,917.27	(1.45)
<b>Closing balance</b>	<b>1,910.94</b>	<b>(6.34)</b>

**Retained earnings:** Company's cumulative earnings since its formation. These are available for distribution.

**9 Trade Payables**

**Current**

Dues to Micro and Small Enterprises**	-	-
Dues to Enterprises other than Micro and Small Enterprises	361.03	1.50
<b>Total Trade Payables</b>	<b>361.03</b>	<b>1.50</b>

\*\*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.

As at  
March 31, 2024

As at  
March 31, 2023

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:-

(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 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;	-	-
(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 Schedule of Trade Payables as at 31 March 2024**

Particulars	Unbilled dues	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) MSME	-	-	-	-	-	-	-
(ii) Other than MSME	-	66.55	294.48	-	-	-	344.68
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Other than MSME	-	-	-	-	-	-	-
<b>Total</b>							<b>344.68</b>
(v) Accrued Expenses	-	-	-	-	-	-	16.35
<b>Net Total</b>	-	<b>66.55</b>	<b>294.48</b>	-	-	-	<b>361.03</b>

**Ageing Schedule of Trade Payables as at 31 March 2023**

Particulars	Unbilled dues	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
(i) MSME	-	-	-	-	-	-	-
(ii) Other than MSME	-	-	1.50	-	-	-	1.40
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Other than MSME	-	-	-	-	-	-	-
<b>Total</b>							<b>1.40</b>
(v) Accrued Expenses	-	-	-	-	-	-	0.10
<b>Net Total</b>	-	-	<b>1.50</b>	-	-	-	<b>1.50</b>

**10 Other Financial Liabilities**

Payable to Related Party	927.61	6.33
Interest Accrued but Not Due	769.89	250.31
<b>Total Other Financial Liabilities</b>	<b>1,697.50</b>	<b>256.64</b>

**11 Borrowings**

Description	Repayment Frequency	Maturity	Rate of interest (%) p.a.	As at March 31, 2024	As at March 31, 2023
<b>Secured:</b>					
Non Convertible Debentures*	Repayment on Maturity	Feb-27	0.01%	4,680.00	-
<b>Unsecured:</b>					
Optionally Convertible Debentures#	Repayment on Maturity	Oct-28	0.01%	4,686.22	-
Loan from Holding Company	Repayment on Maturity	Jan-28	12.35%	977.58	9,554.22
Loan from Other Parties	Repayment on Maturity	Jan-24	9.75%	-	1,000.00
<b>Total</b>				<b>10,343.80</b>	<b>10,554.22</b>

\*Second charge on land owned by the company at Pudupakkam and hypothecation of receivables.

#During the year, part of the unsecured loan from Holding Company amounting to Rs. 4,686.22 Lakhs was converted to Optionally Convertible Debentures.

**12 Other Current Liabilities**

Revenue Received in Advance	2,193.95	-
Advance Received from Customers	782.56	-
Statutory Dues	155.86	29.00
<b>Total Other Current Liabilities</b>	<b>3,132.37</b>	<b>29.00</b>

**13 Current Tax Liabilities (Net)**

Provision for tax less TDS receivable and Advance tax paid	481.12	-
<b>Total Current Tax Liabilities (Net)</b>	<b>481.12</b>	<b>-</b>

**For the Year Ended**  
**March 31, 2024**      **For the Year Ended**  
**March 31, 2023**

**14 Revenue from Operations**

Income from Sale of Plots	11,183.11	-
<b>Total Revenue from Operations</b>	<b>11,183.11</b>	<b>-</b>

**15 Other Income**

Other Non Operating Income	16.23	-
<b>Total Other Income</b>	<b>16.23</b>	<b>-</b>

**16 Operating Expenses**

<b>Opening Stock:</b>		
Construction-in-Progress	345.68	-
Land held for Development (A)	10,451.81	-
	<b>10,797.49</b>	<b>-</b>
<b>Incurred During the Year :</b>		
Construction-in-Progress	2,289.59	345.68
Land for Development (B)	-	10,451.81
	<b>2,289.59</b>	<b>10,797.49</b>
<b>Closing Stock:</b>		
Construction-in-Progress	623.92	345.68
Land held for Development (C)	5,327.33	10,451.81
	<b>5,951.25</b>	<b>10,797.49</b>
<b>Operating Expenses (A)+(B)-(C)</b>	<b>7,135.83</b>	<b>-</b>

**Emerald Haven Property Development Limited**  
**Notes to Financial Statement**

Rs. in Lakhs

	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
<b>17 Other Expenses</b>		
Audit fees (Refer Note no. 29)	1.50	0.10
Rates and Taxes	6.47	-
Advertisement expense	646.92	-
Professional Charges	9.23	0.16
Management Fees	715.74	-
Rent	0.70	0.45
Housekeeping Expenses	6.33	-
Bank Charges	0.12	-
Printing & Stationery	0.24	-
Security Charges	8.55	0.98
Miscellaneous Expenses	9.77	0.27
<b>Total Other Expenses</b>	<b>1,405.56</b>	<b>1.96</b>
<b>18 Income Tax Expense</b>		
<b>Current Tax</b>		
Current Tax on Profits for the Year	587.11	-
Adjustments for Current Tax of Prior Periods	-	-
<b>Total Current Tax Expense</b>	<b>587.11</b>	<b>-</b>
<b>Deferred Tax</b>		
Decrease (Increase) in Deferred Tax Assets	-	(0.51)
(Decrease) Increase in Deferred Tax Liabilities	153.58	-
<b>Total Deferred Tax Expense/(Benefit)</b>	<b>153.58</b>	<b>(0.51)</b>
<b>Income Tax Expense/(Benefit)</b>	<b>740.68</b>	<b>(0.51)</b>
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:</b>		
Profit Before Income Tax Expense	2,657.95	(1.96)
<b>Tax at the Income Tax Rate of 26.00% (PY 26.00%)</b>	<b>691.07</b>	<b>(0.51)</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Other items	49.62	
<b>Income Tax Expense/(Benefit)</b>	<b>740.68</b>	<b>(0.51)</b>
<b>19 Earnings per Share</b>		
<b>(a) Basic/Diluted Earnings per Share</b>		
Basic/Diluted Earnings per Share attributable to the Equity Holders of the Company (Rs.)	38,345.31	(29.01)
<b>(b) Reconciliations of earnings used in calculating earnings per share</b>		
Profit/(loss) attributable to equity holders of the company used in calculating basic earnings per share	1,917.27	(1.45)
<b>(c) Weighted average number of equity shares used as the denominator in calculating basic/diluted earnings per share</b>	<b>5,000</b>	<b>5,000</b>

**20 Contingent Liabilities and Commitments Not Provided For**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(a) Contingent Liabilities</b>	Nil	Nil

**21 Commitments**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(a) Capital Commitments</b> Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil
<b>(b) Other Commitments</b> Expenditure related to contractual commitments apart from Capital Commitments	Nil	Nil

**22 Segment Information**

**(a) Description of Segments and Principal Activities**

The Company has one reportable segments namely, development of real estate property. The company'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

**23 Related Party Disclosure**

Particulars	As at / For the year ended March 31, 2024	As at / For the year ended March 31, 2023
<b>(a) Related Parties and their Relationship where transactions exists for the financial year 2023-24</b>		
<b>Holding Company</b> Emerald Haven Realty Limited		
<b>Fellow Subsidiary</b> Emerald Haven Realty Developers (Paraniputhur) Private Limited		
<b>Key Management personnel (Directors)</b> Mr. N Srinivasa Ramanujam Mr. Sriram Subramanian Iyer		
<b>(b) Transactions with Related Parties:</b>		
<b>Holding Company:</b> <b>Emerald Haven Realty Limited</b>		
(i) Rent Expenses	0.60	0.45
(ii) Inter Corporate Loan Taken	2,206.85	9,554.22
(iii) Inter Corporate Loan Paid	(6,097.27)	-
(iv) Interest Expense	855.37	258.89
(v) Management Fee	715.74	-
<b>Fellow Subsidiary:</b> <b>Emerald Haven Realty Developers (Paraniputhur) Private Limited</b>		
(i) Advance Received	28.70	-
<b>(c) Balances with related parties- Receivable / (Payable):</b>		
<b>Holding Company:</b> <b>Emerald Haven Realty Limited</b>		
(i) Advance Payable	(927.35)	(6.33)
(ii) Loan borrowed	(977.58)	(9,554)
(iii) Optionally Convertible Debentures	(4,686.22)	-
(iv) Interest Payable	(769.89)	(233)
<b>Fellow Subsidiary:</b> <b>Emerald Haven Realty Developers (Paraniputhur) Private Limited</b>		
(i) Advance Payable	(28.70)	-

**24 Revenue from Contracts with Customers**

a The Company has adopted Ind AS 115 from April 1, 2018 and had 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.

b 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 :

S No	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	Income from Sale of Plots	11,183.11	-
		<b>11,183.11</b>	-

c The operations of the Company relate to only one segment viz., real estate. Thus, the information on the relationship between disaggregated revenue under Ind AS 115 and for reportable segment under Ind AS 108 is not required.

d Reconciliation of Contracts with Customers

The following schedule gives the movement of contract liabilities for the reporting period.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Contract Liabilities at the beginning of the period	-	-
Add / (Less) :		
Customer Milestones raised during the year	13,377.06	-
Revenue recognized from contract liability	(11,183.11)	-
Contract Liabilities at the end of the period	2,193.95	-

Customer Milestones are raised as per contracted payment schedule entered with customers, and is recognised as a contract liability. As and when the entire performance obligation is met the same is recognized as revenue.

e Reconciliation of Revenue with Contract Price

S No	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1.	Revenue from operations as per Statement of Profit and loss	11,183.11	-
	Adjustments :		
2.	Contract price	11,183.11	-

**25 Fair Value Measurements**

**Financial Instruments by Category**

	As at March 31, 2024		As at March 31, 2023	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Assets</b>				
Cash and Cash Equivalents	-	10,370.56	-	1.89
Trade Receivables	-	1,634.46	-	-
<b>Total Financial Assets</b>	-	<b>12,005.02</b>	-	<b>1.89</b>
<b>Financial Liabilities</b>				
Borrowings	-	10,343.80	-	10,554.22
Trade Payable	-	361.03	-	1.50
Other Financial Liabilities	-	1,697.50	-	256.64
<b>Total Financial Liabilities</b>	-	<b>12,402.33</b>	-	<b>10,812.36</b>

\* FVTPL - Fair Valued Through Profit and Loss

The Company has no Financial Assets or Liabilities that are valued at Fair Value through Profit and Loss or Fair Value through

**(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.

**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.

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) 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.

The fair values for loans, security deposits and investment in government securities were calculated based on cash flows discounted using a current lending rate. They are classified as level 2 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are observable.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are observable.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**26 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 manages the risk.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Risk Mitigation</b>
Credit risk	Cash and cash equivalents	Surplus Cash is deposited only with banks/financial institutions with a high external credit rating.
Credit risk	Trade Receivables	Significant number of company's customers take a loan from bank/financial institution where credit risk is negligent. Possession of the property to customer is provided only after complete collection against unit which will mitigate the risk.
Liquidity risk	Borrowings	Credit lines/loans are negotiated well in advance to ensure liquidity for completing the project.
Market risk – interest rate	Borrowings at variable rates	Since all borrowings are rupee borrowings company can't enter into any hedging instrument to mitigate variable interest rate risk. Where there is surplus cash flow, the company will look to prepay its debt obligations and reduce interest cost.

**(A) Credit risk**

Credit risk arises from cash and cash equivalents and trade receivables.

*(i) Credit risk management*

Credit risk is managed on a company basis. For banks and financial institutions, only high rated banks/institutions are selected for placing deposits.

**(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. 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.

*(i) Maturities of financial liabilities*

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

**Contractual Maturities of Financial Liabilities:**

<b>Particulars</b>	<b>Maturity</b>	<b>Amount</b>	<b>Amount</b>
		<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Trade payables	< than 12 months	361.03	1.50
Other financial liabilities	> than 12 months	1,697.50	256.64
Borrowings	> than 12 months	10,343.80	10,554.22

**27 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.

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 an optimal gearing ratio. The gearing ratios were as follows:

<b>Particulars</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Net Debt	(26.76)	10,552.33
Total Equity	1,911.44	(5.84)
<b>Net Debt to Equity Ratio</b>	-	-

\*As at 31 March 2024, the company's net debt is negative, hence ration is not given.

**Emerald Haven Property Development Limited**  
**28 Ratio Analysis**

<b>S No</b>	<b>Ratio</b>	<b>Current Year 31.03.2024</b>	<b>Previous Year 31.03.2023</b>	<b>% Variance</b>	<b>Reasons</b>
<b>a</b>	Current Ratio= Current assets / Current Liabilities	1.13	1.00	13%	
<b>b</b>	Debt equity ratio= total debt / total shareholder's equity	5.41	(1,808.27)	-100%	There is increase in equity due to profit for the year arising as a result of revenue recognised on sale of plots.
<b>c</b>	Debt service coverage ratio= earnings available for debt services / total interest and principal repayments	0.43	0.01	8164%	EBIDA is positive for the current year as compared to a loss in the previous year.
<b>d</b>	Return on equity ratio/ return on investment ratio= Net profit after tax / Average shareholder's equity	2.01	NA	NA	PAT is positive for the current year as compared to a loss in the previous year.
<b>e</b>	Inventory turnover ratio= Net sales divided by average Inventory	1.34	NA	NA	During the year, the Company recognised revenue on sale of plots.
<b>f</b>	Trade receivables turnover ratio= Net sales / average trade receivables	13.68	NA	NA	During the year, the Company recognised revenue on sale of plots.
<b>g</b>	Trade Payables turnover ratio= Net Purchases divided by average trade Payables	12.63	NA	NA	Decrease in purchases during the year as the major amount relating to purchase of land was incurred in the previous year itself.
<b>h</b>	Net capital turnover ratio= Net sales / working capital	5.42	NA	NA	During the year, the Company recognised revenue on sale of plots.
<b>i</b>	Net profit turnover ratio= Net profit after tax / Net sales	0.17	NA	NA	PAT is positive for the current year as compared to a loss in the previous year.
<b>j</b>	Return on Capital employed = Earnings before interest and taxes(EBIT) / Average Capital Employed	3.39	NA	NA	EBIT is positive for the current year as compared to a loss in the previous year.
<b>k</b>	Return on investment=Net profit after tax /Avg Shareholders Equity	2.01	NA	NA	PAT is positive for the current year as compared to a loss in the previous year.

