TVS MOTOR COMPANY LIMITED

Annual Report of Subsidiary Companies for the year 2021-2022

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SUNDARAM AUTO COMPONENTS LIMITED

Board of Directors

VENU SRINIVASAN, Chairman

Dr. LAKSHMI VENU

S. G. MURALI

RAJESH OOMMEN, Director & Chief Executive Officer

Chief Financial Officer

J. ASHOK CHAKRAVARTHI

Company Secretary

G. SATHYAN

Auditors

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

Registered Office:

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

Bankers

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

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

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

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

ICICI BANK LTD
Cenotaph road,
Teynampet, Chennai600 018

Plant Locations

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

Directors' Report to the Shareholders

The Directors present the 30th annual report together with the audited financial statements for the year ended 31st March 2022.

1. Financial Highlights

(Rs.in crores)

Details	Year ended 31.03.2022	Year ended 31.03.2021
Sales and other income (A)	**607.95**	**462.69**
Expenses		
Cost of material consumed	431.57	307.48
Changes in inventories of finished goods, stock-in-trade and work-in-progress	(8.27)	3.75
Employee benefit expenses	71.89	69.22
Finance costs	12.69	16.01
Depreciation and amortisation expense	20.88	19.85
Other expenses	68.89	56.10
Total expenses (B)	**597.65**	**472.41**
Profit before tax (A) – (B)	**10.30**	**(9.72)**
Exceptional items (Gain / Loss)	**(6.00)**	**(9.36)**
Less: Income tax expense:		
Current Tax	0.56	(0.36)
Deferred Tax	1.43	(6.23)
Profit for the period	**2.31**	**(12.49)**
Other Comprehensive income/ (loss)	1.38	3.23
Total comprehensive income	**3.69**	**(9.26)**

Share Capital

The Company's paid-up Equity Share Capital as on 31st March 2022 is Rs. 44.57 Cr. During the year, there is no change in the Share Capital of the Company.

Dividend

In order to conserve the resources for its future business activities, the directors do not propose any dividend for the year under review.

Industry Performance

The domestic two-wheeler industry recorded a sale of 13.4 Mn units in 2021-22, a decline of 11% from 15.1 Mn units in 2020-21. It witnessed a growth of 85% in Q1 due to the low base factor in the previous year. However, for the rest of the year, the industry declined and did not recover. This decline was due to weakened demand in both urban and rural markets, however, it was the rural markets that was more severely impacted. While the monsoon remained favourable, the non-agri rural services sector underperformed significantly. This manifested itself in lower demand in the entry and mid-level segments of commuter motorcycles and moped. The rural markets felt the combined effect of savings depletion, income erosion, broad inflation, fuel inflation and rising vehicle prices due to commodity cost increases.

The overall three-wheeler small passenger industry (3 plus 1 segment) grew by 34% in 2021-22 (from 4.36 lakh units in 2020-21 to 5.82 lakh units in 2021-22). The domestic industry grew by 65% and exports market grew by 26% in 2021-22 over last year.

Production

The Auto Industry produced a total of 22.93 Million vehicles including Passenger Vehicles (PVs), Commercial Vehicles (CVs), Three-Wheelers, Two-Wheelers and Quadricycle during the year under review as against 22.65 Million in the previous year, thereby registering a growth of 1.2 % as compared to previous year.

Domestic Sales

On VAHAAN electric 2W today accounts for 4.5% of the total 2W registrations. However, this under-represents the consumer mindspace that it enjoys. The last year has seen the consumer perspective of the transition to EV move from "IF" to "WHEN". Large numbers of consumers today are actively considering EVs for their respective needs.

The industry saw robust growth of 5.6X. The growing sensitivity to climate impact and the improved Total Cost to Operation (TCO) proposition considering rising fuel prices saw accelerated consumer interest in the category. The FAME II enhancement, PLI, state subsidy and other EV related infrastructure initiatives of the government reinforced consumer faith in the segment.

Exports

In the financial year 2021-22, overall automobile exports have grown by 35.9%. Two wheelers, Commercial Vehicles (CVs), Three wheelers and Passenger Vehicles (PVs) segments have grown by 35.3%, 83.4%, 27.2% and 42.9% respectively in the financial year 2021-22 over the corresponding previous year.

S. No	Segment	Production			Domestic sales			Export sales		
		2020-21	2021-22	GOLY %	2020-21	2021-22	GOLY %	2020-21	2021-22	GOLY %
1	**PVs**	31	37	19%	27	31	13%	4	6	43%
2	**CVs**	6	8	29%	6	7	26%	1	1	83%
3	**Three-Wheelers**	6	8	23%	2	3	19%	4	5	27%
4	**Two-wheelers**	183	177	-3%	151	135	-11%	33	44	35%
	Total	**263**	**227**	**1%**	**186**	**175**	**-6%**	**41**	**56**	**36%**
UOM : No of units in Lakhs										

Company Performance

Sales of the auto components division of the Company increased from Rs.454.7 Cr in the previous year to Rs.595.3 Cr in the year under review. Due to second wave of Covid-19 pandemic during May'21, there was a slight decrease in sales during Q1 FY21-22. The dependence of the company's sales on TVS Motor Company Limited (the holding company) has reduced from 58% of total sales during FY20-21 to 55% of total sales during FY21-22. During the year, the Company has entered into business with new EV OEM Ultraviolette.

SACL vs Industry growth - FY21-22		
Segment	Industry growth	SACL growth
Passenger vehicles	19%	28%
Commercial vehicles	29%	63%
Two wheelers	-3%	31%

There is a significant increase in sales to EV OEM Ather energy of Rs. 11.9 Crs during FY21-22 compared to Rs. 3.2 Crs during the corresponding previous financial year. The Company has also obtained tool-transfer businesses to our Bhiwadi facility, which helped to increase the sales of Bhiwadi facility by three-fold from Rs. 6 Crs during FY20-21 to Rs.18.3 Crs in FY21-22.

The Company is currently undergoing the process of rationalizing the tail-end customers with low sales growth potential. Out of 12 customers identified, so far we have discontinued our sales to 7 customers. This helps the company to focus our efforts to accelerate further growth.

The Research and Development(R&D) team at the Company has been involved in implementing 220 new parts bringing in the NPD sales of Rs. 75 Crs from customers like Royal Enfield (45 parts), Tork motors (27 styling parts), Continental (12 cluster parts), Mando (8 fluid reservoir tanks). They have also designed parts like Air filter, Mud flap, Spoiler & Rain deflector.

The Company had an operational profit of Rs. 17.5 Crs during the year 2021-22.

Business outlook

Overall, India GDP growth forecasts range between 6%-7% for 2022-23, which builds in the possible adverse impact from the war, supply disruptions and economic sanctions. The service sector is likely to grow by 7%-8 % in FY23 supported by growth in tourism and travel which has been laggard for the last two years. The industry is expected to grow by 5% - 6% pushed by 35% increase in Capex. Estimates have taken on a moderated impact due to supply-chain disruptions leading to higher input cost.

The outlook is decidedly optimistic but with a note of caution. Due to the strong product line-up, unwavering focus on consumer, quality, cost, and the strong new launches the company is confident about outperforming the industry, inspite of the global challenges and tough business environment.

On the rural front, 2022-23 is likely to witness a normal monsoon, this would be the 4th year of favourable monsoons for India. Agriculture is expected to grow by 3%-3.5%. While the price of fertilizers is likely to go up due to various factors including global supply chain disruptions. It is also expected that food inflation will occur globally, especially in grains and wheat, as the affected regions (especially Ukraine) is one of the largest suppliers of food grains.

Due to raise in crude oil prices, most of the primary polymer producers including company's key suppliers in China and South Korea region are planning to operate at 80% capacity till Apr'22 to reduce their losses. The geo-political factors will also cause shortage of rare metals like Neon & Palladium (key ingredients in semi-conductor chip manufacturing), since Ukraine is the key producer of these metals (45% of global production).

By the end of FY21-22, Covid pandemic has re-started in China & Europe. Several cities in China has gone under lockdown. If not controlled by proper measures, the economy will remain pessimistic in FY22-23, as the events of FY20-21 may repeat again.

Passenger vehicle segment has always seen a positive growth since the beginning of the Covid-19 pandemic, due to need of personal mobility, crisis effect and improvement in availability of finance. There is a visible shift between the sub-segments (Passenger Cars & Utility Vehicles) with increase in demand for Utility vehicles. During 2022-23, the above drivers will continue and passenger vehicle segment is expected to grow.

During FY21-22, Commercial vehicle industry has bounced back from the hit due to Covid-19 pandemic. The growth outlook for FY22-23 is around 11%. LCV segment is expected to grow by 6% in FY22-23 due to last mile connectivity of e-commerce goods and migration of workforce. M&HCV segment is expected to grow by 20% due to infrastructure improvement and increase in industrial output.

The Company has planned to start the process of manufacturing from its Sanand facility for supplying to customers in Gujarat & Maharashtra states like Hanon, Toyota Gosei, Sanko Gosei, Tork motors & KEMET.

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 2022-23 is expected to grow by approximately 24%.

RISKS AND CONCERNS

Environmental & Geopolitical Factors:

COVID remains a potential risk with any resurgence from a new variant leading to hospitalisation, lockdowns could cause hardship for the populace and disruption to the progress of the build back

The Geopolitical strife while currently localized remains volatile, economic sanctions and other disruptions to global supply chains or escalation of scale could adversely impact the economic resurgence across the world.

Country specific risk factors may also impact like socio economic & political factors in Sri Lanka, Afghanistan, Myanmar and regulatory framework & duty structure risks in Egypt and Iraq.,

Audits / awards

The Company's Mysuru plant has received "TPM Excellence – Category A" award from CII & JIPM. This is the result of 4.5 years long TPM excellence journey under the guidance of external TPM consultant.

The Company has also received multiple awards from customers during financial year 2021-22

Daimler India Commercial Vehicles	:	Zero defect achiever award, Chennai plant, Nov'21
Denso Kirloskar	:	Zero ppm & OTIF delivery performance award, Hosur plant, Dec'21
TVS Motor	:	Platinum award for quality rating, Mysuru plant

During the financial year 2021-22 upcoming EV OEM Ultraviolette has conducted audit in SACL

Ultraviolette	:	Customer conducted audit in Hosur plant (Score : 85%)

Financial performance of the Subsidiary

As on the date of the report, the following are the Subsidiaries of the Company:

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

The Company along with its holding Company, viz., Sundaram-Clayton Limited has made an investment of 93.35 Mn USD in SHUI a Company established under the applicable provisions of Laws of United States of America. SHUI's wholly owned subsidiaries are:

1. Green Hills Land holding LLC, South Carolina, USA
2. Component Equipment Leasing LLC, South Carolina, USA
3. Sundaram-Clayton USA LLC, South Carolina, USA
4. Premier Land Holding LLC, South Carolina, USA

During the year 2021-22, the Company has not made any further investment in SHUI and presently holds 50.35% of the total capital of SHUI as on 31st March 2022.

As per Section 129 of the Companies Act, 2013 read with the Companies (Accounts) Amendment Rules, 2014, an intermediate subsidiary is exempted to prepare consolidated financial statements, as its intermediate holding Company viz., TVS Motor Company Limited prepares and files consolidated financial statements with the Registrar of Companies. However, the salient features of the financial statement of the Subsidiaries in Form AOC-I, are annexed as Annexure II of the Report, in terms of Section 129(3) of the Companies Act 2013 (the Act, 2013) read with Rule 5 of the Companies (Accounts) Rules, 2014.

Risk Management

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

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

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

Directors' responsibility statement

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

(a) that in the preparation of the annual accounts for the year ended 31st March 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

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

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

(d) that the Directors had prepared the accounts for the financial year ended 31st March 2022 on a going concern basis; and

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

Directors

Mr. Venu Srinivasan, was appointed as Director and also Chairman of the Board of the Company at the Board meeting held on 28th March 2022. The approval of the shareholders for his appointment as Director was received at the Extra Ordinary General Meeting held on 29th March 2022.

Mr. Rajesh Oommen, Chief Executive Officer was elevated as Director & CEO in the rank of Whole-time Director for a period of 5 years, effective 28th March 2022 at the Board meeting held on 28th March 2022. His appointment was subsequently approved by the shareholders at the Extra Ordinary General Meeting held on 29th March 2022.

Mr H Lakshmanan and Mr C N Prasad, Directors, resigned as directors effective 28th March 2022.