**29 Payment to Auditors Comprises (excluding GST)**

Particulars	For the Year Ended 31 March 2024	For the Year Ended 31 March 2023
for Statutory audit	1.25	0.10
for Tax audit	0.25	-
<b>Total</b>	<b>1.50</b>	<b>0.10</b>

**30** 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.

**31 Additional Regulatory Information**

- i Title deeds of immovable properties 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 does not have any 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 2024.
  - 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 2024.
  - 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.
- 32** 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.
- 33** The Company does not meet the thresholds prescribed under Section 135 of the Companies Act. Therefore, spending under Corporate Social Responsibility is not applicable.
- 34** The Company has not operated in any crypto currency transactions.
- 35** Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.

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**

**K. BALAJI**  
Partner  
Membership No. 224922  
Chennai  
Date: April 29, 2024

**N Srinivasa Ramanujam**  
Director  
DIN 07384809

**Sriram Subramanian Iyer**  
Director  
DIN 06967858

**Happiness Harmony Property Developers Private Limited**  
**Balance Sheet as at March 31, 2024**

Rs. in Lakhs

	Note No.	As at March 31, 2024	As at March 31, 2023
<b>Assets</b>			
<b>Non-Current Assets</b>			
Deferred Tax Asset (Net)	2	19.53	0.20
<b>Total Non Current Assets</b>		<b>19.53</b>	<b>0.20</b>
<b>Current Assets</b>			
Inventories	3	5,979.28	4,855.55
Financial Assets			
Cash and Cash Equivalents	4	2,006.34	4.86
Other Current Assets	5	54.63	0.13
<b>Total Current Assets</b>		<b>8,040.25</b>	<b>4,860.54</b>
<b>Total Assets</b>		<b>8,059.78</b>	<b>4,860.74</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity Share Capital	6	1.00	1.00
Other Equity	7	(57.36)	(2.33)
<b>Total Equity</b>		<b>(56.36)</b>	<b>(1.33)</b>
<b>Current Liabilities</b>			
Financial Liabilities			
i) Borrowings	8	7,740.32	4,330.02
ii) Trade Payables			
- Total outstanding dues of micro and small enterprises		-	-
- Total outstanding dues of creditors other than micro and small enterprises	9	9.42	44.63
iii. Other Financial Liabilities	10	22.58	1.60
Other Current Liabilities	11	343.82	485.82
<b>Total Current Liabilities</b>		<b>8,116.14</b>	<b>4,862.07</b>
<b>Total Liabilities</b>		<b>8,116.14</b>	<b>4,862.07</b>
<b>Total Equity and Liabilities</b>		<b>8,059.78</b>	<b>4,860.74</b>
Material 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**

**K. BALAJI**  
*Partner*  
Membership No. 224922  
Chennai  
Date: April 29, 2024

**Sriram Subramanian Iyer**  
Director  
DIN 06967858

**V Karunakara Reddy**  
Director  
DIN 08417260

**Happiness Harmony Property Developers Private Limited**  
**Statement of Profit and Loss for the Year ended March 31, 2024**

Rs. in Lakhs

	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
Other Income	12	0.65	-
<b>Total Income</b>		<b>0.65</b>	<b>-</b>
<b>Expenses</b>			
Operating Expenses	13	-	-
Other Expenses	14	75.01	0.78
<b>Total Expenses</b>		<b>75.01</b>	<b>0.78</b>
<b>Profit/(Loss) Before tax</b>		<b>(74.36)</b>	<b>(0.78)</b>
Income tax (Expense)/Benefit	15		
Current Tax		-	-
Deferred Tax		19.33	0.20
<b>Total Income tax (Expense)/Benefit</b>		<b>19.33</b>	<b>0.20</b>
<b>Profit/(Loss) For the Year</b>		<b>(55.03)</b>	<b>(0.58)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>		-	-
<b>Other Comprehensive Income for the Year, Net of Tax</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income/(loss) For the year</b>		<b>(55.03)</b>	<b>(0.58)</b>
<b>Earnings per Equity Share</b>			
Basic & Diluted Earnings per Share (Rs.)	16	(550.27)	(5.81)

Material 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**

**K. BALAJI**

*Partner*

Membership No. 224922

Chennai

Date: April 29, 2024

**Sriram Subramanian Iyer**

**Director**

**DIN 06967858**

**V Karunakara Reddy**

**Director**

**DIN 08417260**

Happiness Harmony Property Developers Private Limited  
Cash Flow Statement for the Year ended March 31, 2024

Rs. in Lakhs

	Year Ended March 31, 2024		Year Ended March 31, 2023	
<b>A. Cash Flow from Operating Activities:</b>				
Net Profit/(Loss) Before Tax		(74.36)		(0.78)
		-----		-----
<b>Operating Profit before Working Capital Changes</b>		<b>(74.36)</b>		<b>(0.78)</b>
<b>Adjustments for:</b>				
Other Current Assets - (Increase) / Decrease	(54.50)		(0.13)	
Inventories - (Increase) / Decrease	(1,123.73)		(4,855.55)	
Trade Payables - Increase / (Decrease)	(35.21)		45.06	
Other Financial Liabilities - Increase / (Decrease)	20.98		-	
Other Current Liabilities - Increase / (Decrease)	238.09		485.82	
		(954.37)	-----	(4,324.80)
		-----		-----
<b>Cash Generated from / (used in) Operations</b>		<b>(1,028.73)</b>		<b>(4,325.58)</b>
Income taxes Refund/(Paid) - Net		-		-
		-----		-----
<b>Net Cash from / (used in) Operating Activities</b>		<b>(1,028.73)</b>		<b>(4,325.58)</b>
<b>B. Cash Flow from Investing Activities:</b>				
<b>Net Cash from / (used in) Investing Activities</b>		-		-
<b>C. Cash flow from Financing Activities :</b>				
Issue of Debentures to other parties	5,025.00		-	
Borrowings from Holding Company	6,407.30		1,330.02	
Repayment to Holding Company	(5,022.00)			
Interest paid to other parties	(380.10)		-	
Borrowings from/(Repayment) to other parties	(3,000.00)	3,030.20	3,000.00	4,330.02
		-----	-----	-----
<b>Net Cash from / (used in) Financing Activities</b>		<b>3,030.20</b>		<b>4,330.02</b>
		-----		-----
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>		<b>2,001.48</b>		<b>4.44</b>
Cash and Cash Equivalents at the Beginning of the Year		4.86		0.42
Cash and Cash Equivalents at the End of the Year		2,006.34		4.86
		-----		-----
<b>D. Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>2,001.48</b>		<b>4.44</b>

Note : The above Statement of Cash flow is prepared using indirect method

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**

**K. BALAJI**  
Partner  
Membership No. 224922  
Chennai  
Date: April 29, 2024

**Sriram Subramanian Iyer**  
Director  
DIN 06967858

**V Karunakara Reddy**  
Director  
DIN 08417260

Happiness Harmony Property Developers Private Limited  
Statement of Changes in Equity

Rs. in Lakhs

I) Equity Share Capital

<b>Balance as at March 31, 2022</b>	<b>1.00</b>
Change in Equity Share Capital due to prior period errors	-
Restated balance as at 01-04-2022	-
Change in Equity Share Capital during the year	-
<b>Balance as at March 31, 2023</b>	<b>1.00</b>
Change in Equity Share Capital due to prior period errors	-
Restated balance as at 01-04-2023	-
Change in Equity Share Capital during the year	-
<b>Balance as at March 31, 2024</b>	<b>1.00</b>

II) Other Equity

Particulars	Reserves & Surplus	Total
	Retained Earnings	
<b>Balance as at March 31, 2022</b>	<b>(1.75)</b>	<b>(1.75)</b>
Profit/(Loss) for the period	(0.58)	(0.58)
<b>Balance as at March 31, 2023</b>	<b>(2.33)</b>	<b>(2.33)</b>
Profit/(Loss) for the period	(55.03)	(55.03)
<b>Balance as at March 31, 2024</b>	<b>(57.36)</b>	<b>(57.36)</b>

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

**K. BALAJI**  
Partner  
Membership No. 224922  
Chennai  
Date: April 29, 2024

**Sriram Subramanian Iyer**  
Director  
DIN 06967858

**V Karunakara Reddy**  
Director  
DIN 08417260

Happiness Harmony Property Developers Private Limited  
Notes to Financial Statements

Rs. in Lakhs

As at  
March 31, 2024

As at  
March 31, 2023

**2 Deferred Tax Assets/(Liabilities)**

The balance comprises temporary differences attributable to:

Inventory	(183.26)	(10.75)
Carry Forward of Business Loss	202.79	10.95
<b>Net Deferred Tax Assets</b>	<b>19.53</b>	<b>0.20</b>

**Movement in Deferred Tax Assets/ (Liabilities)**

	Inventory	Carry Forward of Business Loss	Total
<b>At March 31, 2022</b>	-	-	-
(Charged)/credited:			
- to profit or loss	(10.75)	10.95	0.20
- to other comprehensive income	-	-	-
<b>At March 31, 2023</b>	<b>(10.75)</b>	<b>10.95</b>	<b>0.20</b>
(Charged)/credited:			
- to profit or loss	(172.51)	191.83	19.32
- to other comprehensive income	-	-	-
<b>At March 31, 2024</b>	<b>(183.26)</b>	<b>202.79</b>	<b>19.53</b>

Note : The Company has recognised deferred tax asset on the basis that future taxable profits will be available to utilize those temporary differences and losses.

**3 Inventories**

Land Held for Development	4,822.20	4,814.20
Construction In Progress	1,157.07	41.35
<b>Total Inventories</b>	<b>5,979.28</b>	<b>4,855.55</b>

**4 Cash and Cash Equivalents**

Balances with Banks	2,006.34	4.86
<b>Total Cash and Cash Equivalents</b>	<b>2,006.34</b>	<b>4.86</b>

**5 Other Current Assets**

Mobilisation / Advances to Vendors	54.63	-
Balances With Government Authorities	-	0.13
<b>Total Other Current Assets</b>	<b>54.63</b>	<b>0.13</b>

**6 Equity Share Capital**

**Authorised, Issued , Subscribed and Fully Paid Up**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Rs. in Lakhs	Number of shares	Rs. in Lakhs
<b>Authorised:</b>				
Equity shares of Rs.10/- each	10,000	1.00	10,000	1.00
<b>Issued, Subscribed and Fully Paid Up:</b>				
Equity shares of Rs.10/- each	10,000	1.00	10,000	1.00
	<b>10,000</b>	<b>1.00</b>	<b>10,000</b>	<b>1.00</b>

**Reconciliation of equity shares outstanding at the beginning and at the end of the year:**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Rs. in Lakhs	Number of shares	Rs. in Lakhs
Equity Shares outstanding at the beginning of the year/period	10,000	1.00	10,000	1.00
Equity Shares issued/(repaid) during the year/ period	-	-	-	-
<b>Equity Shares outstanding at the end of the year/period</b>	<b>10,000</b>	<b>1.00</b>	<b>10,000</b>	<b>1.00</b>

(i) Terms and rights attached to equity shares (i.e.) 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.

(ii) Shares of the company held by holding company

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares held	% of holding	No. of shares held	% of holding
Emerald Haven Realty Limited *	10,000	100%	10,000	100%

\* - includes shares held by nominees

(iii) Details of shareholders holding more than 5% of shares of the company

Name of Shareholder	As at March 31, 2024		As at March 31, 2023	
	No. of shares held	% of holding	No. of shares held	% of holding
Emerald Haven Realty Limited*	10,000	100%	10,000	100%

\* - includes shares held by nominees

(iv) Details of Shares held by promoters in the company

Name of Promoter	Class of Share	As at March 31, 2024		As at March 31, 2023		% Change during the year	
		No. of shares held	% of holding	No. of shares held	% of holding	As at March 31, 2024	As at March 31, 2023
Emerald Haven Realty Limited*	Equity	10,000	100%	10,000	100%	Nil	Nil

\* - includes shares held by nominees

7 Other Equity

	As at March 31, 2024	As at March 31, 2023
<b>Retained Earnings</b>		
Opening balance	(2.33)	(1.75)
Net profit/(loss) for the period	(55.03)	(0.58)
<b>Closing balance</b>	<b>(57.36)</b>	<b>(2.33)</b>

Nature and purpose of reserve:

**Retained earnings:** Company's cumulative undistributed earnings since its inception. This reserve is available for distribution to shareholders.

8 Borrowings

Description	Repayment Frequency	Maturity	Rate of interest (%) p.a.	As at March 31, 2024	As at March 31, 2023
<b>Unsecured Loan</b>					
From Holding Company	Repayable on Maturity	Mar-28	12.35%	2,715.32	1,330.02
From Other Parties		Feb-24	9.75%	-	3,000.00
Compulsorily Convertible Debentures	Repayable on Maturity	Mar-29	13.00%	3,425.00	-
Optionally Convertible Debentures 1	Repayable on Maturity	Mar-34	0.01%	600.00	-
Optionally Convertible Debentures 2		Mar-34	0.01%	1,000.00	-

	As at March 31, 2024	As at March 31, 2023
<b>9 Trade Payables</b>		
Dues to Micro and Small Enterprises **	-	-
Dues to enterprises other than Micro and Small Enterprises	9.42	44.63
<b>Total Trade Payables</b>	<b>9.42</b>	<b>44.63</b>

\*\*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) MSME Act is as under:-**

(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 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;	-	-
(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 Schedule of Trade Payables as at 31 March 2024**

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	-	3.70	5.72	-	-	-	9.42
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Other than MSME	-	-	-	-	-	-	-
<b>Total</b>							<b>9.42</b>
(v) Accrued Expenses	-	-	-	-	-	-	-
<b>Net Total</b>	<b>-</b>	<b>3.70</b>	<b>5.72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.42</b>

**Ageing Schedule of Trade Payables as at 31 March 2023**

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	-	-	43.57	0.64	0.14	0.28	44.63
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Other than MSME	-	-	-	-	-	-	-
<b>Total</b>							<b>44.63</b>
(v) Accrued Expenses	-	-	-	-	-	-	-
<b>Net Total</b>	<b>-</b>	<b>-</b>	<b>43.57</b>	<b>0.64</b>	<b>0.14</b>	<b>0.28</b>	<b>44.63</b>

Happiness Harmony Property Developers Private Limited  
Notes to Financial Statements

Rs. in Lakhs

	As at March 31, 2024	As at March 31, 2023
<b>10 Other Financial Liability</b>		
Advances From Related Party	22.58	1.60
<b>Other Financial Liabilities</b>	<b>22.58</b>	<b>1.60</b>
<b>11 Other Current Liabilities</b>		
Interest Accrued but Not Due	254.26	37.22
Land Consideration Payable	-	444.47
Outstanding Liabilities	20.23	
Statutory dues	69.32	4.14
<b>Other Current Liabilities</b>	<b>343.82</b>	<b>485.82</b>

Out of the total consideration for Land purchased at Rachenahalli, Rs. 444.47/- Lakhs is deferred and is payable as per the conditions in the Sale deed.

	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>12 Other Income</b>		
Other Non-Operating Income	0.65	-
<b>Total Other Income</b>	<b>0.65</b>	<b>-</b>

<b>13 Operating Expenses</b>		
<b>Opening Stock:</b>		
Land for development	4,814.20	-
Construction-in-progress	41.35	-
(A)	<u>4,855.55</u>	<u>-</u>
<b>Incurred During the Year :</b>		
Land for development	8.00	4,814.20
Construction-in-progress	1,115.72	41.35
(B)	<u>1,123.72</u>	<u>4,855.55</u>
<b>Closing Stock:</b>		
Land for development	4,822.20	4,814.20
Construction-in-progress	1,157.07	41.35
(C)	<u>5,979.27</u>	<u>4,855.55</u>
<b>Operating Expenses (A)+(B)-(C)</b>	<b>-</b>	<b>-</b>

<b>14 Other Expenses</b>		
Audit fees (Refer Note no. 22)	1.50	0.10
Advertisement Expenses	45.88	-
Professional charges	13.89	0.15
Rent	0.78	0.46
Security Charges	11.65	-
Miscellaneous Expenses	1.30	0.08
<b>Total Other Expenses</b>	<b>75.01</b>	<b>0.78</b>

<b>15 Income Tax Expense</b>		
<b>(a) Income Tax Benefit/(Expense)</b>		
<b>Current tax</b>		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	-
<b>Total Current Tax Expense (A)</b>	<b>-</b>	<b>-</b>
<b>Deferred tax</b>		
(Decrease) Increase in deferred tax assets	19.33	0.20
Decrease (Increase) in deferred tax liabilities	-	-
<b>Total Deferred Tax (Expense)/Benefit (B)</b>	<b>19.33</b>	<b>0.20</b>
<b>Income Tax (Expense)/Benefit (A+B)</b>	<b>19.33</b>	<b>0.20</b>

Happiness Harmony Property Developers Private Limited  
Notes to Financial Statements

Rs. in Lakhs  
For the year ended For the year ended  
March 31, 2024 March 31, 2023

**(b) Reconciliation of Tax Expense and the Accounting Profit multiplied by Income Tax Rate:**

Profit before income tax expense	(74.36)	(0.78)
<b>Tax at the Income tax rate of 26.00% (PY 26.00%)</b>	<b>(19.33)</b>	<b>(0.20)</b>
)		
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax losses for which no deferred income tax was recognised	-	-
<b>Income Tax (Expense)/Benefit</b>	<b>(19.33)</b>	<b>(0.20)</b>

**16 Earnings Per Share**

**(a) Basic/Diluted Earnings Per Share**

Basic/diluted earnings per share attributable to the equity holders of the Company (Rs.)	(550.27)	(5.81)
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**(b) Reconciliations of earnings used in calculating earnings per share**

Profit/(loss) attributable to equity holders of the company used in calculating basic earnings per share	(55.03)	(0.78)
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<b>(c) Weighted average number of equity shares used as the denominator in calculating basic/diluted earnings per share</b>	<b>10,000</b>	<b>10,000</b>
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**17 Operating Segment**

**(a) Description of segments and principal activities**

The company has one reportable segment namely, development of real estate property. 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

**18 Fair Value Measurements**

Financial Instruments by Category	As at March 31, 2024		As at March 31, 2023	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Assets</b>				
Cash and Cash Equivalents	-	2,006.34		4.86
<b>Total Financial Assets</b>	<b>-</b>	<b>2,006.34</b>	<b>-</b>	<b>4.86</b>
<b>Financial Liabilities</b>				
Borrowings	-	7,740.32	-	4,330.02
Trade Payable	-	9.42	-	44.63
Other Financial Liabilities	-	22.58	-	1.60
<b>Total Financial Liabilities</b>	<b>-</b>	<b>7,772.32</b>	<b>-</b>	<b>4,376.25</b>

\* FVTPL - Fair Valued Through Profit and Loss

The Company has no Financial Assets or Liabilities that are valued at Fair Value through Profit and Loss or Fair Value through

**(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.

**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

**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

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is 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

**(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

The fair values for loans, security deposits and investment in government securities were calculated based on cash flows  
The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**19 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 manages the risk.

Risk	Exposure	Risk Mitigation
Credit risk	Cash and cash equivalents	Surplus Cash is deposited only with banks/financial institutions with a high external credit rating.
Credit risk	Trade Receivables	Significant number of company's customers take a loan from bank/financial institution where credit risk is negligent. Possession of the property to customer is provided only after complete collection against unit which will mitigate the risk.
Liquidity risk	Borrowings	Credit lines/loans are negotiated well in advance to ensure liquidity for completing the project.
Market risk – interest rate	Borrowings at variable rates	Since all borrowings are rupee borrowings company can't enter into any hedging instrument to mitigate variable interest rate risk. Where there is surplus cash flow, the company will look to prepay its debt obligations and reduce interest cost.

**(A) Credit risk**

Credit risk arises from cash and cash equivalents.

*(i) Credit risk management*

Credit risk is managed on a company basis. For banks and financial institutions, only high rated banks/institutions are selected for placing deposits.

**(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. 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.

*(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.

**Contractual Maturities of Financial Liabilities:**

Particulars	Maturity	Year ended March 31, 2024	Year ended March 31, 2023
Borrowings	> than 12 months	7,740.32	4,330.02
Other financial liabilities	> than 12 months	22.58	1.60
Trade Payables	< than 12 months	9.42	44.63

**20 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.

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 an optimal gearing ratio. The gearing ratios were as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Net Debt	5,733.98	4,325.16
Total Equity	(56.36)	(1.33)
<b>Net Debt to Equity Ratio</b>	-	-

\*As at 31 March 2024, the company's Total Equity is negative, hence ratio is not given.

**21 Related Party Disclosure**

	As at / For the year ended March 31, 2024	As at / For the year ended March 31, 2023
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**(a) Related parties and their relationship for the financial year 2023-24:**

**Holding Company**

Emerald Haven Realty Limited

**Key Management Personnel:**

Non Executive Directors

Mr. V R Karunakarareddy

Mr. Sriram Subramanian Iyer

**(b) Transactions with Related Parties:**

**Holding Company**

**Emerald Haven Realty Limited**

(i) Rent Expenses	0.78	0.54
(ii) Inter Corporate Loan Taken	6,407.30	1,330.02
(iii) Inter Corporate Loan Paid	(5,022.00)	-
(iv) Interest Expense	245.35	11.70

**(c) Balances with related parties- Receivable / (Payable):**

**Holding Company**

**Emerald Haven Realty Limited**

(i) Advance Receivable /(Payable)	(22.58)	(1.60)
(ii) Inter Corporate Loan	(2,715.32)	(1,330.02)
(iii) Interest accrued but Not Due	(231.34)	(10.53)

**22 Contingent Liabilities and Commitments**

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Contingent Liabilities	Nil	Nil

**Commitments**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(a) Capital commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for	Nil	Nil
<b>(b) Other commitments</b>		
Expenditure related to contractual commitments apart from Capital Commitments	Nil	Nil

**23 Payment to Auditors Comprises (excluding GST)**

Particulars	As at March 31, 2024	As at March 31, 2023
As statutory auditors	1.50	0.10
<b>Total</b>	<b>1.50</b>	<b>0.10</b>

**24 Revenue from Contracts with Customers**

a The Company has adopted Ind AS 115 from April 1, 2018 and had 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.

b 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 :

S No	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	Income from Sale of Land	-	-
2	Other Operating Revenue	-	-
		-	-

c The operations of the Company relate to only one segment viz., real estate. Thus, the information on the relationship between disaggregated revenue under Ind AS 115 and for reportable segment under Ind AS 108 is not required.

d Reconciliation of Contracts with Customers

The following schedule gives the movement of contract liabilities for the reporting period.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Contract Liabilities at the beginning of the period	-	-
Add / (Less) :		
Customer Milestones raised during the year	-	-
Revenue recognized from contract liability	-	-
Contract Liabilities at the end of the period	-	-

Customer Milestones are raised as per contracted payment schedule entered with customers, and is recognised as a contract liability. As and when the entire performance obligation is met the same is recognized as revenue.

e Reconciliation of Revenue with Contract Price

S No	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1.	Revenue from operations as per Statement of Profit and loss	-	-
	Adjustments :		
2.	Contract price	-	-

## 25 Ratio Analysis

S No	Ratio	Current Year 31.03.2024	Previous Year 31.03.2023	% Variance	Reasons
a	Current Ratio= Current assets / Current Liabilities	0.99	1.00	-1%	
b	Debt equity ratio= total debt / total shareholder's equity	(137.35)	(3,257.25)	-96%	Variance is due to additional borrowings during the year.
c	Debt service coverage ratio= earnings available for debt services / total interest and principal repayments	(0.02)	NA	NA	Variance is due to repayment of borrowings made during the year.
d	Return on equity ratio/ return on investment ratio= Net profit after tax / Average shareholder's equity	1.91	NA	NA	As the Company is yet to commence projects there is no revenue recognised.
e	Inventory turnover ratio= Net sales divided by average Inventory	NA	NA	NA	As the Company is yet to commence projects there is no revenue recognised.
f	Trade receivables turnover ratio= Net sales / average trade receivables	NA	NA	NA	As the Company is yet to commence projects there is no revenue recognised.
g	Trade Payables turnover ratio= Net Purchases divided by average trade Payables	NA	NA	NA	
h	Net capital turnover ratio= Net sales / working capital	-	-	NA	As the Company is yet to commence projects there is no revenue recognised.
i	Net profit turnover ratio= Net profit after tax / Net sales	NA	NA	NA	As the Company is yet to commence projects there is no revenue recognised.
j	Return on Capital employed = Earnings before interest and taxes(EBIT) / Average Capital Employed	2.58	NA	NA	As the Company is yet to commence projects there is no revenue recognised.
k	Return on investment=Net profit after tax /Avg Shareholders Equity	1.91	NA	NA	As the Company is yet to commence projects there is no revenue recognised.

**Happiness Harmony Property Developers Private Limited**  
**Other Disclosures**

**26** In the opinion of the management, the current assets have a value of realisation in ordinary course of business or atleast equal to the amount at which they are stated in the balance sheet.

**27 Additional Regulatory Information**

- i Title Deeds of Immovable properties is 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 does not have any 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 2024.
  - xii 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 end of financial year ended 31 March 2024.
  - 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.
- 31** Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.