The Board placed on record their sincere appreciation and thanks to both Mr H Lakshmanan and Mr C N Prasad for their contribution to the growth of the Company during their tenure as Directors.

Directors liable to retire by rotation

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

Dr. Lakshmi Venu and Mr S G Murali, non-executive and non-independent Directors, who have been the longest in office are liable to retire by rotation and are proposed to be re-appointed at the ensuing Annual General Meeting (AGM).

Both the directors, being eligible, offer their candidature for re-appointment.

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

In accordance with Section 178 of the Act 2013, 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.

Nomination and Remuneration Policy

Directors:

NRC will recommend the remuneration for executive and non-executive Directors. This will be then approved by the Board and shareholders.

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/ Sales/ Marketing/ Administration/ Research/ Corporate Governance/ Technical Operations or other disciplines related to Company's business, (ii) through possessing 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.

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 22nd April 2021, 23rd July 2021, 18th October 2021, 1st February 2022 and 28th March 2022 and the gap between two meetings did not exceed one hundred and twenty days.

Extra- Ordinary General Meetings:

During the year under review, 1 (One) Extra-Ordinary General Meeting was held on 29th March 2022.

Committees of the board:

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

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

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

Corporate Social Responsibility:

Based on the recommendation of the CSR Committee, the Board has approved the projects / programs to be carried out as CSR activities by Srinivasan Services Trust (SST) by undertaking these programmes / projects, in compliance with the CSR policy of the Company and contributed Rs. 10 lakhs for the financial year 2021-22, towards CSR spending.

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 26 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.

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

SST is working in thousands of villages spread across Tamil Nadu, Karnataka, Maharashtra, Himachal Pradesh, and Andhra Pradesh. SST has focused on the areas of economic development, health care, education, environment, social, infrastructure and water conservation actively in many villages. So far in the last 26 years, across SST, more than 60000 women have been organized into Self-Help Group (SHGs), 2500 village government infrastructures have been repaired and renovated, more than 290 water bodies have been desilted, to name a few of the activities.

The Company has also ensured that none of the projects undertaken through SST, for its CSR obligations, requires impact assessment, as these projects are within the limit of Rs. 1 Cr.

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 by the Board for the financial year 2021-22 are given by way of Annexure IV attached to this Report.

It may also be noted that the board has approved the projects or programmes to be undertaken by the SST and other eligible trusts for the year 2022-23, 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.

Auditors

Statutory Auditors:

The Company at its twenty-fifth AGM held on 31st July 2017 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 first term of five consecutive years, from the conclusion of the said AGM till the conclusion of 30th 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.

Pursuant to provisions of Section 139(2) of the Companies Act, 2013, M/s V Sankar Aiyar & Co., Chartered Accountants, will be eligible to be re-appointed as Statutory Auditors of the Company for the second term of five years till the conclusion of 35th AGM of the Company.

The Board of Directors in their meeting held on 3rd May 2022, have approved and recommended the re-appointment of M/s V Sankar Aiyar & Co., Chartered Accountants for the second term of five years.

They will hold office as statutory auditors for the second term of five years from the conclusion of the 30th Annual General Meeting till the conclusion of 35th Annual General Meeting of the Company.

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 2022-23.

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 2021-22.

The Board has re-appointed them as Secretarial Auditor for carrying out the secretarial audit for the financial year 2022-23.

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.

Statutory Statements

Deposits

The Company has not accepted any deposit from the public within the meaning of Section 76 of the Act 2013, for the year ended 31st March 2022.

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 III 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 V 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 2021-22, the Company has not extended any guarantee or loans to other companies during the year under review.

However, please refer note no.5 to Notes on accounts for the financial year 2021-22, for details of investments made by the Company.

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 2021-22 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.For and on behalf of the Board.

Place : Chennai
Date: 3rd May 2022

Venu Srinivasan
Chairman

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

A. CONSERVATION OF ENERGY

1.1 Measures taken in the year 2021-22

- Initiatives for alternate sourcing of power.
  - o Conversion of diesel to LPG in boiler at Chennai plant for cost effectiveness.
- Projects undertaken to reduce energy consumption:
  - o Implemented Energy Management System (EMS) at Hosur plant for effective monitoring and control of power consumption
  - o Implementation of Variable Frequency Drives for injection moulding machines & Chiller lines for energy conservation at Hosur plant.
  - o Energy consumption reduction through cycle time reduction projects, MTTR & MTBF improvement projects, etc

The above measures along with other small projects resulted in an annual savings of Rs. 1.1 Crore.

1.2 Proposed measures for the year 2022-23:

- o Implementing the additional roof top solar power projects within the plant to maximize the power savings.
- o Acquiring additional power capacity from green energy providers through solar farms/windmills
- o Reducing fixed power consumption through identified projects
- o Implementation of Variable frequency drives for IMMs - 6 nos.

The above measures are expected to result in improving the effectiveness energy management and power cost.

2. Steps taken for utilizing alternate sources of energy during the year 2021-22

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 Developed 3D printed plastic-metal hybrid frame prototype for TVS Motors (Model : Scooty pep)
- o Engaging with global industry experts for developing Mould design and development competency
- o Developed custom material (PP Talc filled material replacing existing ABS) for Herman miller
- o Designed and developed parts – Air filter, Mud flap, Spoiler & Rain deflector.

C. FOREIGN EXCHANGE ACTUAL EARNINGS AND OUTGO

Total foreign exchange earnings and out go	(Rs. In Cr)
(a) Earnings	1.01
(b) Out go	43.05

For and on behalf of the Board

Place : Chennai
Date: 3rd May 2022

Venu Srinivasan
Chairman

Annexure - II

FORM No. AOC - 1

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

Part "A": Subsidiaries

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

S.No	Name of the subsidiary	Sundaram Holding USA Inc.,
	Date on which subsidiary was acquired	9th September 2015
	Reporting period	1st April 2021 to 31st March 2022
	Reporting currency	USD
	Closing Exchange rate	INR 75.79/USD
	Share capital	650.74
	Reserves & Surplus	(51.06)
	Total assets	888.54
	Total Liabilities	288.86
	Investments	-
	Turnover	52.79
	Profit before taxation	(83.04)
	Provision for taxation	-
	Profit after taxation	(83.04)
	Proposed Dividend	-
	% of shareholding	50.35%

Note:

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

As per our report annexed

Venu Srinivasan
Chairman

Rajesh Oommen
Director & Chief Executive Officer

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

Place: Chennai
Date: 03-05-2022

J Ashok Chakravarthi
Chief Financial Officer

G Sathyan
Company Secretary

S. Venkataraman
Partner
Membership No. 023116

Annexure - IV

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

1. Brief outline on CSR Policy of the Company

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

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

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

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

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

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

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

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

Sl. No.	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 9.40 lakhs
(ii)	Total amount spent for the Financial Year	Rs. 10 lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Rs. 0.60 lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs. 0.60 lakhs

<table>
<tr><td>9(a)</td><td colspan="6">Details of Unspent CSR amount for the preceding three financial years:
(In Rs.)</td></tr>
<tr><td rowspan="2">Sl. No.</td><td rowspan="2">Preceding Financial Year.</td><td rowspan="2">Amount transferred to Unspent CSR Account under section 135 (6)</td><td rowspan="2">Amount spent in the reporting Financial Year</td><td colspan="2">Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.</td><td rowspan="2">Amount remaining to be spent in succeeding financial years.</td></tr>
<tr><td>Name of the Fund</td><td>Amount</td></tr>
<tr><td colspan="7">Not Applicable</td></tr>
</table>

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

<table>
<tr><td>10</td><td colspan="3">In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year; (asset-wise details).</td></tr>
<tr><td></td><td>(a)</td><td>Date of creation or acquisition of the capital asset(s).</td><td rowspan="4">Not Applicable</td></tr>
<tr><td></td><td>(b)</td><td>Amount of CSR spent for creation or acquisition of capital asset</td></tr>
<tr><td></td><td>(c)</td><td>Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc</td></tr>
<tr><td></td><td>(d)</td><td>Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc</td></tr>
<tr><td>11</td><td colspan="2">Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).</td><td>Not Applicable</td></tr>
</table>

For and on behalf of the Board

Place : Chennai
Date : 3rd May 2022

Venu Srinivasan
Chairman

Annexure - V

FORM No. AOC - 2

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

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

NIL

2. Details of material contract, arrangement or transaction at arm's length basis:
   (a) Name of the related party — TVS Motor Company Limited
   (b) Nature of relationship — Holding Company
   (c) Duration of the contracts / arrangements / transactions 2021-22
   (d) Date (s) of approval by the Board, if any: — 25th January 2021

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

For and on behalf of the Board

Place : Chennai
Date : 3rd May 2022

Venu Srinivasan
Chairman

Form No. MR-3

Secretarial Audit Report for the financial year ended 31st March 2022

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

To,

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

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by SUNDARAM AUTO COMPONENTS LIMITED ('the Company') during the financial year from 1st April 2021 to 31st March 2022 ('the year'/ 'audit period'/ 'period under review').

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

We are issuing this report based on:

(i) Our examination / verification of the books, papers, Minute books and other records maintained by the Company and furnished to us in electronic form for our verification, forms and returns filed, and compliance related action taken by the Company during the year as well as after 31st March 2022 but before the issue of this report;

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

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

In our opinion, during the audit period covering the financial year ended on 31st March 2022, 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) Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), being a material unlisted Indian subsidiary of TVS Motor Company Limited;

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

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

1.2 During the period under review, and also considering the compliance related action taken by the Company after 31st March 2022 but before the issue of this report, the Company, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us, has generally complied with:

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

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

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

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

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

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

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

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

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

(d) Regulations prescribed under the Securities and Exchange Board of India Act, 1992, except Regulation 24A of LODR; and Listing agreements with stock exchanges.

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

(iii) Since the Company is not a material subsidiary of TVS Motor Company Limited in terms of Regulation 24(1) of LODR, it was not required to appoint an Independent Director of the holding company as a Director.

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

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

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

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

2. Board processes

We further report that:

2.1. Board constitution and balance

(i) As on 31st March 2022, the Board of Directors of the Company is duly constituted and consists of 1 (one) Executive Director and 3 (three) Non-Executive Directors including 1 (one) Woman Director.

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

(a) Re-appointment of Mr C N Prasad (DIN: 01950656) and Mr S G Murali (DIN: 00348902), Directors who retired by rotation at the 29th Annual General Meeting held on 23rd July 2021.

(b) Appointment of Mr Venu Srinivasan (DIN: 00051523) as an Additional Director (Non- Executive) with effect from 28th March 2022, and his appointment as a Non-Executive Director liable to retire by rotation, at the Extra-ordinary General Meeting held on 29th March 2022.

(c) Appointment of Mr Venu Srinivasan (DIN: 00051523) as the Chairman of the Board, with effect from 28th March 2022.

(d) Cessation of Mr H Lakshmanan (DIN: 00057973) and Mr C N Prasad (DIN: 01950656) as Directors, effective from closure of working hours on 28th March 2022.

(e) Appointment of Mr Rajesh Oommen (DIN: 08588098), Chief Executive Officer, as an Additional Director (Executive), with effect from 28th March 2022, and his appointment as a Director (Executive) liable to retire by rotation, at the Extra-ordinary General Meeting held on 29th March 2022.

(f) Appointment of Mr Rajesh Oommen (DIN: 08588098), Chief Executive Officer, as a Whole- time Director, for a term of 5 (five) consecutive years from 28th March 2022, and approval of such appointment at the Extra-ordinary General Meeting held on 29th March 2022.

(iii) Since the Company is a wholly-owned Indian subsidiary of M/s. TVS Motor Company Limited, it is not required under the Act to constitute an Audit Committee or a Nomination and Remuneration Committee. These Committees have hence been dissolved with effect from 3rd May 2022.

2.2. Board meetings

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

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

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

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

(i) Majority decisions were carried through; and

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

3. Compliance mechanism

We further report that:

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:

During the audit period, no specific events or actions having a major bearing on the Company's affairs took place in pursuance of the above referred laws, rules, regulations and standards.

(i) Further Overseas Direct Investment in Sundaram Holding USA Inc., an overseas subsidiary company, as disclosed in the Audited Financial Statements for the year.

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

SHARANYA SRIRAM,
Partner
Membership No.F10252
Certificate of Practice No: 12731
UDIN: F010252D000262779

Date : 03rd May 2022
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 2022 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 secretarial records produced for 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.