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**

**K. BALAJI**  
*Partner*  
Membership No. 224922  
Chennai  
Date: April 29, 2024

**Sriram Subramanian Iyer**  
**Director**  
**DIN 06967858**

**V Karunakara Reddy**  
**Director**  
**DIN 08417260**

**Emerald Haven Towers Limited**  
**Balance Sheet as at March 31, 2024**

	Note No.	As at March 31, 2024	Rs. in Lakhs. As at March 31, 2023
<b>Assets</b>			
<b>Non-Current Assets</b>			
Deferred Tax Asset	2	913.74	16.11
<b>Total Non-Current Assets</b>		<b>913.74</b>	<b>16.11</b>
<b>Current Assets</b>			
Inventories	3	28,016.14	19,864.45
Financial Assets			
i. Trade Receivables	4	1,995.66	-
ii. Cash and Cash Equivalents	5	6,696.94	1.45
Current Tax Assets (Net)	6	211.91	-
Other Current Assets	7	1,706.88	358.08
<b>Total Current Assets</b>		<b>38,627.53</b>	<b>20,223.98</b>
<b>Total Assets</b>		<b>39,541.27</b>	<b>20,240.09</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity Share Capital	8	3,000.00	3,000.00
Other Equity	9	(2,624.74)	(69.94)
<b>Total Equity</b>		<b>375.26</b>	<b>2,930.06</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Financial Liabilities			
i. Borrowings	10	-	10,200.00
ii. Trade Payables			
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than MSME	11	499.25	27.19
iii. Other Financial Liabilities	12	2,640.43	4,180.08
Other Current liabilities	13	36,026.33	2,902.76
<b>Total Current Liabilities</b>		<b>39,166.01</b>	<b>17,310.03</b>
<b>Total Liabilities</b>		<b>39,166.01</b>	<b>17,310.03</b>
<b>Total Equity and Liabilities</b>		<b>39,541.27</b>	<b>20,240.09</b>
Material 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**

**S G Murali**  
**Director**  
DIN - 00348902

**V Karunakara Reddy**  
**Director**  
DIN - 08417260

**Sriram Subramanian Iyer**  
**Chief Executive Officer**

**K. BALAJI**  
*Partner*  
Membership No. 224922  
Place: Chennai  
Date: 29 April 2024

**P Vishal Anand**  
**Chief Financial Officer**

**R Akshay**  
**Company Secretary**

**Emerald Haven Towers Limited**  
**Statement of Profit and Loss for the Year Ended March 31, 2024**

	Note No.	For the Year Ended March 31, 2024	Rs. in Lakhs. For the Year Ended March 31, 2023
<b>Income</b>			
Revenue from Operations		-	-
Other Income	14	54.27	0.05
<b>Total Income</b>		<b>54.27</b>	<b>0.05</b>
<b>Expenses</b>			
Operating Expenses	15	-	-
Other Expenses	16	3,506.71	54.73
<b>Total Expenses</b>		<b>3,506.71</b>	<b>54.73</b>
<b>Profit/(Loss) Before Tax</b>		<b>(3,452.44)</b>	<b>(54.68)</b>
Income Tax Expense/(Benefit)	17		
Current Tax		-	-
Deferred Tax		(897.64)	(14.22)
<b>Profit/(Loss) for the Year</b>		<b>(2,554.80)</b>	<b>(40.46)</b>
<b>Other Comprehensive Income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
		-	-
<b>Other Comprehensive Income for the period, Net of Tax</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income/(Loss) for the period</b>		<b>(2,554.80)</b>	<b>(40.46)</b>
<b>Earnings per Equity Share</b>			
Basic Earnings per Share (In Rupees)	18	(8.52)	(0.13)
Material 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**

**S G Murali**  
**Director**  
DIN - 00348902

**V Karunakara Reddy**  
**Director**  
DIN - 08417260

**Sriram Subramanian Iyer**  
**Chief Executive Officer**

**K. BALAJI**  
*Partner*  
Membership No. 224922  
Place: Chennai  
Date: 29 April 2024

**P Vishal Anand**  
**Chief Financial Officer**

**R Akshay**  
**Company Secretary**

**Emerald Haven Towers Limited**  
**Cash Flow Statement**

	<b>Year Ended</b>		<b>Rs. In Lakhs</b>
	<b>March 31, 2024</b>		<b>Year Ended</b>
			<b>March 31, 2023</b>
<b>A. Cash Flow from Operating Activities:</b>			
Net Profit/(Loss) Before Tax		(3,452.44)	(54.68)
Add:			
Interest Income		(53.56)	-
<b>Operating Profit before Working Capital Changes</b>		<b>(3,506.00)</b>	<b>(54.68)</b>
<b>Adjustments for:</b>			
Trade Receivables	(1,995.66)		-
Inventories	(8,151.69)		(3,518.12)
Other Current Assets	(1,349.58)		(358.08)
Trade Payables	472.08		(21.38)
Other Current Liabilities	33,123.57		2,873.13
Other Financial Liabilities	2,640.43	24,739.15	1,075.95
			51.50
<b>Cash Generated from Operations</b>		<b>21,233.15</b>	<b>(3.18)</b>
Income Taxes Refund/(Paid) - Net		(211.91)	-
<b>Net Cash Generated from Operating Activities</b>		<b>21,021.24</b>	<b>(3.18)</b>
<b>B. Cash Flow from Investing Activities:</b>			
Interest Received		54.34	-
<b>Net Cash from / (used in) Investing Activities</b>		<b>54.34</b>	<b>-</b>
<b>C. Cash Flow from Financing Activities :</b>			
Loan Repaid	(13,518.00)		
Loan Taken from Related Party	3,318.00		-
Interest Paid on Loan	(4,180.08)	(14,380.08)	-
<b>Net Cash from / (used in) Financing Activities</b>		<b>(14,380.08)</b>	<b>-</b>
<b>Total (A+B+C) Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>6,695.49</b>	<b>(3.18)</b>
Cash and Cash Equivalents at the Beginning of the Year		1.45	4.63
Cash and Cash Equivalents at the End of the Year		6,696.94	1.45
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>6,695.49</b>	<b>(3.18)</b>

Note : The above Statement of Cash flow is prepared using indirect method.

As per our report annexed  
**For V.Sankar Aiyar & Co**  
Chartered Accountants  
Firm Regn No : 109208W

For and on behalf of the Board of

**S G Murali**  
Director  
DIN - 00348902

**V Karunakara Reddy**  
Director  
DIN - 08417260

**Sriram Subramanian Iyer**  
Chief Executive Officer

**K. BALAJI**  
Partner  
Membership No. 224922  
Place: Chennai  
Date: 29 April 2024

**P Vishal Anand**  
Chief Financial Officer

**R Akshay**  
Company Secretary

<b>Emerald Haven Towers Limited</b>		<b>Rs. in Lakhs.</b>
<b>Statement of Changes in Equity</b>		
<b>I) Equity Share Capital</b>		
Balance as at 01-04-2022		3,000.00
Changes in Equity Share capital due to prior period errors		-
Restated balance as at 01-04-2022		3,000.00
Changes in equity share capital during the year		-
<b>Balance as at 31-03-2023</b>		<b>3,000.00</b>
Changes in Equity Share capital due to prior period errors		-
Restated balance as at 01-04-2023		3,000.00
Changes in equity share capital during the year		-
<b>Balance as at 31-03-2024</b>		<b>3,000.00</b>

**II) Other Equity**

<b>Particulars</b>	<b>Reserves &amp; Surplus</b>	<b>Total</b>
	<b>Retained Earnings</b>	
<b>Balance as at 31st March 2022</b>	<b>(29.48)</b>	<b>(29.48)</b>
Profit / (Loss) for FY 22-23	(40.46)	(40.46)
<b>Balance as at 31st March 2023</b>	<b>(69.94)</b>	<b>(69.94)</b>
Profit / (Loss) for FY 23-24	(2,554.80)	(2,554.80)
<b>Balance as at 31st March 2024</b>	<b>(2,624.74)</b>	<b>(2,624.74)</b>

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**

**S G Murali**  
**Director**  
DIN - 00348902

**V Karunakara Reddy**  
**Director**  
DIN - 08417260

**Sriram Subramanian Iyer**  
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**K. BALAJI**  
Partner  
Membership No. 224922  
Chennai  
Date: 29 April 2024

**P Vishal Anand**  
**Chief Financial Officer**

**R Akshay**  
**Company Secretary**

**Emerald Haven Towers Limited**  
**Notes to Balance Sheet**

	As at March 31, 2024	Rs. in Lakhs. As at March 31, 2023
<b>2 Deferred Tax Assets</b>		
The balance comprises temporary differences attributable to:		
- Business Loss	1,693.74	16.11
- Inventory	(779.99)	-
<b>Total Deferred Tax Assets</b>	<b>913.74</b>	<b>16.11</b>

**Movement in Deferred Tax Assets/ (Liabilities)**

	Inventory	Carry Forward of Business Loss	Total
<b>At March 31, 2022</b>	-	1.89	1.89
(Charged)/credited:			
- to profit or loss	(621.66)	635.88	14.22
- to other comprehensive income	-	-	-
<b>At March 31, 2023</b>	<b>(621.66)</b>	<b>637.77</b>	<b>16.11</b>
(Charged)/credited:			
- to profit or loss	(158.33)	1,055.97	897.64
- to other comprehensive income	-	-	-
<b>At March 31, 2024</b>	<b>(779.99)</b>	<b>1,693.74</b>	<b>913.74</b>

Note : The Company has recognised deferred tax asset on the basis that future taxable profits will be available to utilize those temporary differences and losses.

**3 Inventories**

Land held for Development*	15,031.57	15,031.57
Construction-in-Progress	12,984.57	4,832.88
<b>Total Inventories</b>	<b>28,016.14</b>	<b>19,864.45</b>

\*Land owned by the company at Kovilambakkam is given as security for loan taken by Emerald Haven Realty Limited (Holding company) & Emerald Haven Life Spaces (Radial Road) Limited (Fellow Subsidiary).

**4 Trade Receivables**

Trade Receivables considered good - Unsecured	1,995.66	-
Less: Loss allowance	-	-
<b>Total Trade Receivables</b>	<b>1,995.66</b>	<b>-</b>

Trade receivable represents balance amount to be received from customer out of demands raised on milestone completion, However revenue is recognised on completion of performance obligation as required under Ind AS 115, i.e at a point in time.

**Ageing Schedule of Trade Receivables as at March 31, 2024**

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 yrs	
(i) Undisputed trade receivables - considered good	551.74	1,359.34	84.58	-	-	-	1,995.66
(ii) Undisputed trade receivables - considered doubtful (having significant increase in risk)	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Undisputed trade receivables - considered doubtful (having significant increase in credit risk)	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
(vii) Allowance for Unsecured, Credit Impaired	-	-	-	-	-	-	-
	<b>551.74</b>	<b>1,359.34</b>	<b>84.58</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,995.66</b>

Ageing Schedule of Trade Receivables as at March 31, 2023

Particulars	Not Due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months to 1 year	1 - 2 years	2 - 3 years	More than 3 yrs	Total
(i) Undisputed trade receivables - considered good	-	-	-	-	-	-	-
(ii) Undisputed trade receivables - considered doubtful (having significant increase in risk)	-	-	-	-	-	-	-
(iii) Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
(iv) Disputed trade receivables - considered good	-	-	-	-	-	-	-
(v) Undisputed trade receivables - considered doubtful (having significant increase in credit risk)	-	-	-	-	-	-	-
(vi) Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
(vii) Allowance for Unsecured, Credit Impaired	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

**5 Cash and Cash Equivalents**

Balances with Banks*		
- in Current Accounts	4,696.94	1.45
- In Deposit Accounts ( Less than 3 Months)	2,000.00	-
<b>Total Cash and Cash Equivalents</b>	<b>6,696.94</b>	<b>1.45</b>

\* Includes bank balance of Rs 3785.88 Lakhs (PY Rs.Nil) maintained in project specific RERA Bank a/c as per Real Estate Regulatory Authority (RERA) Act, which can be used only for specific permitted payments.

**6 Current Tax Assets (Net)**

Advance Tax and TDS receivables Less Provision for Tax	211.91	-
<b>Total Current Tax Assets (Net)</b>	<b>211.91</b>	<b>-</b>

**7 Other Current Assets**

GST Receivable	7.38	-
Security Deposit with Government Authorities	283.30	283.30
Mobilisation & Other Advances to Vendors	1,415.50	74.78
Accrued Income	0.70	-
<b>Total Other Current Assets</b>	<b>1,706.88</b>	<b>358.08</b>

**Authorised, Issued, Subscribed and Fully Paid Up**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	Rs. in Lakhs.	Number of Shares	Rs. in Lakhs.
<b>Authorised:</b> Equity shares of Rs.10/- each	30,000,000	3,000.00	30,000,000	3,000.00
<b>Issued, subscribed and fully paid up:</b> Equity shares of Rs.10/- each	30,000,000	3,000.00	30,000,000	3,000.00
	<b>30,000,000</b>	<b>3,000.00</b>	<b>30,000,000</b>	<b>3,000.00</b>

**(i) Movements in equity share capital**

**Reconciliation of equity shares outstanding at the beginning and at the end of the year**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of Shares	Rs. in Lakhs.	Number of Shares	Rs. in Lakhs.
Shares outstanding at the beginning of the year	30,000,000	3,000.00	30,000,000	3,000.00
Changes in equity share capital during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>30,000,000</b>	<b>3,000.00</b>	<b>30,000,000</b>	<b>3,000.00</b>

**Terms and rights attached to equity shares**

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.

**(ii) Shares of the Company held by Holding Company and its Subsidiaries**

Name of shareholder	Class of Shares	As at March 31, 2024		As at March 31, 2023	
		Number of Shares	% Holding	Number of Shares	% Holding
Emerald Haven Realty Limited - Holding Company*	Equity	26,768,389	89.23%	26,768,389	89.23%

**(iii) Details of shareholders holding more than 5% shares in the Company**

Name of shareholder	Class of Shares	As at March 31, 2024		As at March 31, 2023	
		Number of Shares	% Holding	Number of Shares	% Holding
Emerald Haven Realty Limited - Holding Company*	Equity	26,768,389	89.23%	26,768,389	89.23%
Broadcom PCC	Equity	3,231,611	10.77%	3,231,611	10.77%

**(iv) Aggregate number of shares issued without payment being received in cash**

Particulars	Class of Shares	Year of allotment	Number of shares
Emerald Haven Realty Limited - Holding Company*	Equity	2021-22	26,768,389
Broadcom PCC	Equity	2021-22	3,231,611

**(v) Details of Shares held by Promoters in the Company**

Name of Promoter	Class of Shares	As at March 31, 2024		As at March 31, 2023		% Change During the Year	
		Number of shares	% holding	Number of shares	% holding	As at March 31, 2024	As at March 31, 2023
Emerald Haven Realty Limited - Holding Company*	Equity	26,768,389	89.23%	26,768,389	89.23%	Nil	Nil

\* includes shares held by nominees

9 Other Equity	As at March 31, 2024	As at March 31, 2023
<b>a) Retained Earnings</b>		
Opening Balance	(69.94)	(29.48)
Net Profit / (Loss) for the Year	(2,554.80)	(40.46)
<b>Closing Balance - Total Other Equity</b>	<b>(2,624.74)</b>	<b>(69.94)</b>

**Retained Earnings:** Company's cumulative undistributed earnings since inception. This reserves is available for distribution to shareholders.

**10 Borrowings**

Description	Repayment Frequency	Maturity	Rate of Interest	As at March 31, 2024	As at March 31, 2023
Unsecured loan from Holding Company	Payable on Maturity	Jan-27	11.75%	-	9,000.00
		Jan-27	11.50%	-	1,200.00
<b>Total Borrowings</b>				<b>-</b>	<b>10,200.00</b>

**11 Trade Payables**

Dues to Micro and Small Enterprises **	-	-
Dues to enterprises other than Micro and Small Enterprises	499.25	27.19
<b>Total Trade Payables</b>	<b>499.25</b>	<b>27.19</b>

\*\*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:-**

(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 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;	-	-
(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 Schedule of Trade Payables as at March 31, 2024

Particulars	Unbilled dues	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Other than MSME	-	206.65	281.07	-	-	-	487.72
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Other than MSME	-	-	-	-	-	-	-
<b>Total (i) to (iv)</b>	-	<b>206.65</b>	<b>281.07</b>	-	-	-	<b>487.72</b>
<b>Accrued expenses</b>							<b>11.53</b>
<b>Total</b>							<b>499.25</b>

Ageing Schedule of Trade Payables as at March 31, 2023

Particulars	Unbilled dues	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Other than MSME	-	18.69	8.50	-	-	-	27.19
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Other than MSME	-	-	-	-	-	-	-
<b>Total (i) to (iv)</b>	-	<b>18.69</b>	<b>8.50</b>	-	-	-	<b>27.19</b>
<b>Accrued expenses</b>							-
<b>Total</b>							<b>27.19</b>

	As at March 31, 2024	As at March 31, 2023
<b>12 Other Financial Liabilities</b>		
Interest Accrued but Not Due (Payable to Related Party)	677.22	4,180.08
Payable to Related Party	1,963.21	-
<b>Total Other Financial Liabilities</b>	<b>2,640.43</b>	<b>4,180.08</b>
<b>13 Other Current Liabilities</b>		
Revenue Received in Advance	35,314.10	-
<b>Other advance:</b>		
Advance Received from Customers	201.26	-
<b>Others:</b>		
Advance received from Related Parties	-	2,775.72
Statutory Dues	510.97	127.04
<b>Total Other Current Liabilities</b>	<b>36,026.33</b>	<b>2,902.76</b>

**Emerald Haven Towers Limited**  
**Notes to Statement of Profit & Loss**

	For the Year Ended March 31, 2024	Rs. in Lakhs. For the Year Ended March 31, 2023
<b>14 Other Income</b>		
Interest income from Fixed Deposits	53.56	-
Cancellation Charges Collected from Customers	0.66	-
Scrap Sales	0.05	0.05
<b>Total Other Income</b>	<b>54.27</b>	<b>0.05</b>
<b>15 Operating Expenses</b>		
<b>Opening stock:</b>		
Construction-in-Progress	4,832.88	1,578.73
Land held for Development	15,031.57	14,767.60
(A)	<u>19,864.45</u>	<u>16,346.33</u>
<b>Incurred during the year :</b>		
Construction-in-Progress	8,151.69	3,254.15
Land held for Development	-	263.97
(B)	<u>8,151.69</u>	<u>3,518.12</u>
<b>Closing stock:</b>		
Construction-in-Progress	12,984.57	4,832.88
Land held for Development	15,031.57	15,031.57
(C)	<u>28,016.14</u>	<u>19,864.45</u>
<b>Operating Expenses (A + B - C)</b>	<u>-</u>	<u>-</u>
<b>16 Other Expenses</b>		
Payment to Auditors	5.00	0.25
Advertisement Expenses	1,046.38	17.25
Consultancy & Professional Charges	2.03	14.74
Rates & Taxes	1.12	1.90
Management Fees	2,369.70	-
Security Charges	11.33	8.90
HouseKeeping & Maintenance	8.41	2.79
Bank Charges	28.42	-
Power & Fuel	17.03	2.26
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)	17.30	6.64
<b>Total Other Expenses</b>	<b>3,506.71</b>	<b>54.73</b>
<b>17 Income Tax Expense</b>		
<b>(a) Income Tax Expense</b>		
<b>Current Tax</b>		
Current Tax on profits for the year	-	-
Tax relating to profits for earlier years	-	-
<b>Total Current Tax Expense (A)</b>	<u>-</u>	<u>-</u>
<b>Deferred Tax</b>		
Decrease / (Increase) in Deferred Tax Assets	(897.64)	(14.22)
(Decrease) / Increase in Deferred Tax Liabilities	-	-
<b>Total Deferred Tax Expense/(Benefit) (B)</b>	<b>(897.64)</b>	<b>(14.22)</b>
<b>Income Tax Expense/(Benefit) (A + B)</b>	<b>(897.64)</b>	<b>(14.22)</b>

**Emerald Haven Towers Limited**  
**Notes to Statement of Profit & Loss**

	For the Year Ended March 31, 2024	Rs. in Lakhs. For the Year Ended March 31, 2023
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by Income tax rate:</b>		
Profit/(Loss) before income tax expense	(3,452.44)	(54.68)
<b>Tax at the Income tax rate of 26% (PY 26% )</b>	<b>(897.63)</b>	<b>(14.22)</b>
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
DTA on Disallowed Expenses	-	-
<b>Income Tax Expense/(Benefit)</b>	<b>(897.63)</b>	<b>(14.22)</b>

**18 Earnings Per Share**

**(a) Basic/Diluted Earnings per Share**

Basic/diluted earnings per share attributable to the equity Shareholders of the Company (In Rs.)	(8.52)	(0.13)
--	--------	--------

**(b) Reconciliations of earnings used in calculating earnings per share**

Profit (Loss) attributable to equity holders of the company used in calculating basic/diluted earnings per share (In Lakhs)	(2,554.80)	(40.46)
---	------------	---------

**(c) Weighted average number of equity shares used as the denominator in calculating basic/diluted earnings per share (In Nos)**

30,000,000	30,000,000
------------	------------

**Note:** There are no diluted potential equity shares, hence basic and diluted EPS remains the same.

**Emerald Haven Towers Limited**  
**Financial Instruments and Risk Management**  
**19 Fair Value Measurements**

Financial Instruments by Category	Rs. in Lakhs.			
	As at March 31, 2024		As at March 31, 2023	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial Assets</b>				
Trade Receivables	-	1,995.66	-	-
Cash and Cash Equivalents	-	6,696.94	-	1.45
	-	<b>8,692.60</b>	-	<b>1.45</b>
<b>Financial Liabilities</b>				
Borrowings	-	-	-	10,200.00
Trade Payables	-	499.25	-	27.19
Other Financial Liabilities	-	2,640.43	-	4,180.08
	-	<b>3,139.68</b>	-	<b>14,407.26</b>

\* FVTPL - Fair Valued Through Profit and Loss

The Company has no Financial assets or liabilities that are valued at Fair value through Profit or Loss of 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.

**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.

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) Fair value of financial assets and liabilities measured at amortised cost**

The carrying amounts of Trade Receivables, Cash and Cash Equivalents, Borrowings, Trade Payables, Other Financial Liabilities, are considered to be the same as their fair values, due to their short-term nature.

The fair values for loans, security deposits and investment in government securities were calculated based on cash flows discounted using a current lending rate. They are classified as level 2 fair values in the fair value hierarchy since significant

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 2 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**Emerald Haven Towers Limited**  
**Financial Instruments and Risk Management**  
**20 Financial Risk Management**

**Rs. in Lakhs.**

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 manages the risk

<b>Risk</b>	<b>Exposure arising from</b>	<b>Risk Mitigation</b>
Credit risk	Cash and Cash equivalents	Surplus Cash is deposited only with banks/financial institutions with a high external credit rating.
Credit risk	Trade Receivables	Significant number of company's customers take a loan from bank/financial institution where credit risk is negligent. Possession of the property to customer is provided only after complete collection against unit which will mitigate the risk.
Liquidity risk	Borrowings	Credit lines/loans are negotiated well in advance to ensure liquidity for completing the project.
Market risk – interest rate	Borrowings at variable rates	Since all borrowing are rupee borrowing company can't enter into any hedging instrument to mitigate variable interest rate risk. where there is surplus Cash flow, the company will look to prepay its debt obligations and reduce interest cost.

**(A) Credit risk**

Credit risk arises from cash and cash equivalents and trade receivables.

*(i) Credit risk management*

Credit risk is managed on a company basis. For banks and financial institutions, only high rated banks/institutions are selected for placing deposits.

**(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. Management monitors rolling forecasts of The company's liquidity position (comprising the undrawn borrowing

*(i) Financing arrangements*

The company has no financial arrangements

*(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.

**Contractual maturities of financial liabilities:**

<b>Particulars</b>	<b>Maturity</b>	<b>As at March 31, 2024</b>	<b>As at March 31, 2023</b>
Borrowings	> than 12 months	-	10,200.00
Trade Payables	< than 12 months	499.25	27.19
Other Financial Liabilities	< than 12 months	2,640.43	4,180.08

**Emerald Haven Towers Limited**

**25 Related Party Disclosure**

**Rs. In Lakhs**

Related Party Disclosure	For the Year Ended March 31, 2024	For the Year Ended March 31, 2023
Particulars		
<b>(a) Related parties and their relationship where transactions exists for the financial year 2023-24:</b>		
<u>Holding Company</u> Emerald Haven Realty Limited		
<u>Key Management Personnel</u>		
<u>Directors</u> Mr. S G Murali Mr. V R Karunakarareddy Mr. Narasimhan Srinivasa Ramanujam		
<u>Additional Director</u> Mr. Sameer Sah		
<b>(b) Transactions with Related Parties:</b>		
<b>Holding Company</b> <u>Emerald Haven Realty Limited</u>		
(i) Issue of share Capital to Holding Company	-	-
(ii) Rent - corporate office	0.71	0.92
(iii) Interest Expense	752.47	1,195.50
(iv) Advances Received/(Paid)	(2,775.72)	2,775.72
(v) Loan Received	3,317.73	-
(vi) Management Fees	2,369.70	-
(vii) Loan Repaid	13,517.73	-
<b>(c) Balances with Related Parties (Payable)/Receivable:</b>		
<b>Holding Company</b> <u>Emerald Haven Realty Limited</u>		
(i) Advance Receivable / (Payable)	-	(2,775.72)
(ii) Interest Payable	(677.22)	(4,180.08)
(iii) Loan Taken	-	(10,200.00)
(iv) Management Fees Payable	(1,963.21)	-

**26 Auditors' Remuneration (included under Other Expenses) - (Excluding Taxes)**

**Rs. In Lakhs**

Particulars	March 31, 2024	March 31, 2023
Payments to Auditors as		
a. Statutory Auditors	5.00	0.25
<b>Total Auditor's Remuneration</b>	<b>5.00</b>	<b>0.25</b>

**27 Revenue from contracts with customers**

a The Company has adopted Ind AS 115 from April 1, 2018 and had 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.

b 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 :

<b>S No</b>	<b>Particulars</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
1	Income from Sale of Property Development	-	-
2	Other operating revenue	-	-
		-	-

c The operations of the Company relate to only one segment viz., real estate. Thus, the information on the relationship between disaggregated revenue under Ind AS 115 and for reportable segment under Ind AS 108 is not required.

d Reconciliation of contracts with customers

The following schedule gives the movement of contract liabilities for the reporting period.

<b>S No</b>	<b>Particulars</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
1.	Contract Liabilities at the beginning of the period	-	-
	Add / (Less) :		
2.	Customer Milestones raised during the year	35,314.10	-
3.	Revenue recognized from contract liability	-	-
4.	Contract Liabilities at the end of the period	35,314.10	-

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.

e Reconciliation of revenue with contract price

<b>S No</b>	<b>Particulars</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
1.	Revenue from operations as per Statement of Profit and loss	-	-
2.	Adjustments :		
3.	Contract price	-	-

**Emerald Haven Towers Limited**  
**28 Ratio Analysis**

S No	Ratio	Current Year 31.03.2024	Previous Year 31.03.2023	% Variance	Reasons
a	Current Ratio= Current assets / Current Liabilities	0.99	1.17	-16%	
b	Debt equity ratio= total debt / total shareholder's equity	-	3.48	-100%	During the year, the loan has been completely repaid.
c	Debt service coverage ratio= earnings available for debt services / total interest and principal repayments	(0.18)	(0.03)	429%	Revenue will be recognised as per IND AS 115 only on completion of the project and handing over to the customer. Variance is because of expenses incurred due to commencement of projects by the Company.
d	Return on equity ratio/ return on investment ratio= Net profit after tax / Average shareholder's equity	(1.55)	(0.01)	20192%	Revenue will be recognised as per IND AS 115 only on completion of the project and handing over to the customer. Variance is because of expenses incurred due to commencement of projects by the Company.
e	Inventory turnover ratio= Net sales divided by average Inventory	NA	NA	NA	Revenue will be recognised as per IND AS 115 only on completion of the project and handing over to the customer.
f	Trade receivables turnover ratio= Net sales / average trade receivables	NA	NA	NA	Revenue will be recognised as per IND AS 115 only on completion of the project and handing over to the customer.
g	Trade Payables turnover ratio= Net Purchases divided by average trade Payables	30.97	92.88	-67%	As the Company has commenced operations during the year.
h	Net capital turnover ratio= Net sales / working capital	NA	NA	NA	Revenue will be recognised as per IND AS 115 only on completion of the project and handing over to the customer.
i	Net profit turnover ratio= Net profit after tax / Net sales	NA	NA	NA	Revenue will be recognised as per IND AS 115 only on completion of the project and handing over to the customer.
j	Return on Capital employed = Earnings before interest and taxes(EBIT) / Capital Employed	(2.09)	(0.02)	11959%	Revenue will be recognised as per IND AS 115 only on completion of the project and handing over to the customer. Variance is because of expenses incurred due to commencement of projects by the Company.
k	Return on investment=Net profit after tax /Avg Shareholders Equity	(1.55)	(0.01)	20192%	Revenue will be recognised as per IND AS 115 only on completion of the project and handing over to the customer.