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 2022 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.

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

SHARANYA SRIRAM,
Partner
Membership No.F10252
Certificate of Practice No: 12731
UDIN: F010252D000262779

Date : 03rd May 2022
Place : Chennai

Independent Auditors' Report to the members of Sundaram Auto Components Limited, Chennai for the year ended 31st March 2022

To the Members of SUNDARAM AUTO COMPONENTS LIMITED

REPORT ON THE AUDIT OF THE STAND-ALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of Sundaram Auto Components Limited ("the Company"), which comprise the standalone balance sheet as at 31st March 2022 the standalone Statement of Profit and Loss (including Other Comprehensive Income), standalone Statement of changes in Equity and standalone Statement of Cash Flows for the year then ended, and notes to the stand-alone 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 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, 2022, and profit, Other total Comprehensive Income, Changes in Equity and Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the 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 financial Statements.

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or 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.

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 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 and with the returns received from the branches not visited by us;

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

   (e) On the basis of the written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

a. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note No. 37(i) to the standalone 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(is), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

ii. Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts (refer note no 38(xv)), no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, and

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

e. No Dividend declared or paid during the year by the company.

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

In our opinion and according to the information and explanations given to us, the Company has not paid remuneration to its directors during the current year and hence, applicability of the provisions of 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 Regn. No.109208W

UDIN	22023116AIXJOK2120

S. VENKATARAMAN
PARTNER
Membership No.023116

Place: Chennai
Date: 03rd May 2022

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT – 31st March 2022 (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, 2022.

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

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

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

ii. Has not provided loans, advances in the nature of loans, guarantee and security to companies, firms, Limited Liability Partnerships or any other parties. Therefore, the requirement to report under clauses (iii) (b) to (f) of para 3 of the Order are not applicable to the Company.

(iv) Investments made, in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company. The Company has not granted any loan or provided any guarantee/securities 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 2022 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us and the records of the Company, there are no dues of Income-Tax, Customs Duty, Sales Tax, Service Tax, Goods and Services Tax, Value Added Tax, Excise Duty and Cess which have not been deposited on account of any dispute as at 31st March 2022 other than the following on account of dispute, as given below.

Name of the statue/(Nature of dues)	Period of Due	Demand	Amount paid under protest/ Deposit against appeal	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	July 2017 to September 2018	2.82	-	Writ petition filed in High court of Andhra Pradesh
Central Sales Tax Act 1956	FY 2006-07	0.78	0.25	Assistant Commissioner (CT), Chennai
	FY 2008-09	0.05	0.01	Hon'ble High Court, Madras
	FY 2013-14	0.01	-	Appellate Joint Commissioner, CT at Salem
	FY 2014-15	0.74	0.18	Division bench of High Court, Madras
Customs Act 1962	FY 2003-04	0.40	0.03	Joint Commissioner of Customs (EODC-EPCG), Chennai

(viii) According to the information and explanations given to us and based on the records, 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. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) a) 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.

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

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

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

	e)	According to the information and explanation given to us and on overall examination of the financial statements of the Company, the Company has not taken funds from any entities and persons on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
	f)	The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3 (ix)(f) of the Order is not applicable to the Company.
(x)	a)	According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
	b)	According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
(xi)	a)	During the course of our examination of the books and records of the Company, carried out based upon the generally accepted audit procedures performed for the purpose of reporting the true and fair view of the financial statements, to the best of our knowledge and belief and as per the information and explanations given to us by the Management, and the representations obtained from the management, no material fraud by the Company and on the company have been noticed or reported during the year.
	b)	During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. According to the information and explanations given to us and based on the information given to us and records verified by us, Secretarial Auditor has not filed report in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. The Company does not have a cost Auditor.
	c)	According to the information and explanations given to us and as represented to us by the management, there are no whistle blower complaints received by the Company during the year.
(xii)		The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
(xiii)		In our opinion and according to the information and explanations given to us, based on verification of the records and approvals of the Audit Committee, the Company is in compliance with Section 177 and Section 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
(xiv)	a)	In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
	b)	The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
(xv)		In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.
(xvi)	a)	According to the information and explanations given to us and based on the information given to us and records verified by us, 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) of the Order is not applicable to the Company.
	d)	There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
(xvii)		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 proviso 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	22023116AIXJOK2120

S. VENKATARAMAN
PARTNER
Membership No.023116

Place: Chennai
Date: 03rd May 2022

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT – 31st March 2022 (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, 2022 in conjunction with our audit of the standalone 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, 2022, 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	22023116AIXJOK2120

S. VENKATARAMAN
PARTNER
Membership No.023116

Place: Chennai
Date: 03rd May 2022

Balance Sheet as at 31st March 2022

Rupees in crores

	Notes	As at March 31, 2022	As at March 31, 2021
Assets			
Non-current assets			
Property, Plant and Equipment	2 (a)	203.51	216.01
Right of use of Assets	2 (b)	10.73	12.27
Capital work in progress	3	12.66	10.10
Goodwill	4	2.20	2.20
Financial assets			
i. Investments	5	319.59	320.52
ii. Other financial assets	6	0.16	0.31
Other non-current assets	7	5.99	13.79
Total non-current assets		**554.84**	**575.20**
Current assets			
Inventories	8	51.35	32.94
Financial assets			
i. Trade receivables	9	93.28	83.36
ii. Cash and cash equivalents	10	0.70	1.90
iii. Other financial assets	11	0.59	-
Other current assets	12	36.97	35.89
Total current assets		**182.89**	**154.09**
Total Assets		**737.73**	**729.29**
Equity and liabilities			
Equity			
Equity share capital	13	44.57	44.57
Other equity	14	377.60	374.24
Total equity		**422.17**	**418.81**
Liabilties			
Non-current liabilities			
Financial liabilities			
i. Borrowings	15a	17.96	69.54
ia. Lease liabilities	15b	1.90	1.45
Provision - Employee benefit obligations	16	5.80	3.03
Deferred tax liabilities (Net)	17	11.51	10.74
Total non-current liabilities		**37.17**	**84.76**
Current liabilities			
Financial liabilities			
i. Borrowings	18	122.59	97.02
ia. Lease liabilities	15b	0.10	0.15
ii. Trade payables	19		
a.Total outstanding dues of Micro and Small enterprises		8.82	5.25
b.Total outstanding dues of other than (ii) a above		89.24	67.46
iii. Other financial liabilities	20	0.48	1.10
Other current liabilities	21	55.94	53.54
Provision - Employee benefit obligations	16	1.22	1.20
Total current liabilities		**278.39**	**225.72**
Total liabilities		**315.56**	**310.48**
Total equity and liabilities		**737.73**	**729.29**
Significant Accounting Policies (See accompanying notes to the financial statements)	1	-	-

As per our report annexed

Venu Srinivasan Chairman	Rajesh Oommen Director & Chief Executive Officer		For V .Sankar Aiyar & Co Chartered Accountants Firm Regn. No. 109208W
Place: Chennai Date: 03-05-2022	J Ashok Chakravarthi Chief Financial Officer	G Sathyan Company Secretary	S. Venkataraman Partner Membership No. 023116

Statement of Profit and Loss for the year ended 31st March 2022

Rupees in crores

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Income			
Revenue from operations	22	606.34	459.53
Other income	23	1.61	3.16
Total income		**607.95**	**462.69**
Expenses			
Cost of materials consumed	24	431.57	307.48
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	24	(8.27)	3.75
Employee benefits expense	25	71.89	69.22
Finance costs	26	12.69	16.01
Depreciation and amortisation expense	2 & 4	20.88	19.85
Other expenses	27	68.89	56.10
Total expenses		**597.65**	**472.41**
Profit/ (Loss) before exceptional items		**10.30**	**(9.72)**
Exceptional items - Gain / (Loss)		(6.00)	(9.36)
Profit/(Loss) before tax		**4.30**	**(19.08)**
Tax expense			
Current tax	28	0.56	(0.36)
Deferred tax	28	1.43	(6.23)
Profit/(Loss) for the year		**2.31**	**(12.49)**
Other comprehensive income			
A. Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations arising on account of actuarial losses		(1.72)	1.25
Change in fair value of equity instruments		2.60	0.23
Income tax relating to these items		0.61	0.42
B. Items that will be reclassified to profit or loss			
Fair value changes on cash flow hedges		(0.16)	1.94
Income tax relating to these items		0.06	(0.61)
Other comprehensive income for the year, net of tax		**1.38**	**3.23**
Total comprehensive income for the period		**3.69**	**(9.26)**
Earnings per equity share of Rs. 10 each fully paid up	34		
Basic and Diluted earnings per share (in Rupees)		0.52	(2.84)
Significant Accounting Policies	**1**		
(See accompanying notes to the financial statements)			

As per our report annexed

Venu Srinivasan
Chairman

Rajesh Oommen
Director & Chief Executive Officer

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

Place: Chennai
Date: 03-05-2022

J Ashok Chakravarthi
Chief Financial Officer

G Sathyan
Company Secretary

S. Venkataraman
Partner
Membership No. 023116

Cash Flow Statement

Rupees in crores

Details	Year Ended March 31,2022		Year Ended March 31,2021	
Profit/(loss) before tax		4.30		(19.08)
Adjustments for				
Depreciation and amortisation expense	20.88		19.85	
Prov. for doubtful debt	(0.01)		0.15	
Loss on cancellation of land lease	1.04		3.17	
Unreallized exchange (gain) / loss	0.01		-	
Loss on sale of fixed assets	0.13		0.01	
Employee provisions	1.08		0.99	
Interest income	(0.29)		(0.37)	
Share of profit from LLP	(0.28)		(2.71)	
Impact of fair valuation of financial liability	0.30		0.16	
Finance costs	12.69		16.01	
		35.55		37.26
Operating profit before working capital changes		**39.85**		**18.18**
Change in operating assets and liabilities				
(Increase) / Decrease in trade receivables	(9.91)		(22.59)	
(Increase) / Decrease in Inventories	(18.41)		(3.80)	
(Increase) / Decrease in other financial assets	0.15		0.21	
(Increase) / Decrease in other non-current assets	(0.29)		1.45	
(Increase) / Decrease in other current assets	(1.33)		(3.92)	
Increase / (Decrease) in trade payables	25.60		19.30	
Increase / (Decrease) in other current liabilities	2.40	(1.79)	7.42	(1.93)
Cash generated from operations		**38.06**		**16.25**
Less: Direct taxes paid (net of Refund)		1.20		-
Net cash inflow from operating activities		**36.86**		**16.25**
Cash flows from investing activities				
Payments for property, plant and equipment	(8.34)		(5.19)	
Payments for property, plant and equipment - Cwip	(2.56)		(0.23)	
Capital Advances	0.91		0.53	
Proceeds from cancellation of land lease	8.20		24.60	
Proceeds from sale of property, plant and equipment	0.08		-	
Proceeds from sale of Investment	3.51		0.01	
Share of profit from LLP	0.28		2.71	
Interest received	0.29		0.37	
Net cash outflow from investing activities		**2.37**		**(0.13)**

Rupees in crores

Details	Year Ended March 31,2022		Year Ended March 31,2021	
Cash flows from financing activities				
Interest paid	(12.63)		(15.83)	
Lease liability paid	(0.18)		(0.36)	
Interest on Lease liability	(0.15)		(0.15)	
Proceeds from issue of share capital	-		23.00	
Receipt / (repayment) of Short term loan	20.52		29.09	
Receipt / (repayment) of Long term loan	(52.64)		(23.69)	
Net cash inflow (outflow) from financing activities		**(45.08)**		**12.06**
Net increase (decrease) in cash and cash equivalents		(5.85)		28.18
Cash and cash equivalents at the beginning of the financial year				
Cash and cash equivalents	1.90		1.27	
Overdraft utilised	(10.80)	(8.90)	(38.35)	(37.08)
Cash and cash equivalents at end of the year				
Cash and cash equivalents	0.70		1.90	
Overdraft utilised	(15.45)	(14.75)	(10.80)	(8.90)

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

Particulars	As at 01-04-2021	Cash flow	Amortization	Foreign exchange movement	As at 31-03-2022
Non current borrowings (including current maturities)	116.68	(52.64)	0.14	1.32	65.49
Current borrowings	39.09	20.52	-	-	59.61

As per our report annexed

Venu Srinivasan
Chairman

Rajesh Oommen
Director & Chief Executive Officer

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

Place: Chennai
Date: 03-05-2022

J Ashok Chakravarthi
Chief Financial Officer

G Sathyan
Company Secretary

S. Venkataraman
Partner
Membership No. 023116

Statement of Changes in Equity

Rupees in crores

A.

EQUITY SHARE CAPITAL	Total
Balance as at 01-04-2020	**42.17**
Changes in equity share capital due to prior period items	-
Restated balance as at 01.04.2020	42.17
Changes in equity share capital	2.40
Balance as at 31-03-2021	**44.57**
Changes in equity share capital due to prior period items	-
Restated balance as at 01.04.2021	44.57
Changes in equity share capital	-
As at 31-03-2022	**44.57**

B. OTHER EQUITY

	Reserves and Surplus			Equity Instruments Fair Value through Other Comprehensive Income	Hedging Reserve	Total
	General Reserve	Securities Premium Reserve	Retained Earnings			
Balance as at April 1, 2020	**8.05**	**273.72**	**88.98**	**(2.69)**	**(5.16)**	**362.90**
Issue of equity shares	-	20.60	-	-	-	20.60
Profit for the period 2020-21	-	-	(12.49)	-	-	(12.49)
Other comprehensive income for the year 2020-21	-	-	1.69	0.23	1.31	3.23
Sub-total (A)	**8.05**	**294.32**	**78.18**	**(2.46)**	**(3.85)**	**374.24**
Less : Distribution to shareholders						
2020-21 first and final dividend paid	-	-	-	-	-	-
Dividend distribution tax paid	-	-	-	-	-	-
Sub-total (B)	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at March 31, 2021 C = (A - B)	**8.05**	**294.32**	**78.18**	**(2.46)**	**(3.85)**	**374.24**
Adjustment towards Equity Instrument FV through OCI			(0.33)			(0.33)
Issue of equity shares	-	-	-	-	-	-
Profit for the period 2021-22	-	-	2.31	-	-	2.31
Other comprehensive income for the year 2021-22	-	-	(1.11)	2.60	(0.11)	1.38
Sub-total (D)	**8.05**	**294.32**	**79.05**	**0.14**	**(3.96)**	**377.60**
Less : Distribution to shareholders						
2021-22 first and final dividend paid	-	-	-	-	-	-
Dividend distribution tax paid	-	-	-	-	-	-
Sub-total (E)	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at March 31, 2022 F = (D - E)	**8.05**	**294.32**	**79.05**	**0.14**	**(3.96)**	**377.60**

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.

As per our report annexed

Venu Srinivasan
Chairman

Rajesh Oommen
Director & Chief Executive Officer

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

Place: Chennai
Date: 03-05-2022

J Ashok Chakravarthi
Chief Financial Officer

G Sathyan
Company Secretary

S. Venkataraman
Partner
Membership No. 023116

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.

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 31st March 2022 have been approved and authorized for issue by Board of Directors at its meeting held 3rd May 2022.

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.

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

d) Significant Estimates and judgments

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

ii. Defined benefit obligation - Refer Note 16

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

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

e) Revenue recognition

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

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.

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
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.

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 shareholders' equity are shown in Statement of Changes in Equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

When forward contracts are used to hedge forecast transactions, the Company generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income in cash flow hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognized in the cash flow hedging reserve within equity. Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit 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 employees' services upto the end of the reporting period and are recognised at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

ii. Other long-term employee benefit:

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

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

n) Government Grants

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

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

o) Provisions and contingent liabilities

i) Provisions:

A provision is recorded when the Company has a present or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. The estimated liability for product warranties is recorded when products are sold based on technical evaluation.

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

ii) Contingent liabilities:

Wherever there is a possible obligation that 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.

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 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) The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. Below is a summary of such amendments and requirements. No significant impact is expected on adoption of these standards.

(i) Ind AS 16, Property, Plant and Equipment (PPE)

The amendment clarified that an entity shall deduct from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use.

(ii) Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

Onerous Contracts – Cost of fulfilling a contract

The amendment explains that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

Notes to Financial Statements - *(continued)*

Rupees in crores

2.a. Property, Plant & Equipment

Description	Property, Plant & Equipment							
	Free hold Land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Computers	Vehicles	Total
Gross Carrying Amount								
As at 01-04-2021	5.15	73.23	221.46	9.37	2.55	2.77	0.82	315.35
Additions	-	-	7.92	0.23	0.01	0.18	-	8.34
Sub-total	**5.15**	**73.23**	**229.38**	**9.60**	**2.56**	**2.95**	**0.82**	**323.69**
Sales / Deletion	-	-	0.49	0.14	0.01	-	-	0.64
Closing Gross Carrying Amount	**5.15**	**73.23**	**228.89**	**9.46**	**2.55**	**2.95**	**0.82**	**323.05**
Accumulated Depreciation								
Upto 31-03-2021	-	11.99	80.64	2.74	1.19	2.29	0.49	99.34
For the year	-	2.74	16.22	0.93	0.32	0.23	0.15	20.59
Sub-total	**-**	**14.73**	**96.86**	**3.67**	**1.51**	**2.52**	**0.64**	**119.93**
Withdrawn on assets sold/deleted	-	-	0.36	0.01	0.01	-	-	0.38
Closing accumulated depreciation	**-**	**14.73**	**96.50**	**3.66**	**1.50**	**2.52**	**0.64**	**119.55**
Net Carrying Amount								
As at 31-03-2022	**5.15**	**58.50**	**132.39**	**5.80**	**1.05**	**0.43**	**0.18**	**203.51**
Gross Carrying Amount								
As at 01-04-2020	5.15	73.23	217.45	8.43	2.56	2.94	0.66	310.42
Additions	-	-	4.05	0.94	-	0.04	0.16	5.19
Sub-total	**5.15**	**73.23**	**221.50**	**9.37**	**2.56**	**2.98**	**0.82**	**315.61**
Sales / deletion	-	-	0.04	-	0.01	0.21	-	0.26
IND AS 116 Transition	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount	**5.15**	**73.23**	**221.46**	**9.37**	**2.55**	**2.77**	**0.82**	**315.35**
Accumulated Depreciation								
Upto 31-03-2020	-	9.25	65.91	1.87	0.83	2.19	0.32	80.37
For the year	-	2.74	14.77	0.87	0.37	0.30	0.17	19.22
Sub-total	**-**	**11.99**	**80.68**	**2.74**	**1.20**	**2.49**	**0.49**	**99.59**
Withdrawn on assets sold/deleted	-	-	0.04	-	0.01	0.20	-	0.25
Closing accumulated depreciation	**-**	**11.99**	**80.64**	**2.74**	**1.19**	**2.29**	**0.49**	**99.34**
Net Carrying Amount as at 31-03-2021	**5.15**	**61.24**	**140.82**	**6.63**	**1.36**	**0.48**	**0.33**	**216.01**

2.b Right of use of assets

Particulars	Land	Building	Plant and Machinery	Car	Total
Gross Block- As at 01-04-2021					
Opening/(On transition to Ind AS 116)	12.56	0.90	0.15	-	13.61
Additions during the year	-	-	-	0.40	0.40
Deletions during the year	1.72	-	-	-	1.72
Closing Gross balance as on 31-03-2022	**10.84**	**0.90**	**0.15**	**0.40**	**12.29**
Accumulated amortisation					
Up to 31.03.2021	0.37	0.81	0.15	-	1.34
Amortisation for the year FY 2021-22	0.16	0.09	-	0.04	0.29
Sub-total	**0.53**	**0.90**	**0.15**	**0.04**	**1.63**
Withdrawn on assets sold/deleted	0.06	-	-	-	0.06
Closing accumulated depreciation	**0.47**	**0.90**	**0.15**	**0.04**	**1.56**
Closing Net Balance as on 31st March 2022	**10.37**	**0.00**	**-**	**0.36**	**10.73**
Gross Block- As at 01-04-2020					
Opening/(On transition to Ind AS 116)	17.73	0.90	0.15	-	18.78
Additions during the year	**-**	**-**	**-**	-	-
Deletions during the year	**5.17**	**-**	**-**	-	5.17
Closing Gross balance as on 31-03-2021	**12.56**	**0.90**	**0.15**	**-**	**13.61**
Accumulated amortisation	-	-	-	-	-
Up to 31.03.2020	0.30	0.51	0.14	-	0.96
Amortisation for the year FY 2020-21	0.23	0.30	0.01	-	0.54
Sub-total	**0.53**	**0.81**	**0.15**	**-**	**1.50**
Withdrawn on assets sold/deleted	0.16	-	-	-	0.16
Closing accumulated depreciation	**0.37**	**0.81**	**0.15**	**-**	**1.34**
Closing Net Balance as on 31st March 2021	**12.18**	**0.09**	**-**	**-**	**12.27**

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 excercised 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. 0.72 crores (PY Rs. 0.63 crores)

Payment towards low value asset leases - Nil

Loss on surrender of lease asset - Rs. 1.04 crores (PY Rs. 3.19 crores)

Notes to Financial Statements - *(continued)*

Rupees in crores

3. Capital Work-In-Progress

Description	As at March 31, 2022	As at March 31, 2021
Capital work in progress (At cost)		
(a) Building	8.17	7.31
(b) Plant & equipment	3.13	1.04
(c) Pre-operative expense	1.36	1.76
Total	**12.66**	**10.10**

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

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

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

Ageing for capital work-in-progress as at March 31, 2021 is as follows

Particulars	Amount in CWIP for a year ended on 31 March 2021				
	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	4.16	5.94	-	-	10.10

4. Goodwill & Other Intangible Assets

Description	Intangible Assets		
	Goodwill	Software	Total intangible assets
Gross Carrying Amount			
As at 01-04-2021	2.20	1.47	3.67
Additions	-	-	-
Sub-total	**2.20**	**1.47**	**3.67**
Sales / deletion	-	-	-
Closing Gross Carrying Amount	**2.20**	**1.47**	**3.67**
Accumulated amortisation			
Upto 31-03-2021	-	1.47	1.47
For the year	-	-	-
Sub-total	-	1.47	1.47
Withdrawn on assets sold/deleted	-	-	-
Closing accumulated amortization	**-**	**1.47**	**1.47**
Net Carrying Amount			
As at 31-03-2022	**2.20**	**-**	**2.20**
Gross Carrying Amount			
As at 01-04-2020	2.20	1.47	3.67
Additions			-
Sub-total	2.20	1.47	3.67
Sales / deletion	-	-	-
Closing Gross Carrying Amount	**2.20**	**1.47**	**3.67**
Accumulated amortisation			
Upto 31-03-2020	-	1.38	1.38
For the year	-	0.09	0.09
Sub-total	-	1.47	1.47
Withdrawn on assets sold/deleted	-	-	-
Closing accumulated amortisation	**-**	**1.47**	**1.47**
Net Carrying Amount			
As at 31-03-2021	**2.20**	**-**	**2.20**

5 Investments

Sl. No.	Particulars	Subsidiary	No. of shares / units As at 31-03-2022	No. of shares / units As at 31-03-2021	Face Value	Currency	Rupees in crores As at 31-03-2022	Rupees in crores As at 31-03-2021
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(A)	**Investment in Equity Instruments Fair valued through OCI:**							
	Unquoted:							
(i)	Green Infra Wind Energy Theni Limited		34,34,477	34,34,477	10	INR	1.72	1.59
(ii)	Atria wind power (chitradurga) P Ltd		80,948	80,948	100	INR	0.44	0.41
(B)	**Investment in Equity Instruments valued at Cost:**							
	Unquoted:							
(i)	Sundaram Holding USA, Inc., Delaware, USA	Subsidiary	4,70,00,000	4,70,00,000	1	USD	317.01	317.01
	Total value of Equity Instruments						**319.17**	**319.01**
(C)	**Other non-current Investments**							
(i)	Life Insurance Corporation Pension Policy, Mumbai					INR	0.42	0.44
	Total value of other non- current Investment						**0.42**	**0.44**
(D)	**Other investments**							
	Fair valued through OCI:							
(i)	Harita Accessories LLP						-	1.07
	Total value of other investments						**-**	**1.07**
	Total (A+B+C+D)						**319.59**	**320.52**
	Aggregate amount of quoted investments and market value thereof						-	-
	Aggregate amount of unquoted investments						319.59	320.52
	Aggregate amount of impairment in value of investments						-	-
	Total						**319.59**	**320.52**

(All Investments are fully paid up)

Notes to Financial Statements - *(continued)*

Rupees in crores

6	Financial Assets - Others	As at March 31, 2022	As at March 31, 2021
	Others		
	Other deposits	0.16	0.31
	Total other financial assets	**0.16**	**0.31**

7	Other non-current assets		
	Capital advances*	0.03	7.54
	Advances other than capital advances:		
	Electricity Deposit	3.02	2.32
	Other Advances:		
	Prepaid Expenses (Refer note 36 (7))	1.70	2.11
	IT Recoverable - (Advance income tax net of provision)	1.24	1.82
	Total other non-current assets	**5.99**	**13.79**

*includes an amount of Rs. 6.65 crores towards infrastructure development reported in FY 20-21.