## **Emerald Haven Towers Limited**

### **Other Disclosures**

#### **29 Additional Regulatory Information**

- i** Title deeds of immovable properties 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 does not have any 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 2024.
  - xii** 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 end of financial year ended 31 March 2024.
  - xiii** There is 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.
  - xvii** 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
  - xviii** The Company does not meet the thresholds prescribed under Section 135 of the Companies Act. Therefore, spending under Corporate Social Responsibility is not applicable.
  - xx** The Company has not operated in any crypto currency transactions.
- 30** Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.

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**

**S G Murali**  
Director  
DIN - 00348902

**V Karunakara Reddy**  
Director  
DIN - 08417260

**Sriram Subramanian Iyer**  
Chief Executive Officer

**K. BALAJI**  
Partner  
Membership No. 224922  
Place: Chennai  
Date: 29 April 2024

**P Vishal Anand**  
Chief Financial Officer

**R Akshay**  
Company Secretary

**EMERALD HAVEN RESIDENCES PRIVATE LIMITED**

**Balance Sheet as at March 31, 2024**

	Notes	Rs in Lakhs As at March 31, 2024
<b>Assets</b>		
<b>Current Assets</b>		
Financial Assets		
Cash and Cash Equivalents	2	0.44
<b>Total Current Assets</b>		<b>0.44</b>
<b>Total Assets</b>		<b>0.44</b>
Equity and Liabilities		
Equity		
<b>Equity Share Capital</b>	3	<b>0.50</b>
<b>Other Equity</b>	4	<b>(0.16)</b>
<b>Total Equity</b>		<b>0.34</b>
<b>Liabilities</b>		
Current Liabilities		
Other Current Liabilities	5	0.10
<b>Total Current Liabilities</b>		<b>0.10</b>
<b>Total Liabilities</b>		<b>0.10</b>
<b>Total Equity and Liabilities</b>		<b>0.44</b>
Material Accounting Policies	1	-

As per our report annexed  
For SRSV & Associates  
Chartered Accountants  
Firm Regn No : 015041S

For and on behalf of the Board of Directors

**G. Chella Krishna**  
Partner  
Membership No. 210474

**Sameer Sah**  
Director  
DIN - 01844078

**Sriram Subramanian Iyer**  
Director  
DIN - 06967858

Place: Chennai  
Date: April 29 2024

**EMERALD HAVEN RESIDENCES PRIVATE LIMITED**

**Statement of Profit and Loss for the Period ended March 31, 2024**

	Notes	Rs in Lakhs Year ended March 31, 2024
<b>Income</b>		
<b>Total income</b>		<b>764.72</b>
<b>Expenses</b>		
Other Expenses	6	0.16
<b>Total expenses</b>		<b>0.16</b>
<b>Profit/(Loss) Before Tax</b>		<b>(0.16)</b>
Income Tax Expense		
Current tax	7	-
<b>Profit/(Loss) for the year</b>		<b>(0.16)</b>
<b>Earnings Per Equity Share</b>		
Basic & Diluted Earnings per Share (Rs.)	8	(0.32)
Material Accounting Policies	1	

As per our report annexed  
For SRSV & Associates  
Chartered Accountants  
Firm Regn No : 015041S

For and on behalf of the Board of Directors

**G. Chella Krishna**  
Partner  
Membership No. 210474

**Sameer Sah**  
Director  
DIN - 01844078

**Sriram Subramanian Iyer**  
Director  
DIN - 06967858

Place: Chennai  
Date: April 29 2024

**EMERALD HAVEN RESIDENCES PRIVATE LIMITED**

**Statement of Changes in Equity**

Rs in Lakhs

I. EQUITY SHARE CAPITAL		Total
Share Capital Issued During the Year		0.50
Change in Equity Share Capital		-
<b>Balance as at March 31, 2024</b>		<b>0.50</b>

Particulars	Reserves & Surplus		Total
	Retained earnings	Share Application	
Profit/(Loss) for FY 24	(0.16)	-	(0.16)
<b>Balance as at March 31, 2024</b>	<b>-</b>	<b>-</b>	<b>15.50</b>

As per our report annexed  
**For SRSV & Associates**  
 Chartered Accountants  
 Firm Regn No : 015041S

For and on behalf of the Board of Directors

**G. Chella Krishna**  
 Partner  
 Membership No. 210474

**Sameer Sah**  
 Director  
 DIN - 01844078

**Sriram Subramanian Iyer**  
 Director  
 DIN - 06967858

Place: Chennai  
 Date: April 29 2024

**EMERALD HAVEN RESIDENCES PRIVATE LIMITED**

**2. Cash and Cash Equivalents**

Rs in Lakhs  
**As at  
 March 31, 2024**

Balances with banks	
In Current Accounts	0.44
Fixed Deposit with Banks (Maturity less than 3 Months)	-
Cheques, drafts on hand	-
<b>Total Cash and Cash Equivalents</b>	<b>0.44</b>

**3. SHARE CAPITAL**

Issued, Subscribed and Fully Paid Up	As at March 31, 2024	
	Number of Shares	Rs in Lakhs
Equity Shares of Rs.10/- each	150,000	1.50
<b>Total</b>	<b>150,000</b>	<b>1.50</b>

Authorised Equity Share Capital	As at March 31, 2024	
	Number of Shares	Rs in Lakhs
Equity Shares of Rs.10/- each	50,000	0.50
<b>Total</b>	<b>50,000</b>	<b>0.50</b>

**Reconciliation of Equity Shares outstanding at the beginning and at the end of the year**

Particulars	As at March 31, 2024	
	Number of Shares	Rs in Lakhs
Equity Shares outstanding at the beginning of the year/ period	50,000	0.50
Equity Shares issued/ (repaid) during the year/ period		
<b>Equity Shares outstanding at the end of the year/ period</b>	<b>50,000</b>	<b>0.50</b>

**Terms and Rights Attached to Equity Shares**

**(i) Rights and Preferences attached to Equity Share:**

The equity shares of the Company have 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.

**(ii) Shares of the Company held by Holding Company**

Name of shareholder	Class of share	As at March 31, 2024	
		No. of shares held	% of holding
Emerald Haven Realty Limited	Equity	50,000	100%

**(iii) Details of shareholders holding more than 5% of shares of the Company**

Name of shareholder	Class of share	As at March 31, 2024	
		No. of shares held	% of holding
Emerald Haven Realty Limited	Equity	50,000	100%
<b>Total</b>		<b>50,000</b>	

Name of shareholder	Class of share	As at March 31, 2024	
		No. of shares held	% of holding
Emerald Haven Realty Limited	Equity	50,000	100%

**EMERALD HAVEN RESIDENCES PRIVATE LIMITED**
**Notes to Financial Statements - (continued)**
**4. Other Equity**
**a) Retained Earnings**

Description	Total
Opening Balance	-
Net Profit/(Loss) for the period	(0.16)
<b>Total Other Equity</b>	<b>(0.16)</b>
Retained earnings: Company's cumulative earnings since inception. These are available for distribution to shareholders.	

**5. Other Current Liabilities**

Outstanding Liabilities	0.10
<b>Total Other Current Liabilities</b>	<b>0.10</b>
<b>For the Period Ended March 31, 2024</b>	
<b>Other Expenses</b>	
Payments To Auditors	0.10
Professional & Consultancy Charges	0.03
Rates & Taxes	0.03
<b>Total Other Expenses</b>	<b>0.16</b>
<b>Income Tax Expense</b>	
<b>"(a) Income Tax Expense"</b>	
Current Tax	-
"Current Tax on Profits for the Period"	-
<b>Total Current Tax Expense</b>	<b>-</b>
<b>Earnings Per Share</b>	
<b>(a) Basic/Diluted Earnings Per Share</b>	
Basic/diluted earnings per share attributable to the equity holders of the Company (Rs)	(0.32)
<b>(b) Reconciliations of earnings used in calculating earnings per share</b>	
Profit/(Loss) attributable to equity holders of the company used in calculating basic earnings per share	(0.16)
<b>(c) Weighted average number of equity shares used as the denominator in calculating basic/ diluted earnings per share</b>	<b>50,000</b>
Note: There are no diluted potential equity shares, hence basic and diluted EPS remains the same.	

**9 Operating Segment**
**a) Description of segments and principal activities**

The company has one reportable segments namely, development of real estate property. The entity's entire operations are reviewed by chief operating decision makers as one operating segment.

**b) Entity Wide Disclosures**

- Company's major service is real estate development
- Company is domiciled and operates within India
- There is no major reliance on a single customer

**10 Fair Value Measurements**

Rs in Lakhs

Financial Instruments by Category	" As at March 31, 2024 "
	Amortised cost
"Financial Assets"	
Cash and Cash Equivalents	0.44
<b>Total Financial Assets</b>	<b>0.44</b>
<b>Financial Liabilities</b>	
<b>Total Financial Liabilities</b>	<b>-</b>

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

- Fair Value of Financial Assets and Liabilities measured at Amortised Cost

The carrying amounts of Cash and Cash Equivalents, 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.

**11 Financial Risk Management**

The company's activities expose only to credit risk and liquidity 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

**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.

**(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) Financing Arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2024
<b>Term loan - Fixed Rate</b>	-
- Expiring beyond one year	

**EMERALD HAVEN RESIDENCES PRIVATE LIMITED**
**(ii) Maturities of Financial Liabilities**

The tables below analyse The company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities, and
- 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	Amount
		As at March 31, 2024
Borrowings	> than 12 months	-
Trade payables	< than 12 months	-
Other financial liabilities	< than 12 months	-
<b>Total Financial Liabilities</b>		<b>-</b>

**12. Capital Management**
**(a) Risk Management**
**(i) Fair Value of Financial Assets and Liabilities measured at Amortised Cost**

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 gearing ratio a optimal gearing ratio. The gearing ratios were as follows:

Particulars	As at March 31, 2024
Net Debt	-
Total Equity	0.34
<b>Net Debt to Equity Ratio</b>	<b>-</b>

**13. Other Disclosures**

Rs in Lakhs

Related Party Disclosure		
	Particulars	For the Period ended March 31, 2024
(a)	Related parties and their relationship where transactions exists for the financial year 2023-24	
	<b>Holding company</b> Emerald Haven Realty Limited	
	<b>Key Management Personnel</b> Sameer Sah Sriram Subramanian Iyer	
(b)	<b>Transactions with related parties:</b>	
	Sundaram Auto Components Limited, Chennai	
	<b>Holding Company</b> Emerald Haven Realty Limited, Issue of Equity Shares	0.50

**14. Ratio Analysis**

Ratio		
	Particulars	For the Period ended March 31, 2024
(a)	Current Ratio= Current Assets / Current Liabilities	5.00
b		NA
(b)	Return on Equity Ratio/ Return on Investment ratio= Net Profit After Tax / Average Shareholder's Equity	(0.47)
(c)	Return on Capital Employed = Earnings before Interest and Taxes(EBIT) / Avg Capital Employed	(0.47)

**15 Revenue from Contracts with Customers**

- The Company has adopted Ind AS 115 and had opted for modified retrospective application with the cumulative effect of initially applying this standard recognised at the date of initial application.
- 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 :

S No	Particulars	"For the Period ended March 31, 2024"
1	Income from Sale of Property / Development	-
2	Other Operating Revenue	-
		-

d. Reconciliation of Contracts with Customers

Rs in Lakhs

The following schedule gives the movement of contract liabilities for the reporting period.

S No	Particulars	"For the Period ended March 31, 2024"
1	Contract Liabilities at the beginning of the period Add / (Less) :	-
2	Demands raised during the year	-
3	Cash and Cash Equivalents	-
4	Contract Liabilities at the end of the period	-

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.

d. Reconciliation of Revenue with Contract Price

S No	Particulars	"For the Period ended March 31, 2024"
1	Revenue from operations as per Statement of Profit and loss	-
2	Adjustments :	-
3	Contract price	-

The Company has applied Ind AS 115 for the first time by using the modified retrospective method of adoption with the date of initial application being April 1, 2018. Under this method, the Company has recognised the cumulative effect of initially applying Ind AS 115 as an adjustment to the opening balance of retained earnings as at April 1, 2018. Comparative prior period has not been adjusted.

The Company will apply the modified retrospective method of the revenue standard only to contracts that are not completed as at date of initial application (that is, it will ignore the effects of applying the revenue standard to contracts that have been completed prior to date of initial application.)

Total current liabilities	15,269.19	#REF!
<b>16. Contingent Liabilities</b>		- As at March 31, 2024
(a) Contingent Liabilities		-

17 Commitments

<b>(a) Capital Commitments</b>	
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities	-
<b>(b) Other Commitments</b>	
Expenditure related contractual commitments apart from Capital Commitments	-

18 Auditors' Remuneration (Included under Other Expenses) - (Excluding Taxes)

Particulars	"For the Period ended March 31, 2024"
Payments to Auditors as	
(a) Statutory Auditors	0.10

19.

In the opinion of the management, the current assets have a value of realisation in ordinary course of business or atleast equal to the amount at which they are stated in the balance sheet.

20. Corporate Social Responsibility

The Company does not meet the thresholds prescribed under Section 135 of the Companies Act. Therefore, spending under Corporate Social Responsibility is not applicable.