8	Inventories	As at March 31, 2022	As at March 31, 2021
	Raw materials and components	32.12	20.52
	Goods in Transit - - Raw materials and components	-	1.46
	Work-in-process	11.15	4.76
	Finished goods	7.18	5.30
	Stores and spares	0.90	0.90
	Total Inventories	**51.35**	**32.94**

9.	Trade receivables		
	Secured, considered good		
	Unsecured, considered good	93.65	83.74
	Total	93.65	83.74
	Less: Loss allowance	(0.37)	(0.38)
	Total	**93.28**	**83.36**

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

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	78.32	8.95	-	-	-	-	87.27
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.15	0.18	0.04	-	0.37
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	78.32	8.95	0.15	0.18	0.04	-	87.64
Less: Loss allowance							(0.37)
Trade Receivables- Billed							87.27
Trade Receivables- Unbilled							6.01
Trade Receivables							93.28

Ageing for trade receivables - billed – non-current outstanding as at March 31, 2021 is as follows

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	66.88	15.18	-	-	-	-	82.06
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	0.18	0.18	0.02		0.38
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	66.88	15.18	0.18	0.18	0.02	-	82.44
Less: Loss allowance							(0.38)
Trade Receivables- Billed							82.06
Trade Receivables- Unbilled							1.30
Trade Receivables							83.36

Rupees in crores

10 Cash and cash equivalents	As at March 31, 2022	As at March 31, 2021
Balances with banks	0.68	1.83
Cash on hand	0.02	0.07
Total cash and cash equivalents	**0.70**	**1.90**

11 Other financial Assets		
Hedge Asset	0.59	-
Total other financial assets	**0.59**	**-**

12 Other current assets	As at March 31, 2022	As at March 31, 2021
GST/Sales tax / IT Receivables	24.15	19.86
Other Advances:		
Prepaid expense (Refer note 36 (7))	1.89	3.26
Advance to suppliers	9.10	10.90
Employee advances	0.16	0.24
Others		
Claims and other receivables	1.92	1.63
Less: Loss allowance	(0.25)	-
Net Claims and other receivables	1.67	-
Total other current assets	**36.97**	**35.89**

13 SHARE CAPITAL

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

Particulars	As at 31-03-2022		As at 31-03-2021	
	Number	Rs. In Crores	Number	Rs. In Crores
Authorised:				
Equity shares of Rs.10/- each	5,00,00,000	50.00	5,00,00,000	50.00
Issued, subscribed and paid up:				
Equity shares of Rs.10/- each	4,45,69,000	44.57	4,45,69,000	44.57
Total	**4,45,69,000**	**44.57**	**4,45,69,000**	**44.57**

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

Particulars	As at 31-03-2022		As at 31-03-2021	
	Number	Rs. In Crores	Number	Rs. In Crores
Shares outstanding at the beginning of the year	4,45,69,000	44.57	4,21,74,000	42.17
Shares issued during the year	-	-	23,95,000	2.40
Shares outstanding at the end of the year	**4,45,69,000**	**44.57**	**4,45,69,000**	**44.57**

(c) (i) Rights and preferences attached to equity share:
Every shareholder is entitled to such rights as to attend and vote at the meeting of the shareholders, to receive dividends distributed and also has a right in the residual interest of the assets of the company. Every shareholder is also entitled to right of inspection of documents as provided in the Companies Act, 2013.
(ii) There are no restrictions attached to equity shares.

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

Name of shareholder	Class of share	As at 31-03-2022		As at 31-03-2021	
		No. of shares held	% of holding	No. of shares held	% of holding
TVS Motor Company Limited, Chennai and by its six nominees	Equity	4,45,69,000	100.00	4,45,69,000	100.00

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

Name of shareholder	Class of share	As at 31-03-2022	As at 31-03-2021
		No. of shares held	No. of shares held
		-	-

(f) Disclosure of Shareholding of Promoters

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

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

Disclosure of shareholding of promoters as at March 31, 2021 is as follows:

Promoter Name	As at 31-03-2021		As at 31-03-2020		% Changes during the year
	No. of shares held	% of holding	No. of shares held	% of holding	
TVS Motor Company Limited	4,45,69,000	100	4,21,74,000	100.00	-

Notes to Financial Statements - *(continued)*

Rupees in crores

14 OTHER EQUITY

PARTICULARS	As at March 31, 2022	As at March 31, 2021
General reserve	8.05	8.05
Securties premium reserve	294.32	294.32
Retained earnings	75.23	71.87
Total	**377.60**	**374.24**

15.a Long Term Borrowings

Description	Frequency	No. of instalments due	Maturity	As at 31-03-2022	As at 31-03-2021
<u>Secured:</u>					
Term loan from bank- External commercial borrowings (ECB)	Repayable in 6 equal half-yearly instalments USD 14,28,571 starting 30-Sep-2020	2	28- Mar- 2023	21.56	41.41
Term loan from bank-1	Repayable in 8 equal Quarterly instalments INR 1.25 Cr starting Sept 2021	5	27- June- 2023	6.26	22.50
Term loan from bank-2	Repayable in 12 equal Quarterly instalments INR 0.416 Cr starting June 2020	5	27- June- 2023	2.08	3.75
Term loan from bank -3	Repayable in 12 equal Quarterly instalments INR 2.916 Cr starting June 2020	5	27- June- 2023	14.58	26.25
Term loan from bank-4	Repayable in 4 equal Quarterly instalments INR 1.25 Cr starting Sep 2022	4	27- June- 2023	5.00	5.00
Term loan from bank-5	Repayable in 16 equal Quarterly instalments INR 0.937 Cr starting Dec 2021	14	21- Sep- 2026	13.13	15.00
Term loan from SIPCOT	Repayable in single instalments INR 5.80Cr on April 2029	1	01- April- 2029	2.84	2.63
Loan from fellow subsidiary	Repayable in 60 equal monthly instalments Rs.92093 starting 07-Aug- 2017 (EMI, Includes interest)	4	07-Jul-2022	0.04	0.14
Total Borrowings :				65.49	116.68
Less : Current Maturities of long-term borrowings (Refer Note No. 18)				47.53	47.14
Total Long-term Borrowings				17.96	69.54

Details of securities created:

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

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

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

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

Notes to Financial Statements - *(continued)*

Rupees in crores

Description	Currency	Amount	Rate of Interest
Term loan from bank- External commercial borrowings	USD	8.57 Million	3months USD LIBOR + 1.35%
Term loan from bank-1	INR	10 Crores	7.45% (Link to 1 year MCLR + 25 basis points)
Term loan from bank-2	INR	5 Crores	7.45% (Link to 1 year MCLR + 25 basis points)
Term loan from bank-3	INR	35 Crores	7.45% (Link to 1 year MCLR + 25 basis points)
Term loan from bank-4	INR	5 Crores	7.45% (Link to 1 year MCLR + 25 basis points)
Term loan from bank-5	INR	15 Crores	7.80% (Link to 1 year MCLR + 25 basis points)
Term loan from SIPCOT	INR	5.80 Crores	0.1% per Annum
Loan from fellow subsidiary	INR	0.36 Crores	IRR 13.08%

15.b Measurement of lease liabilities

Particulars	**Amount**
Lease liabilities as at 1st April 2020	1.98
Of which are:	
Current lease liabilities	0.38
Non-current lease liabilities	1.60
	1.98
Lease liability recognised as at 31st March 2021	
Of which are:	
Current lease liabilities	0.15
Non-current lease liabilities	1.45
	1.60

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

16. Provisions-Employee benefit obligations

PARTICULARS	As at March 31, 2022			As at March 31, 2021		
	Current	Non-current	Total	Current	Non-current	Total
Pension	1.09	2.05	3.14	1.09	1.18	2.27
Leave Salary	0.13	1.55	1.68	0.11	1.30	1.41
Gratuity	-	2.20	2.20	-	0.55	0.55
Total employee benefit obligations	**1.22**	**5.80**	**7.02**	**1.20**	**3.03**	**4.23**

Notes to Financial Statements - *(continued)*

Rupees in crores

	Gratuity			Pension			Leave Salary		
Details	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2020									
Opening values	5.59	4.22	(1.37)	2.28	-	(2.28)	1.35	-	(1.35)
Current service cost	0.69	-	(0.69)	-	-	-	-	-	-
Interest expense/(income)	0.36	0.27	(0.09)	0.15	-	(0.15)	0.10	-	(0.10)
Total amount recognised in profit or loss	**1.05**	**0.27**	**(0.78)**	**0.15**	**-**	**(0.15)**	**0.10**	**-**	**(0.10)**
Remeasurements									
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	(0.18)	-	0.18	(0.02)	-	0.02	(0.04)	-	0.04
Experience (gains)/losses	(0.91)	-	0.91	(0.14)	-	0.14	0.10	-	(0.10)
									-
Total amount recognised in other comprehensive income	**(1.09)**	**-**	**1.09**	**(0.16)**	**-**	**0.16**	**0.06**	**-**	**(0.06)**
Employer contributions	-	0.51	0.51	-	-	-	-	-	**0.10**
Benefit payments	(0.46)	(0.46)	-	-	-	-	(0.10)	-	-
March 31, 2021	**5.09**	**4.54**	**(0.55)**	**2.27**	**-**	**(2.27)**	**1.41**	**-**	**(1.41)**

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

Notes to Financial Statements - *(continued)*

Rupees in crores

(i) Post-Employment benefits

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

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

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

(ii) Sensitivity analysis

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

Grautity **Impact on defined benefit obligation**

	Change in assumption	Increase in assumption	Decrease in assumption
Details	March 31, 2022	March 31, 2022	March 31, 2022
Discount rate	0.50%	-5.01%	5.44%
Salary growth rate	0.50%	5.52%	-5.12%
Attrition growth rate	5.00%	0.28%	-0.28%
Life expectancy	5.00%	0.03%	-0.03%

Pension **Impact on defined benefit obligation**

Details	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Discount rate	1.00%	1.00%	-15.05%	-15.96%	18.54%	19.87%
Salary growth rate	1.00%	1.00%	19.25%	20.54%	-15.76%	-16.66%
Attrition growth rate	5.00%	5.00%	0.00%	0.00%	0.00%	0.00%
Life expectancy	5.00%	5.00%	-0.70%	-0.72%	0.73%	0.75%

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.

(iii) Risk exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

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

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

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

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

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, 2022	As at March 31, 2021
Depreciation	24.11	24.17
Provision for employee benefits	(2.34)	(1.65)
Provision for doubtful debts	(0.12)	(0.13)
On Voluntary Retirement Scheme	(1.55)	-
Loss allowance	(0.08)	-
On Financial Insturments	(1.29)	(1.31)
Unused MAT credit entitlement	(3.51)	(3.51)
Carryforward loss	(3.71)	(6.84)
Net deferred tax liability / (Asset)	**11.51**	**10.74**

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, 2020	23.01	(0.72)	(0.08)	(1.90)	(3.51)	-	-	-	16.79
(Charged)/credited:									
- to profit or loss	1.16	(0.50)	(0.05)	-	(0.00)	-	-	(6.84)	(6.23)
- to other comprehensive income	-	(0.42)	-	0.60	-	-	-	-	0.18
At March 31, 2021	**24.17**	**(1.64)**	**(0.13)**	**(1.30)**	**(3.51)**	**-**	**-**	**(6.84)**	**10.74**
(Charged)/credited:									
- to profit or loss	(0.06)	(0.12)	0.00	0.11	-	(1.55)	(0.08)	3.13	1.43
- to other comprehensive income	-	(0.57)	-	(0.09)	-	-	-	-	(0.66)
At March 31, 2022	**24.11**	**(2.33)**	**(0.13)**	**(1.28)**	**(3.51)**	**(1.55)**	**(0.08)**	**(3.71)**	**11.51**

18 Current Liabilities - Borrowings

	As at March 31, 2022	As at March 31, 2021
Term loan from Banks		
Repayable on demand :		
Unsecured:		
- Bank 1 (Interest @ 6.5%)	29.61	9.09
- Bank 2 (Interest @ 6.5%)	10.00	10.00
- Bank 3 (Interest @ 6.25%)	20.00	20.00
Secured:		
Cash credit facility - (Interest @ 7.9%)	15.45	10.80
Current Maturities of long term borrowings	47.53	47.13
Total Borrowings under Current Liabilities	**122.59**	**97.02**

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

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

19 Trade payables

	As at March 31, 2022	As at March 31, 2021
Dues to Micro and Small Enterprises **	8.82	5.25
Dues to enterprises other than Micro and Small Enterprises	85.09	61.70
	93.91	**66.95**
Accrued Expenses	4.15	5.76
	98.06	**72.71**

** 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.

Notes to Financial Statements - *(continued)*

Rupees in crores

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

Particulars	Outstanding for following periods from due date of payment					
	Not due	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	8.82	-	-	-	-	8.82
(ii) Others	52.28	32.79	0.02	0.00	-	85.09
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
	61.10	**32.79**	**0.02**	**0.00**	**-**	**93.91**
Accrued Expenses						4.15
						98.06

Ageing for trade payables outstanding as at March 31, 2021 is as follows:

Particulars	Outstanding for following periods from due date of payment					
	Not due	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	5.25	-	-	-	-	5.25
(ii) Others	52.06	9.62	0.01	0.00	-	61.70
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
	57.31	**9.62**	**0.01**	**0.00**	**-**	**66.95**
Accrued Expenses						5.76
						72.71

20	**Other financial liabilities**	**As at March 31, 2022**	**As at March 31, 2021**
	Current		
	Interest accrued and due #	0.48	0.64
	Hedge liability	-	0.46
	Total other current financial liabilities	**0.48**	**1.10**

Funds are made available with banks which have been appropriated subsequently

21	**Other current liabilities**		
	Advance received from customers	35.50	33.37
	Others:		
	Statutory dues	17.21	15.56
	Employee related	3.23	4.61
	Total other current liabilities	**55.94**	**53.54**

22	**Revenue from operations**		
	Sale of components and tools	599.38	455.67
	Other operating revenue	6.96	3.86
	Total revenue	**606.34**	**459.53**

23	**Other income**		
	Interest income	0.29	0.37
	Other non-operating income	1.32	2.79
	Total other income	**1.61**	**3.16**

Other non-operating income includes Government grants of Rs. 1.16 crores (PY Rs. 0.08 crores)

24	**Cost of Materials consumed:**	**Year ended March 31, 2022**	**Year ended March 31, 2021**
	Opening stock of raw materials and components	20.52	13.22
	Add: Purchases	443.17	314.78
		463.69	328.00
	Less:Closing stock of raw materials and components	32.12	20.52
	Consumption of raw materials and components	**431.57**	**307.48**
	Changes in inventories of finished goods, work-in-process and Stock-in-trade:		
	Opening stock:		
	Work-in-process	4.76	8.95
	Finished goods	5.30	4.86
	(A)	**10.06**	**13.81**
	Closing stock:		
	Work-in-process	11.15	4.76
	Finished goods	7.18	5.30
	(B)	**18.33**	**10.06**
	(A)-(B)	**(8.27)**	**3.75**

25	**Employee benefits expense**		
	Salaries, wages and bonus	59.95	59.08
	Contribution to provident and other funds	2.42	2.80
	Welfare expenses	9.52	7.34
	Total employee benefit expense	**71.89**	**69.22**

Notes to Financial Statements - *(continued)*

Rupees in crores

26	Finance Costs	Year ended March 31, 2022	Year ended March 31, 2021
	Interest	12.15	15.26
	Other borrowing cost	0.39	0.60
	Interest on lease liabilities	0.15	0.15
	Total finance costs	**12.69**	**16.01**

27	Other expenses		
	(a) Consumption of stores, spares and tools	3.77	2.60
	(b) Power and fuel	20.96	18.06
	(c) Rent	0.95	0.75
	(d) Repairs - buildings	1.98	2.11
	(e) Repairs - plant and equipment	11.46	8.90
	(f) Repairs - Other assets	0.22	0.12
	(g) Insurance	1.24	1.10
	(h) Rates and taxes	0.58	0.56
	(i) Audit fees #	0.24	0.33
	(j) Packing and freight charges	16.55	12.40
	(k) Sitting fees	0.02	0.02
	(l) Loss on sale of fixed assets (Net)	0.13	0.01
	(m) Foreign exchange loss (Net)	0.04	0.14
	(n) Amount Spent towards corporate social responsibility	0.10	0.33
	(o) Miscellaneous expenses	10.65	8.67
	(under this head there is no expenditure which is in excess of 1% of revenue from operations or Rs.10 lakhs, whichever is higher)		
	Total other expenses	**68.89**	**56.10**

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	0.79	-
	Adjustments for current tax of prior periods	(0.23)	(0.36)
	Total current tax expense	**0.56**	**(0.36)**
	Deferred tax		
	Decrease (increase) in deferred tax assets	1.49	(7.39)
	(Decrease) increase in deferred tax liabilities	(0.06)	1.16
	Total deferred tax expense/(benefit)	**1.43**	**(6.23)**
	Tax expense	**1.99**	**(6.59)**

(b) Reconciliation of tax expense and the accounting profit multiplied by Indian tax rate:	Year ended March 31, 2022	Year ended March 31, 2021
Profit before income tax expense	4.30	(9.72)
Provision for bad debts	(0.01)	0.15
Ind AS transition adjustment (1/5th)	-	(0.10)
Amount of income to which provisions of section 10 or 11 or 12 apply, if any such amount is credited to profit and loss	(0.28)	(2.71)
Disallowance u.s 14A	0.01	-
Ind AS current year OCI adjustment	(1.71)	1.25
	2.31	**(11.13)**
Tax at Indian tax rate 16.692% (Company paid tax under section 115JB (Minimum Alternate Tax) of the Income Tax Act 1961	**0.79**	**-**
Tax relating to prior periods	(0.23)	(0.36)
Deferred tax liabilities / (Assets)	1.43	(6.23)
Tax expense	**1.99**	**(6.59)**

	Related Party Disclosure	**As at / year ended 31-03-2022**	**As at / year ended 31-03-2021**

29 (a) (i) Related parties and their relationship where control exists

<u>**Holding company**</u>

TVS Motor Company Limited, Chennai

<u>**Ultimate holding company**</u>

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

TVS Holdings Private Limited (from 4th February 2022)

Sundaram - Clayton Limited, Chennai

<u>**Subsidiary**</u>

Sundaram Holding,USA Inc, Delaware, USA

<u>Subsidiaries of subsidiary of reporting entity</u>

Green Hills Land Holding LLC, USA

Component Equipment Leasing LLC, USA

Workspace Project LLC, USA

Premier Land Holding LLC, USA

<u>**Associate**</u>

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

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

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

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

(ii) Related parties and their relationship where transaction exists

<u>**Fellow subsidiaries**</u>

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

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

NOTES TO ACCOUNTS

	As at / year ended 31-03-2022	As at / year ended 31-03-2021
Sundaram-Clayton (USA) Limited, USA		
Sundaram Industries Private Limited, Madurai		
TVS Motor Services Limited, Chennai		
TVS Credit Services Limited, Chennai		
P.T.TVS Motor Company, Indonesia		
Group Member		
Emerald Haven Realty Limited, Chennai (Formerly known as Green Earth Homes Limited)		
Key Managerial Personnel		
Non Independent Directors		
Mr. Venu Srinivasan (from 28th March 2022)		
Dr. Lakshmi Venu		
Mr. SG Murali		
Mr. H.Lakshmanan (up to 28th March 2022)		
Mr. CN Prasad (up to 28th March 2022)		
Whole time Director		
Mr. Rajesh Oommen		
Relative of KMP		
Dr. Malini Srinivasan		

29 (b)	Transactions with related parties:	As at / year ended 31-03-2022	As at / year ended 31-03-2021
(i)	**Purchase of goods**		
	Ultimate Holding Company - T V Sundaram Iyengar & Sons Private Limited, Madurai	-	0.04
	- Associate - Brakes India Private Limited, Chennai	0.37	0.25
	- Fellow subsidiaries - Lucas TVS	0.03	0.02
(ii)	**Purchase of Investment**		
	- Sundaram Holdings USA Inc., Delaware, USA	-	22.93
(iii)	**Issue of Shares (including premium)**		
	- Holding Company - TVS Motor Company Ltd, Chennai	-	22.99
(iv)	**Sale of goods**		
	- Holding Company - TVS Motor Company Ltd, Chennai	302.34	238.79
	- Fellow Subsidiary - Lucas-TVS Limited, Chennai	0.51	0.52
(v)	**Rendering of services**		
	- Ultimate holding company - Sundaram-Clayton Limited, Chennai	6.39	5.04
(vi)	**Availing of services**		
	- Holding company - TVS Motor Company Limited, Chennai	0.86	0.64
	- Ultimate holding company - Sundaram-Clayton Limited, Chennai	4.50	4.17
	- Fellow subsidiaries		
	Lucas TVS Limited, Chennai	0.14	0.14
	TVS Electronics Limited, Chennai	0.14	0.05
	TVS Credit Services Limited, Chennai	0.11	0.11

Rupees in crores

29 (c)	Balances with related parties:		
(vii)	**Trade receivables**		
	- Holding company - TVS Motor Company Limited, Chennai	13.75	6.17
	- Ultimate holding company - Sundaram-Clayton Ltd, Chennai	0.79	0.77
	- Fellow subsidiaries		
	Lucas-TVS Limited, Chennai	0.05	0.18
(viii)	**Trade payables**		
	- Holding company - TVS Motor Company Limited, Chennai	0.05	0.04
	- Ultimate holding company - Sundaram-Clayton Ltd, Chennai	2.36	1.44
	- Fellow subsidiaries		
	Lucas-TVS Limited, Chennai	0.16	0.13
	TVS Credit Services Limited, Chennai	-	0.13
	- Associate		
	Brakes India Private Limited, Chennai	0.09	0.14
(ix)	**Commission to Key Managerial personnel**	-	-

30 Financial risk management

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

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

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

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

(A) Credit risk

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

(i) Credit risk management

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

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

1 : High-quality assets, negligible credit risk

2 : Quality assets, low credit risk

3 : Standard assets, moderate credit risk

NOTES TO ACCOUNTS - *(continued)*

Rupees in crores

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 2022:

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

Particulars	Category	Asset group	Internal credit rating	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Security Deposits	1	0.16	-	-	0.16
Loss allowance measured at life-time expected credit losses	Financial assets for which credit risk has increased significantly and credit-impaired	NA	NA	NA	NA	NA	NA

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

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

Year ended 31 March 2021:

(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	Security Deposits	1	0.31	-	-	0.31
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	83.36	0.38	83.74
Expected loss rate	-	100%	-
Expected credit losses (Loss allowance provision)	-	(0.38)	(0.38)
Carrying amount of trade receivables (net of impairment)	**83.36**	**-**	**83.36**

(iv) Reconciliation of loss allowance provision – Trade receivables

Details	Amount in Crs
Loss allowance on 1 April 2021	0.38
Changes in loss allowance (net)	(0.01)
Loss allowance on 31 March 2022	**0.37**

NOTES TO ACCOUNTS - *(continued)*

Rupees in crores

(B) Liquidity risk

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

(i) Financing arrangements

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

Details	31 March, 2022	31 March, 2021
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	14.55	34.20

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

(ii) Maturities of financial liabilities

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

a) all non-derivative financial liabilities, and

b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

Particulars	Maturity	31-Mar-22	31-Mar-21
Term loan	> than 12 months	17.96	69.54
Short-term borrowings	< than 12 months	75.06	49.88
Trade payables	< than 12 months	98.31	72.71
Current maturities of term loan	< than 12 months	47.53	47.14
Interest accrued and due on loans	< than 12 months	0.48	0.64
Payable under hedge instruments	< than 12 months	-	0.46
Employee related	< than 12 months	3.23	4.61
Lease rent	> than 12 months	4.15	4.55