21. Additional Regulatory Information

- (i) Title deeds of immovable properties, if any 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 Property, Plant and Equipment (including Right to Use Assets).
  - (iv) The Company does not have any intangible assets
  - (v) 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.
  - (vi) 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.
  - (vii) The Company has not been sanctioned short term loan by a financial institution during the year, which is considered as working capital limit. current year.
  - (viii) No bank or financial institution has declared the company as "willful defaulter"
  - (ix) 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 2024.
  - (x) All applicable cases where registration of charges or satisfaction is required with Registrar of Companies have been done. No registration or satisfaction is pending at end of financial year ended 31 March 2024.
  - (xi) 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.
  - (xii) No scheme of arrangements has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.
  - (xiii) 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(s) or entity(ies), 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"
  - (xiv) 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."
- 22 The Company has not surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961.
- 23 The Company has not dealt with any crypto currency.

As per our report annexed  
**For SRSV & Associates**  
 Chartered Accountants  
 Firm Regn No : 015041S

For and on behalf of the Board of Directors

**G. Chella Krishna**  
 Partner  
 Membership No. 210474

**Sameer Sah**  
 Director  
 DIN - 01844078

**Sriram Subramanian Iyer**  
 Director  
 DIN - 06967858

Place: Chennai  
 Date: April 29 2024

**EMERALD HAVEN PROPERTIES PRIVATE LIMITED**

**Balance Sheet as at March 31, 2024**

	Notes	Rs in Lakhs As at March 31, 2024
<b>Assets</b>		
<b>Current Assets</b>		
Financial Assets		
Cash and Cash Equivalents	2	0.50
<b>Total Current Assets</b>		<b>0.50</b>
<b>Total Assets</b>		<b>0.50</b>
Equity and Liabilities		
Equity		
<b>Equity Share Capital</b>	3	<b>0.50</b>
<b>Other Equity</b>	4	<b>(0.10)</b>
<b>Total Equity</b>		<b>0.40</b>
<b>Liabilities</b>		
Current Liabilities		
Other Current Liabilities	5	0.10
<b>Total Current Liabilities</b>		<b>0.10</b>
<b>Total Liabilities</b>		<b>0.10</b>
<b>Total Equity and Liabilities</b>		<b>0.50</b>
Material Accounting Policies	1	-

As per our report annexed  
For SRSV & Associates  
Chartered Accountants  
Firm Regn No : 015041S

For and on behalf of the Board of Directors

**G. Chella Krishna**  
Partner  
Membership No. 210474

**K Gopala Desikan**  
Director  
DIN - 00067107

**Sriram Subramanian Iyer**  
Director  
DIN - 06967858

Place: Chennai  
Date: April 29 2024

**EMERALD HAVEN PROPERTIES PRIVATE LIMITED**

**Statement of Profit and Loss for the Period ended March 31, 2024**

	Notes	Rs in Lakhs Year ended March 31, 2024
<b>Income</b>		
<b>Total income</b>		-
<b>Expenses</b>		
Other Expenses	6	0.10
<b>Total expenses</b>		<b>0.10</b>
<b>Profit/(Loss) Before Tax</b>		<b>(0.10)</b>
Income Tax Expense		
Current tax	7	-
<b>Profit/(Loss) for the year</b>		<b>(0.10)</b>
<b>Earnings Per Equity Share</b>		
Basic & Diluted Earnings per Share (Rs.)	8	(0.20)
Material Accounting Policies	1	

As per our report annexed  
For SRSV & Associates  
Chartered Accountants  
Firm Regn No : 015041S

For and on behalf of the Board of Directors

**G. Chella Krishna**  
Partner  
Membership No. 210474

**K Gopala Desikan**  
Director  
DIN - 00067107

**Sriram Subramanian Iyer**  
Director  
DIN - 06967858

Place: Chennai  
Date: April 29 2024

**EMERALD HAVEN PROPERTIES PRIVATE LIMITED**
**Statement of Changes in Equity**

Rs in Lakhs

I. EQUITY SHARE CAPITAL		Total
Share Capital Issued During the Year		0.50
Change in Equity Share Capital		-
<b>Balance as at March 31, 2024</b>		<b>0.50</b>

II. OTHER EQUITY			
Particulars	Reserves & Surplus		Total
	Retained earnings	Share Application	
Profit/(Loss) for FY 24	(0.16)	-	(0.10)
<b>Balance as at March 31, 2024</b>	-	-	<b>(0.10)</b>

 As per our report annexed  
**For SRSV & Associates**  
 Chartered Accountants  
 Firm Regn No : 015041S

For and on behalf of the Board of Directors

**G. Chella Krishna**  
 Partner  
 Membership No. 210474

**K Gopala Desikan**  
 Director  
 DIN - 00067107

**Sriram Subramanian Iyer**  
 Director  
 DIN - 06967858

 Place: Chennai  
 Date: April 29 2024

**EMERALD HAVEN PROPERTIES PRIVATE LIMITED**
**2. Cash and Cash Equivalents**

Rs in Lakhs

**As at  
March 31, 2024**
**Balances with banks**

In Current Accounts	0.50
Fixed Deposit with Banks (Maturity less than 3 Months)	-
Cheques, drafts on hand	-
<b>Total Cash and Cash Equivalents</b>	<b>0.50</b>

**3. SHARE CAPITAL**

Issued, Subscribed and Fully Paid Up	As at March 31, 2024	
	Number of Shares	Rs in Lakhs
Equity Shares of Rs.10/- each	150,000	1.50
<b>Total</b>	<b>150,000</b>	<b>1.50</b>

Authorised Equity Share Capital	As at March 31, 2024	
	Number of Shares	Rs in Lakhs
Equity Shares of Rs.10/- each	50,000	0.50
<b>Total</b>	<b>50,000</b>	<b>0.50</b>

**Reconciliation of Equity Shares outstanding at the beginning and at the end of the year**

Particulars	As at March 31, 2024	
	Number of Shares	Rs in Lakhs
Equity Shares outstanding at the beginning of the year/ period		
Equity Shares issued/ (repaid) during the year/ period	50,000	0.50
<b>Equity Shares outstanding at the end of the year/ period</b>	<b>50,000</b>	<b>0.50</b>

**Terms and Rights Attached to Equity Shares**
**(i) Rights and Preferences attached to Equity Share:**

The equity shares of the Company have 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.

**(ii) Shares of the Company held by Holding Company**

Name of shareholder	Class of share	As at March 31, 2024	
		No. of shares held	% of holding
Emerald Haven Realty Limited	Equity	50,000	100%

**(iii) Details of shareholders holding more than 5% of shares of the Company**

Name of shareholder	Class of share	As at March 31, 2024	
		No. of shares held	% of holding
Emerald Haven Realty Limited	Equity	50,000	100%
<b>Total</b>		<b>50,000</b>	

Notes to Financial Statements - (continued)

4. Other Equity

a) Retained Earnings

Description	Total
Opening Balance	-
Net Profit/(Loss) for the period	(0.10)
<b>Total Other Equity</b>	<b>(0.10)</b>
Retained earnings: Company's cumulative earnings since inception. These are available for distribution to shareholders.	

5. Other Current Liabilities

Outstanding Liabilities	0.10
<b>Total Other Current Liabilities</b>	<b>0.10</b>
<b>For the Period Ended March 31, 2024</b>	
<b>6. Other Expenses</b>	
Payments To Auditors	0.10
<b>Total Other Expenses</b>	<b>0.10</b>
<b>Income Tax Expense</b>	
<b>"(a) Income Tax Expense"</b>	
Current Tax	
"Current Tax on Profits for the Period"	-
<b>Total Current Tax Expense</b>	<b>-</b>
<b>8. Earnings Per Share</b>	
<b>(a) Basic/Diluted Earnings Per Share</b>	
Basic/diluted earnings per share attributable to the equity holders of the Company (Rs)	(0.20)
<b>(b) Reconciliations of earnings used in calculating earnings per share</b>	
Profit/(Loss) attributable to equity holders of the company used in calculating basic earnings per share	(0.10)
<b>(c) Weighted average number of equity shares used as the denominator in calculating basic/ diluted earnings per share</b>	<b>50,000</b>
Note: There are no diluted potential equity shares, hence basic and diluted EPS remains the same.	

9 Operating Segment

a) Description of segments and principal activities

The company has one reportable segments namely, development of real estate property. The entity's entire operations are reviewed by chief operating decision makers as one operating segment.

b) Entity Wide Disclosures

- Company's major service is real estate development
- Company is domiciled and operates within India
- There is no major reliance on a single customer

10 Fair Value Measurements

Rs in Lakhs

Financial Instruments by Category	" As at March 31, 2024 "
	Amortised cost
"Financial Assets"	
Cash and Cash Equivalents	0.50
<b>Total Financial Assets</b>	<b>0.50</b>
<b>Financial Liabilities</b>	
<b>Total Financial Liabilities</b>	<b>-</b>

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

- Fair Value of Financial Assets and Liabilities measured at Amortised Cost

The carrying amounts of Cash and Cash Equivalents, 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.

11 Financial Risk Management

The company's activities expose only to credit risk and liquidity 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

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.

(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) Financing Arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2024
<b>Term loan - Fixed Rate</b>	-
- Expiring beyond one year	

(ii) Maturities of Financial Liabilities

The tables below analyse The company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities, and
- 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	Amount
		As at March 31, 2024
Borrowings	> than 12 months	-
Trade payables	< than 12 months	-
Other financial liabilities	< than 12 months	-
<b>Total Financial Liabilities</b>		<b>-</b>

12. Capital Management

(a) Risk Management

(i) Fair Value of Financial Assets and Liabilities measured at Amortised Cost

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 gearing ratio a optimal gearing ratio. The gearing ratios were as follows:

Particulars	As at March 31, 2024
Net Debt	-
Total Equity	0.40
<b>Net Debt to Equity Ratio</b>	<b>-</b>

13. Other Disclosures

Rs in Lakhs

Related Party Disclosure		
	Particulars	For the Period ended March 31, 2024
(a)	Related parties and their relationship where transactions exists for the financial year 2023-24	
	<b>Holding company</b> Emerald Haven Realty Limited	
	<b>Key Management Personnel</b> Sameer Sah Sriram Subramanian Iyer	
(b)	<b>Transactions with related parties:</b>	
	Sundaram Auto Components Limited, Chennai	
	<b>Holding Company</b> Emerald Haven Realty Limited, (i) Issue of Equity Shares	0.50

14. Ratio Analysis

Ratio		
	Particulars	For the Period ended March 31, 2024
(a)	Current Ratio= Current Assets / Current Liabilities	5.00
(b)	Return on Equity Ratio/ Return on Investment ratio= Net Profit After Tax / Average Shareholder's Equity	(0.25)
(c)	Return on Capital Employed = Earnings before Interest and Taxes(EBIT) / Avg Capital Employed	(0.25)

15 Revenue from Contracts with Customers

- The Company has adopted Ind AS 115 and had opted for modified retrospective application with the cumulative effect of initially applying this standard recognised at the date of initial application.
- 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 :

S No	Particulars	"For the Period ended March 31, 2024"
1	Income from Sale of Property / Development	-
2	Other Operating Revenue	-
		-

- The operations of the Company relate to only one segment viz., real estate. Thus, the information on the relationship between disaggregated revenue under Ind AS 115 and for reportable segment under Ind AS 108 is not required.

**d. Reconciliation of Contracts with Customers**

Rs in Lakhs

The following schedule gives the movement of contract liabilities for the reporting period.

S No	Particulars	"For the Period ended March 31, 2024"
1	Contract Liabilities at the beginning of the period Add / (Less) :	-
2	Demands raised during the year	-
3	Cash and Cash Equivalents	-
4	Contract Liabilities at the end of the period	-

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.

**d. Reconciliation of Revenue with Contract Price**

S No	Particulars	"For the Period ended March 31, 2024"
1	Revenue from operations as per Statement of Profit and loss	-
2	Adjustments :	-
3	Contract price	-

The Company has applied Ind AS 115 for the first time by using the modified retrospective method of adoption with the date of initial application being April 1, 2018. Under this method, the Company has recognised the cumulative effect of initially applying Ind AS 115 as an adjustment to the opening balance of retained earnings as at April 1, 2018. Comparative prior period has not been adjusted.

The Company will apply the modified retrospective method of the revenue standard only to contracts that are not completed as at date of initial application (that is, it will ignore the effects of applying the revenue standard to contracts that have been completed prior to date of initial application.)

Total current liabilities	15,269.19	#REF!
<b>16. Contingent Liabilities</b>		<b>- As at March 31, 2024</b>
(a) Contingent Liabilities		-

**17 Commitments**

<b>(a) Capital Commitments</b>		-
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities		
<b>(b) Other Commitments</b>		-
Expenditure related contractual commitments apart from Capital Commitments		

**18 Auditors' Remuneration (Included under Other Expenses) - (Excluding Taxes)**

Particulars	"For the Period ended March 31, 2024"
Payments to Auditors as	
(a) Statutory Auditors	0.10

**19.**

In the opinion of the management, the current assets have a value of realisation in ordinary course of business or atleast equal to the amount at which they are stated in the balance sheet.

**20. Corporate Social Responsibility**

The Company does not meet the thresholds prescribed under Section 135 of the Companies Act. Therefore, spending under Corporate Social Responsibility is not applicable.

**21. Additional Regulatory Information**

- (i) Title deeds of immovable properties, if any 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 Property, Plant and Equipment (including Right to Use Assets).
  - (iv) The Company does not have any intangible assets
  - (v) 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.
  - (vi) 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.
  - (vii) The Company has not been sanctioned short term loan by a financial institution during the year, which is considered as working capital limit. current year.
  - (viii) No bank or financial institution has declared the company as "willful defaulter"
  - (ix) 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 2024.
  - (x) All applicable cases where registration of charges or satisfaction is required with Registrar of Companies have been done. No registration or satisfaction is pending at end of financial year ended 31 March 2024.
  - (xi) 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.
  - (xii) No scheme of arrangements has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.
  - (xiii) 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(s) or entity(ies), 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"
  - (xiv) 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."
- 22 The Company has not surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961.
- 23 The Company has not dealt with any crypto currency.