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

	31 March 2022			31 March 2021		
Details	**USD**	**EURO**	**JPY**	**USD**	**EURO**	**JPY**
Financial liabilities						
Foreign currency loan	-	-	-	-	-	-
ECB loan from bank	21.56	-	-	41.41	-	-
Trade payables	0.32	0.02	0.01	3.20	-	0.02
Net exposure to foreign currency risk (liabilities)	**21.88**	**0.02**	**0.01**	**44.61**	**-**	**0.02**

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 2022	**31 March 2021**
USD sensitivity		
INR/USD Increases by 5%	0.02	0.16
INR/USD Decreases by 5%	(0.02)	(0.16)
JPY sensitivity		
INR/JPY Increases by 5%	0.00	0.00
INR/JPY Decreases by 5%	(0.00)	(0.00)
Euro sensitivity		
INR/Euro Increases by 5%	0.00	-
INR/Euro Decreases by 5%	(0.00)	-

* Holding all other variables constant

(ii) Cash flow and fair value interest rate risk

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

Interest rate risk exposure

Particulars	31 March 2022	31 March 2021
Variable rate borrowings	122.59	97.02
Fixed rate borrowings	17.96	69.54

Sensitivity analysis

Details	Impact on profit	
	31 March 2022	**31 March 2021**
Interest rate		
Increases by 5%	0.41	0.37
Decreases by 5%	(0.41)	(0.37)

NOTES TO ACCOUNTS - *(continued)*

Rupees in crores

(D) Impact of hedging activities

Disclosure of effects of hedge accounting on financial position

Type of hedges and risks	Nominal Value of the hedging instruments	Carrying amount hedging instruments	Maturity Date	Hedge Ratio	Weighted Average price	Changes in fair value of hedging instrument
31st March 2022						
Forward Contracts	0.967	0.948	April 2021 to June 2021	1:1	INR/USD Rs.75.79	0.02
Interest rate swaps	36.94	0.07	28th March 2018 to 28th March 2023	-	-	(0.14)
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**
Principal Only Swap	36.94	0.39	28th March 2018 to 28th March 2023	-	-	(0.01)
31st March 2021						
Forward Contracts	5.370	5.322	April 2021 to June 2021	1:1	INR/USD Rs.73.77	0.05
Interest rate swaps	36.94	0.07	28th March 2018 to 28th March 2023	-	-	2.79
Principal Only Swap	36.94	0.39	28th March 2018 to 28th March 2023	-	-	(3.95)

31 Capital management

(a) Risk management

The company's objectives when managing capital are to

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

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

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

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

Details	March 31, 2022	March 31, 2021
Net debt	139.85	164.66
Total equity	422.17	418.81
Net debt to equity ratio	**33.13%**	**39.32%**

(b) Dividends

Details	March 31, 2022	March 31, 2021
(i) Equity shares		
First and Final dividends for the year ended 31 March 2022	-	-
(ii) Dividends not recognised at the end of the reporting period	-	-

NOTES TO ACCOUNTS - *(continued)*

Rupees in crores

32 Fair Value Measurements

Financial instruments by category

Particulars	March 31, 2022			March 31, 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Equity instruments	-	2.16	-	-	2.00	-
- Others						
Life Insurance Corporation Pension Policy, Mumbai	0.42	-	-	0.44	-	-
Mutual Fund investments	-	-	-	-	-	-
Deposits	-	-	0.16	-	-	0.31
Trade receivables	-	-	93.28	-	-	83.36
Cash and cash equivalents	-	-	0.70	-	-	1.90
Receivable under hedget instruments	-	0.59	-	-	-	-
Total financial assets	**0.42**	**2.75**	**94.14**	**0.44**	**2.00**	**85.57**
Financial liabilities						
Trade payables	-	-	98.06	-	-	72.71
Borrowings	2.84	-	137.80	2.63	20.52	143.41
Other payables - Consideration payable for purchase or investment property	-	-	-	-	-	-
Others						
- Current Maturities of long term borrowings(Term loan)	-	21.65	25.88	-	20.89	26.25
- Interest accrued	-	-	0.48	-	-	0.64
- Employee related	-	-	3.23	-	-	4.61
Payable under hedget instruments	-	-	-	-	0.46	-
Total financial liabilities	**2.84**	**21.65**	**265.45**	**2.63**	**41.87**	**247.62**

(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 2022	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL:					
Life Insurance Corporation Pension Policy, Mumbai	5	-	-	0.42	0.42
Financial Investments at FVOCI:					
Receivable under hedget instruments	11	-	-	0.59	0.59
Total financial assets		**-**	**-**	**1.01**	**1.01**
Financial liabilities					
Financial Investments at FVOCI:					
Payable under hedge instruments	20	-	-	-	-
Total financial liabilities		**-**	**-**	**-**	**-**

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

At 31 March 2022	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments					
Others					
Deposits	6	-	-	0.16	0.16
Total financial assets		**-**	**-**	**0.16**	**0.16**
Financial Liabilities	-	-	-	-	**-**
Total financial liabilities		**-**	**-**	**-**	**-**

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

At 31 March 2021	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL:					
Life Insurance Corporation Pension Policy, Mumbai	5	-	-	0.44	0.44
Financial Investments at FVOCI:					
Receivable under hedge instrument	11			-	-
Total financial assets		**-**	**-**	**0.44**	**0.44**

NOTES TO ACCOUNTS - *(continued)*

Financial liabilities					
Financial Investments at FVOCI:					
Payable under hedge instruments	20	-	-	0.46	0.46
Total financial liabilities		**-**	**-**	**0.46**	**0.46**

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

At 31 March 2021	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments					
Deposits	6	-	-	0.31	0.31
Total financial assets		**-**	**-**	**0.31**	**0.31**
Financial Liabilities		-	-	-	-
Total financial liabilities		**-**	**-**	**-**	**-**

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

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

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

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

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

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

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

Fair value measurements using significant unobservable inputs (level 3)

	Unlisted Securities	Pension Assets
As at 1 April 2021	-	0.44
Acquistion/(Disposal)	-	-
Gains/losses recognised in profit or loss	-	(0.02)
Gains/losses recognised in OCI	-	-
31-Mar-22	**-**	0.42

Rupees in crores

Valuation inputs and relationships to fair value

Particulars	Fair value as at			Probability-weighted range		
	31-Mar-22	**31-Mar-21**	**Significant unobservable inputs***	**31-Mar-22**	**31-Mar-21**	**Sensitivity**
Pension Asset	0.42	0.44	Risk adjusted discount rate	7.0%	6.5%	50 Basis point decrease in discount rate would have increased assets by Rs.0.02 crs and 50 Basis point increase in discount rate has would have decreased the asset by Rs.0.02 Crs

(v) Valuation processes

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

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

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

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

33 Business combination

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

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

Note:

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

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

Annual Cash Inflow	Rs.Crs	5.00
Remaining useful life of the assets	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

NOTES TO ACCOUNTS - *(continued)*

Rupees in Crores

34 Earnings per share

	31 March, 2022	31 March, 2021
(a) Basic and diluted earnings per share		
Basic and diluted earnings per share attributable to the equity holders of the Company	0.52	(2.84)
(b) Earnings used in calculating earnings per share		
Basic and diluted earnings per share		
Profit attributable to equity holders of the company used in calculating basis earnings per share	2.31	(12.49)
(c) Weighted average number of equity shares used as the denominator in calculating basic earnings per share	4,45,69,000	4,40,24,384

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

	Year ended 31-03-2022	Year ended 31-03-2021
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)	8.82	5.25
(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 31-03-2022	For the year ended 31-03-2021
A. Type of goods or service		
1. Components and tools	599.38	455.67
2. Other operating revenue	6.96	3.86
	606.34	459.53
B. Timing of recognition of revenue		
1. At a point in time	606.34	459.53
2. Over time	-	-
	606.34	459.53

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

3 Reconciliation of contracts with customers

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

	Particulars	For the year ended 31-03-2022	For the year ended 31-03-2021
A.	Contract liabilities at the beginning of the period	11.55	13.00
	Add / (Less) :		
	Consideration received during the year as advance	12.35	8.17
	Revenue recognized from contract liability	15.98	9.61
	Contract liabilities at the end of the period	7.92	11.55

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 31-03-2022	For the year ended 31-03-2021
1.	Contract price	606.34	459.53
2.	Adjustments :		
	Discounts	-	-
3.	Revenue from operations as per Statement of Profit and loss	606.34	459.53

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. 4.08 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 01-04-2021	**3.89**
Addition during the year 2021-22	0.42
Closing balance as on 31-03-2022	**4.31**
Accumulated amortization 31-03-2021	1.13
Amortization for the year 2021-22	0.74
Impairment Loss	-
Closing accumulated amortization balance as on 31-03-2022	**1.87**
Balance as on 31-03-2022	**2.44**
Current Asset	0.74
Non-Current Asset	1.70

NOTES TO ACCOUNTS - *(continued)*

Rupees in Crores

37 Other Disclosures

(i) Contingent liabilities

Details	31st March 2022	31st March 2021
(a) Claims against the company not acknowledged as debt		
(i) Income Tax	3.46	3.46
(ii) Goods and Service Tax	2.82	2.82
(iii) Sales Tax	1.58	-
(iv) Customs	0.40	-
(b) Other money for which the company is contingently liable on bill discounting with bank	-	-
Total	**8.26**	**6.28**

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

(ii) Payment to Auditor

Details	31st March 2022	31st March 2021
Audit fee	0.19	0.19
GST audit fee*	-	0.09
Taxation matters	0.04	0.04
Certification matters	0.02	0.02
Total	**0.24**	**0.33**
Miscellaneous expenses include travel and stay expenses of auditors	**0.03**	**0.04**

*PY Pertains to last 3 financial years

(iii) Expenditure incurred on Corporate Social Responsibility activities:

	Particulars	31st March 2022	31st March 2021
1	Amount required to be spent by the Company during the year	0.10	0.33
2	Amount of expenditure incurred	0.10	0.33
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) Consolidated financial statements:

The reporting entity is the holding company of Sundaram Holdings USA, INC., Delaware The accounts of the above mentioned companies are consolidated by the reporting entities holding company, namely TVS Motor Company limited and also by the reporting entity's ultimate holding company namely Sundaram Clayton Limited, Chennai. Their accounts are not consolidated by the reporting entity

(v) Segment Reporting:

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

38 Additional Regulatory Information

(i) Ratio Analysis

S No	Ratio	Numerator	Denominator	Current Year 31.03.2022	Previous Year 31.03.2021	% Variance	Reasons
a	Current Ratio (in times)	Current Assets	Current Liabilities	0.66	0.72	-9%	
b	Debt Equity Ratio (in times)	Total Debt	Total Shareholders Equity	0.33	0.39	-16%	
c	Debt Service Coverage Ratio (in times)	Earnings available for debt services	Total Interest and principal repayments	0.67	0.66	2%	
d	Return on Equity Ratio (%)	Net Profit after Tax	Average Shareholder's Equity	0.55%	-3.03%	118%	Return on equity improved due to better earnings in the current year
e	Inventory Turnover Ratio (in times)	Net Sales	Average Inventory	14.39	14.80	-3%	
f	Trade Receivable Turnover Ratio (in times)	Net Credit Sales	Average Trade Receivables	6.87	6.37	8%	
g	Trade Payable Turnover Ratio (in times)	Net Credit Purchases	Average Trade Payables	5.17	4.98	4%	
h	Net Captial Turnover Ratio (in times)	Net Sales	Working Capital	(6.36)	(7.81)	-19%	
i	Net Profit Ratio (%)	Net Profit	Net Sales	0.38%	-2.72%	114%	Net profit % improved due to improvement in sales compared to last FY21
j	Return on Capital Employed (%)	Earnings before interest and taxes	Capital Employed	5.28%	1.46%	262%	The ROCE higher in current year due to higher earnings in the current year
k	Return on Investment (%)	Profit after Tax	Average Networth	0.55%	-2.98%	118%	Return on Investment improved due to better earnings in the current year

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 2022.

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 2022.

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

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

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

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries)

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

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

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding Party (Ultimate Beneficiaries)

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

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

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

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

As per our report annexed

Venu Srinivasan
Chairman

Rajesh Oommen
Director & Chief Executive Officer

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

Place: Chennai
Date: 03-05-2022

J Ashok Chakravarthi
Chief Financial Officer

G Sathyan
Company Secretary

S. Venkataraman
Partner
Membership No. 023116

Directors' Report to the Shareholders

The directors are pleased to present the Twelfth annual report and the audited financial statements for the year ended 31st March 2022.