As per our report annexed  
**For SRSV & Associates**  
 Chartered Accountants  
 Firm Regn No : 015041S

For and on behalf of the Board of Directors

**G. Chella Krishna**  
 Partner  
 Membership No. 210474

**K Gopala Desikan**  
 Director  
 DIN - 00067107

**Sriram Subramanian Iyer**  
 Director  
 DIN - 06967858

Place: Chennai  
 Date: April 29 2024

**EMERALD HAVEN BUILDERS PRIVATE LIMITED**

**Balance Sheet as at March 31, 2024**

	Notes	Rs in Lakhs As at March 31, 2024
<b>Assets</b>		
<b>Current Assets</b>		
Financial Assets		
Cash and Cash Equivalents	2	0.50
<b>Total Current Assets</b>		<b>0.50</b>
<b>Total Assets</b>		
Equity and Liabilities		
Equity		
<b>Equity Share Capital</b>	3	<b>0.50</b>
<b>Other Equity</b>	4	<b>(0.10)</b>
<b>Total Equity</b>		<b>0.40</b>
<b>Liabilities</b>		
Current Liabilities		
Other Current Liabilities	5	0.10
<b>Total Current Liabilities</b>		<b>0.10</b>
<b>Total Liabilities</b>		<b>0.10</b>
<b>Total Equity and Liabilities</b>		<b>0.50</b>
Material Accounting Policies	1	-

As per our report annexed  
For SRSV & Associates  
Chartered Accountants  
Firm Regn No : 015041S

For and on behalf of the Board of Directors

**G. Chella Krishna**  
Partner  
Membership No. 210474

**K Gopala Desikan**  
Director  
DIN - 00067107

**Sriram Subramanian Iyer**  
Director  
DIN - 06967858

Place: Chennai  
Date: April 29 2024

**EMERALD HAVEN BUILDERS PRIVATE LIMITED**

**Statement of Profit and Loss for the Period ended March 31, 2024**

	Notes	Rs in Lakhs Year ended March 31, 2024
<b>Income</b>		
<b>Total income</b>		
-		
<b>Expenses</b>		
Other Expenses	6	0.10
<b>Total expenses</b>		<b>0.10</b>
<b>Profit/(Loss) Before Tax</b>		<b>(0.10)</b>
Income Tax Expense		
Current tax	7	-
<b>Profit/(Loss) for the year</b>		<b>(0.10)</b>
<b>Earnings Per Equity Share</b>		
Basic & Diluted Earnings per Share (Rs.)	8	(0.20)
Material Accounting Policies	1	

As per our report annexed  
For SRSV & Associates  
Chartered Accountants  
Firm Regn No : 015041S

For and on behalf of the Board of Directors

**G. Chella Krishna**  
Partner  
Membership No. 210474

**K Gopala Desikan**  
Director  
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**Sriram Subramanian Iyer**  
Director  
DIN - 06967858

Place: Chennai  
Date: April 29 2024

**EMERALD HAVEN BUILDERS PRIVATE LIMITED**

**Statement of Changes in Equity**

Rs in Lakhs

I. EQUITY SHARE CAPITAL		Total
Share Capital Issued During the Year		0.50
Change in Equity Share Capital		-
<b>Balance as at March 31, 2024</b>		<b>0.50</b>

II. OTHER EQUITY			
Particulars	Reserves & Surplus		Total
	Retained earnings	Share Application	
Profit/(Loss) for FY 24	(0.16)	-	(0.10)
<b>Balance as at March 31, 2024</b>	-	-	<b>(0.10)</b>

As per our report annexed  
**For SRSV & Associates**  
 Chartered Accountants  
 Firm Regn No : 015041S

For and on behalf of the Board of Directors

**G. Chella Krishna**  
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**K Gopala Desikan**  
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 Director  
 DIN - 06967858

Place: Chennai  
 Date: April 29 2024

**EMERALD HAVEN BUILDERS PRIVATE LIMITED**

**2. Cash and Cash Equivalents**

Rs in Lakhs

**As at  
 March 31, 2024**

Balances with banks	
In Current Accounts	0.50
Fixed Deposit with Banks (Maturity less than 3 Months)	-
Cheques, drafts on hand	-
<b>Total Cash and Cash Equivalents</b>	<b>0.50</b>

**3. SHARE CAPITAL**

Issued, Subscribed and Fully Paid Up	As at March 31, 2024	
	Number of Shares	Rs in Lakhs
Equity Shares of Rs.10/- each	150,000	1.50
<b>Total</b>	<b>150,000</b>	<b>1.50</b>

Authorised Equity Share Capital	As at March 31, 2024	
	Number of Shares	Rs in Lakhs
Equity Shares of Rs.10/- each	50,000	0.50
<b>Total</b>	<b>50,000</b>	<b>0.50</b>

**Reconciliation of Equity Shares outstanding at the beginning and at the end of the year**

Particulars	As at March 31, 2024	
	Number of Shares	Rs in Lakhs
Equity Shares outstanding at the beginning of the year/ period	50,000	0.50
Equity Shares issued/ (repaid) during the year/ period		
<b>Equity Shares outstanding at the end of the year/ period</b>	<b>50,000</b>	<b>0.50</b>

**Terms and Rights Attached to Equity Shares**

**(i) Rights and Preferences attached to Equity Share:**

The equity shares of the Company have 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.

**(ii) Shares of the Company held by Holding Company**

Name of shareholder	Class of share	As at March 31, 2024	
		No. of shares held	% of holding
Emerald Haven Realty Limited	Equity	50,000	100%

**(iii) Details of shareholders holding more than 5% of shares of the Company**

Name of shareholder	Class of share	As at March 31, 2024	
		No. of shares held	% of holding
Emerald Haven Realty Limited	Equity	50,000	100%
<b>Total</b>		<b>50,000</b>	

Notes to Financial Statements - (continued)

4. Other Equity

a) Retained Earnings

Description	Total
Opening Balance	-
Net Profit/(Loss) for the period	(0.10)
<b>Total Other Equity</b>	<b>(0.10)</b>
Retained earnings: Company's cumulative earnings since inception. These are available for distribution to shareholders.	

5. Other Current Liabilities

Outstanding Liabilities	0.10
<b>Total Other Current Liabilities</b>	<b>0.10</b>
<b>For the Period Ended March 31, 2024</b>	
<b>6. Other Expenses</b>	
Payments To Auditors	0.10
<b>Total Other Expenses</b>	<b>0.10</b>
<b>Income Tax Expense</b>	
<b>"(a) Income Tax Expense"</b>	
Current Tax	
"Current Tax on Profits for the Period"	-
<b>Total Current Tax Expense</b>	<b>-</b>
<b>8. Earnings Per Share</b>	
<b>(a) Basic/Diluted Earnings Per Share</b>	
Basic/diluted earnings per share attributable to the equity holders of the Company (Rs)	(0.20)
<b>(b) Reconciliations of earnings used in calculating earnings per share</b>	
Profit/(Loss) attributable to equity holders of the company used in calculating basic earnings per share	(0.10)
<b>(c) Weighted average number of equity shares used as the denominator in calculating basic/ diluted earnings per share</b>	<b>50,000</b>
Note: There are no diluted potential equity shares, hence basic and diluted EPS remains the same.	

9 Operating Segment

a) Description of segments and principal activities

The company has one reportable segments namely, development of real estate property. The entity's entire operations are reviewed by chief operating decision makers as one operating segment.

b) Entity Wide Disclosures

- Company's major service is real estate development
- Company is domiciled and operates within India
- There is no major reliance on a single customer

10 Fair Value Measurements

Rs in Lakhs

Financial Instruments by Category	" As at March 31, 2024 "
	Amortised cost
"Financial Assets"	
Cash and Cash Equivalents	0.50
<b>Total Financial Assets</b>	<b>0.50</b>
<b>Financial Liabilities</b>	
<b>Total Financial Liabilities</b>	<b>-</b>

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

- Fair Value of Financial Assets and Liabilities measured at Amortised Cost

The carrying amounts of Cash and Cash Equivalents, 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.

11 Financial Risk Management

The company's activities expose only to credit risk and liquidity 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

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.

(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) Financing Arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2024
<b>Term loan - Fixed Rate</b>	-
- Expiring beyond one year	

(ii) Maturities of Financial Liabilities

The tables below analyse The company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities, and
- 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	Amount
		As at March 31, 2024
Borrowings	> than 12 months	-
Trade payables	< than 12 months	-
Other financial liabilities	< than 12 months	-
<b>Total Financial Liabilities</b>		<b>-</b>

12. Capital Management

(a) Risk Management

(i) Fair Value of Financial Assets and Liabilities measured at Amortised Cost

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 gearing ratio a optimal gearing ratio. The gearing ratios were as follows:

Particulars	As at March 31, 2024
Net Debt	-
Total Equity	0.40
<b>Net Debt to Equity Ratio</b>	<b>-</b>

13. Other Disclosures

Rs in Lakhs

Related Party Disclosure		
	Particulars	For the Period ended March 31, 2024
(a)	Related parties and their relationship where transactions exists for the financial year 2023-24	
	<b>Holding company</b> Emerald Haven Realty Limited	
	<b>Key Management Personnel</b> Sameer Sah Sriram Subramanian Iyer	
(b)	<b>Transactions with related parties:</b>	
	Sundaram Auto Components Limited, Chennai	
	<b>Holding Company</b> Emerald Haven Realty Limited, (i) Issue of Equity Shares	0.50

14. Ratio Analysis

Ratio		
	Particulars	For the Period ended March 31, 2024
(a)	Current Ratio= Current Assets / Current Liabilities	5.00
(b)	Return on Equity Ratio/ Return on Investment ratio= Net Profit After Tax / Average Shareholder's Equity	(0.25)
(c)	Return on Capital Employed = Earnings before Interest and Taxes(EBIT) / Avg Capital Employed	(0.25)

15 Revenue from Contracts with Customers

- The Company has adopted Ind AS 115 and had opted for modified retrospective application with the cumulative effect of initially applying this standard recognised at the date of initial application.
- 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 :

S No	Particulars	"For the Period ended March 31, 2024"
1	Income from Sale of Property / Development	-
2	Other Operating Revenue	-
		-

- The operations of the Company relate to only one segment viz., real estate. Thus, the information on the relationship between disaggregated revenue under Ind AS 115 and for reportable segment under Ind AS 108 is not required.

**d. Reconciliation of Contracts with Customers**

Rs in Lakhs

The following schedule gives the movement of contract liabilities for the reporting period.

S No	Particulars	"For the Period ended March 31, 2024"
1	Contract Liabilities at the beginning of the period Add / (Less) :	-
2	Demands raised during the year	-
3	Cash and Cash Equivalents	-
4	Contract Liabilities at the end of the period	-

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.

**d. Reconciliation of Revenue with Contract Price**

S No	Particulars	"For the Period ended March 31, 2024"
1	Revenue from operations as per Statement of Profit and loss	-
2	Adjustments :	-
3	Contract price	-

The Company has applied Ind AS 115 for the first time by using the modified retrospective method of adoption with the date of initial application being April 1, 2018. Under this method, the Company has recognised the cumulative effect of initially applying Ind AS 115 as an adjustment to the opening balance of retained earnings as at April 1, 2018. Comparative prior period has not been adjusted.

The Company will apply the modified retrospective method of the revenue standard only to contracts that are not completed as at date of initial application (that is, it will ignore the effects of applying the revenue standard to contracts that have been completed prior to date of initial application.)

Total current liabilities	15,269.19	#REF!
<b>16. Contingent Liabilities</b>		- As at March 31, 2024
(a) Contingent Liabilities		-

**17 Commitments**

<b>(a) Capital Commitments</b>	
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities	-
<b>(b) Other Commitments</b>	
Expenditure related contractual commitments apart from Capital Commitments	-

**18 Auditors' Remuneration (Included under Other Expenses) - (Excluding Taxes)**

Particulars	"For the Period ended March 31, 2024"
Payments to Auditors as	
(a) Statutory Auditors	0.10

**19.**

In the opinion of the management, the current assets have a value of realisation in ordinary course of business or atleast equal to the amount at which they are stated in the balance sheet.

**20. Corporate Social Responsibility**

The Company does not meet the thresholds prescribed under Section 135 of the Companies Act. Therefore, spending under Corporate Social Responsibility is not applicable.

**21. Additional Regulatory Information**

- (i) Title deeds of immovable properties, if any 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 Property, Plant and Equipment (including Right to Use Assets).
  - (iv) The Company does not have any intangible assets
  - (v) 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.
  - (vi) 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.
  - (vii) The Company has not been sanctioned short term loan by a financial institution during the year, which is considered as working capital limit. current year.
  - (viii) No bank or financial institution has declared the company as "willful defaulter"
  - (ix) 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 2024.
  - (x) All applicable cases where registration of charges or satisfaction is required with Registrar of Companies have been done. No registration or satisfaction is pending at end of financial year ended 31 March 2024.
  - (xi) 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.
  - (xii) No scheme of arrangements has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.
  - (xiii) 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(s) or entity(ies), 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"
  - (xiv) 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."
- 22 The Company has not surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961.
- 23 The Company has not dealt with any crypto currency.

As per our report annexed  
**For SRSV & Associates**  
 Chartered Accountants  
 Firm Regn No : 015041S

For and on behalf of the Board of Directors

**G. Chella Krishna**  
 Partner  
 Membership No. 210474

**K Gopala Desikan**  
 Director  
 DIN - 00067107

**Sriram Subramanian Iyer**  
 Director  
 DIN - 06967858

Place: Chennai  
 Date: April 29 2024