Financial Highlights

(Rs. In Lakhs)

Details	Year ended 31.03.2022	Year ended 31.03.2021
Sales and other income	40.10	31.79
Less: Expenses	39.62	29.24
Profit before tax	0.48	2.55
Provision for taxation (including deferred tax)	0.12	0.70
Profit after tax	0.36	1.85

Preparation of financial statements under Indian Accounting Standards

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

In terms of Rule 4(1)(ii) of the aforesaid rules, the holding, subsidiary, joint venture and associate companies are required to comply with Ind AS from financial year 2016-17 onwards. Accordingly, the financial statements of the Company for the year 2021-22 have been prepared in compliance with the said rules.

Dividend

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

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 minimize various risks to key business objectives. Major risks identified would be systematically addressed through mitigating actions on a continuous basis.

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 -

i. in the preparation of the annual accounts for the financial year ended 31st March 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

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 profit/ 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 the Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv the directors had prepared the accounts for the financial year ended 31st March 2022 on a "going concern basis"; and

v 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 Sriram S Iyer is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Changes in the Board of Directors

There is no change in the Board of Directors during the Financial Year 2021-22.

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

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

Board Meetings

During the year under review, the board met 4 times on 20th April 2021, 22nd July 2021, 18th October 2021 and 25th January 2022. The gap between two meetings did not exceed one hundred and twenty days.

Statutory Auditors

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

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

The Auditors' Report for the financial year 2021-22 does not contain any qualification, reservation or adverse remark and the same is attached as part of the annual financial statements.

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

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.

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.

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 31st March 2022 and hence the question of furnishing any details relating to deposits covered under Chapter V of the Act 2013 does not arise.

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 2021-22, the Company has not extended any guarantee or has given loans to other companies or made any investment during the year under review.

Related Party Transactions

Pursuant to the provisions of section 134(h) of the Companies Act, 2013 (the Act 2013) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, furnishing of particulars of contracts or arrangements entered into by the Company with related parties during the year under review is furnished in Form AOC 2 as Annexure I to this Report.

All related party transactions during the year were on ordinary course of business and at arm's length price and have been approved by the Board of Directors.

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.

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.

Acknowledgement

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

For and on behalf of the Board

Place : Chennai	S G MURALI	SRIRAM S IYER
Date : 22nd April 2022	Director	Director
	DIN : 00348902	DIN: 06967858

Annexure - I

Form No. AOC – 2

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

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis – Nil
2. Details of material contracts/arrangement/transactions at arm's length basis:

Particulars	Amount (In lakhs)
Emerald Haven Realty Limited, Associate of Holding Company	
Sale of land	8.26
Rent – Corporate Office	1.20
Rental Income	7.20

For and on behalf of the Board

Place : Chennai	S G MURALI	SRIRAM S IYER
Date : 22nd April 2022	Director	Director
	DIN : 00348902	DIN: 06967858

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2020

To the Members of TVS Housing Limited

Report on the Audit of the financial statements

Opinion

We have audited the financial statements of TVS Housing Limited ("the Company"), which comprise the Balance sheet as at 31st March 2022, 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, 2022, and profit, Other total Comprehensive Income, Changes in Equity and Cash Flows for the year ended on that date.

Basis for Opinion

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

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the financial statements.

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

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

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

Auditor's Responsibilities for the Audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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

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

   (e) On the basis of the written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

      a. There are no pending litigations on its financial position as at 31st March 2022.

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

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

      a. i. 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.

      ii. 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, 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.

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

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

UDIN	22023116AIKKJA5196

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

S. VENKATARAMAN
Partner
Membership No. 023116

Place : Chennai
Date : 22nd April, 2022

Annexure A to Independent Auditor's Report - 31 March 2022

(Referred to in our report of even date)

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

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

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

iii. According to the information and explanation given to us and the records of the Company examined by us, during the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Therefore, clause (iii) of para 3 of the order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not granted any of loans, made any investment and provided any guarantee and security, therefore, clause (iv) of para 3 of the order is not applicable to the Company.

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. Therefore, clause (v) of para 3 of the order is not applicable to the Company.

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

vii. a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues payable including Income Tax, Goods and Services Tax, and Cess and other material statutory dues as applicable to the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Goods and Services Tax, and Cess were in arrears as at 31st March 2022 for a period of more than six months from the date they became payable.

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

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

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

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

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

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 Therefore, clause (xiii) of para 3 of the order is not applicable to the Company.

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

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

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

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

xvi. a) According to the information and explanations given to us and based on the information given to us and records verified by us
The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, Clause 3(xvi)(a) of the Order is not applicable to the Company.

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

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

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

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

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

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

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 (xx) of para 3 of the order is not applicable to the Company.

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 Regd. No.109208W

UDIN	22023116AIKKJA5196

S. VENKATARAMAN
Partner
Membership No. 023116

Place : Chennai
Date : 22nd April, 2022

Annexure "B" to Independent Auditors' Report 31st March 2022

(Referred to in our report of even date)

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

1. We have audited the internal financial controls over financial reporting of TVS Housing Limited ("the Company") as of March 31, 2022 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, 2022, 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 Regd. No.109208W

UDIN	22023116AIKKJA5196

S. VENKATARAMAN
Partner
Membership No. 023116

Place : Chennai
Date : 22nd April, 2022

Balance Sheet as at 31st March 2022

(Rs. in Lakhs)

	Note No.	As at March 31, 2022	As at March 31, 2021
Assets			
Current assets			
Inventories	2	127.82	161.82
Financial assets			
i. Cash and cash equivalents	3	1.85	11.43
Current tax assets (Net)	4	2.48	63.06
Other current assets	5	109.54	110.48
Total current assets		**241.69**	**346.79**
Total Assets		**241.69**	**346.79**
Equity and Liabilities			
Equity			
Equity share capital	6	5.00	5.00
Other equity	7	82.86	82.50
Total equity		**87.86**	**87.50**
Current liabilities			
Financial liabilities			
i. Trade payables	8	-	-
-total outstanding dues of micro enterprises and small enterprises (MSME)			
- total outstanding dues of creditors other than micro enterprises and small enterprises		3.00	1.93
ii. Other financial liabilities	9	150.22	257.25
Other current liabilities	10	0.61	0.11
Total current liabilities		**153.83**	**259.29**
Total liabilities		**153.83**	**259.29**
Total equity and liabilities		**241.69**	**346.79**
Significant Accounting Policies	1		

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

For and on behalf of the Board of Directors

S.VENKATARAMAN
Partner
Membership No.: 023116

SG MURALI
Director

SRIRAM S IYER
Director

Chennai
Dated: 22nd April, 2022

Statement of Profit and Loss for the year ended 31st March 2022

(Rs. in Lakhs)

	Note No.	Year Ended March 31, 2022	Year Ended March 31, 2021
Income			
Revenue from operations	11	15.46	31.79
Other Income	12	24.64	-
Total income		**40.10**	**31.79**
Expenses			
Operating Expenses	13	34.00	24.50
Other expenses	14	5.62	4.74
Total expenses		**39.62**	**29.24**
Profit before tax		**0.48**	**2.55**
Income tax expense	15		
Current tax		0.12	0.70
Deferred tax		-	-
Total tax expense		**0.12**	**0.70**
Profit for the year		**0.36**	**1.85**
Items that will not be reclassified to profit or loss			
Other comprehensive income for the year, net of tax		**-**	**-**
Total comprehensive income for the year		**0.36**	**1.85**
Earnings per equity share			
Basic & Diluted earnings per share	16	0.72	3.70
Significant Accounting Policies	1		

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

S.VENKATARAMAN
Partner
Membership No.: 023116

Chennai
Dated: 22nd April, 2022

For and on behalf of the Board of Directors

SG MURALI
Director

SRIRAM S IYER
Director

Cash Flow Statement

(Rs. in Lakhs)

		Year ended March 31, 2022		Year ended March 31, 2021	
A.	**Cash flow from operating activities:**				
	Net profit/(Loss) before tax		0.48		2.55
	Add:				
	Interest income	(24.64)		-	
			(24.64)		-
	Operating profit before working capital changes		**(24.16)**		**2.55**
	Adjustments for:				
	Inventories	34.00		24.50	
	Loans and advances	0.94		0.62	
	Trade payables	1.07		(0.35)	
	Other current liabilities	(106.65)		(30.62)	
			(70.64)		(5.85)
	Cash generated from operations		**(94.80)**		**(3.30)**
	Income taxes (paid)/Net of refund		60.58		(0.54)
	Net cash from operating activities		**(34.22)**		**(3.84)**
B.	**Cash flow from investing activities:**	**-**		**-**	
			-		**-**
	Net cash from / (used in) investing activities		**-**		**-**
C.	**Cash flow from financing activities :**			**-**	
	Interest Income	24.64			
			24.64		-
	Net cash from / (used in) financing activities		24.64		**-**
	Total (A+B+C)		**(9.58)**		**(3.84)**
	Cash and cash equivalents at the beginning of the year		11.43		15.27
	Cash and cash equivalents at the end of the year		1.85		11.43
	Net increase/(decrease) in cash and cash equivalents		**(9.58)**		**(3.84)**

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.VENKATARAMAN
Partner
Membership No.: 023116

SG MURALI
Director

SRIRAM S IYER
Director

Chennai
Dated: 22nd April, 2022

Statement of Changes in Equity

Rs. in Lakhs

I) Equity Share Capital

Balance as at March 31, 2020	5.00
Change in Equity Share Capital	-
Balance as at March 31, 2021	5.00
Change in Equity Share Capital	-
Balance as at March 31, 2022	5.00

II) Other equity

Particulars	Reserves & Surplus	Total
	Retained earnings	
Balance as at March 31, 2020	80.65	80.65
Profit/(Loss) for the period	1.85	1.85
Balance as at March 31, 2021	82.50	82.50
Profit/(Loss) for the period	0.36	0.36
Balance as at March 31, 2022	82.86	82.86

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

S.VENKATARAMAN
Partner
Membership No.: 023116

Chennai
Dated: 22nd April, 2022

For and on behalf of the Board of Directors

SG MURALI
Director

SRIRAM S IYER
Director

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 "1st Floor, Greenways Towers, No. 119, St.Marys Road, Abhiramapuram, Chennai – 600018, Tamil Nadu, India".

These financials statements have been approved for issue by the Board of Directors at its meeting held on 22 April 2022.

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.

<u>Debt Instruments:</u>

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.

<u>Equity instruments-Investment in subsidiaries / associates:</u>

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

<u>Interest Income:</u>

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.

<u>Dividends:</u>

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 singing 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:

- 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.

Notes to balance Sheet

(Rs. in Lakhs)

		As at March 31, 2022	As at March 31, 2021
2	**Inventories**		
	Land held for Development	127.82	161.82
	Total Inventories	**127.82**	**161.82**
3	**Cash and cash equivalents**		
	Balances with banks	1.85	11.43
	Total cash and cash equivalents	**1.85**	**11.43**

		As at March 31, 2022	As at March 31, 2021
4	**Current tax assets (Net)**		
	Advance Tax Less Provision for Tax	2.48	63.06
	Total Current tax assets (Net)	**2.48**	**63.06**
5	**Other current assets**		
	GST Receivable	109.44	110.38
	Advance given to vendor	0.10	0.10
	Total other current assets	**109.54**	**110.48**

6 Equity share capital

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Rs. in Lakhs	Number	Rs. in Lakhs
Authorised:				
Equity shares of Rs.10/- each	50,000	5.00	50,000	5.00
Issued, subscribed and fully paid up:				
Equity shares of Rs.10/- each	50,000	5.00	50,000	5.00
	50,000	5.00	50,000	5.00

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Rs. in Lakhs	Number	Rs. in Lakhs
Shares outstanding at the beginning of the year	50,000	5.00	50,000	5.00
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	50,000	5.00	50,000	5.00

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

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

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

Name of shareholder	Class of share	As at March 31, 2022		As at March 31, 2021	
		No. of shares held	% of holding	No. of shares held	% of holding
TVS Motor Company Limited with nominees	Equity	50,000	100%	50,000	100%

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

Name of Promoter	Class of share	As at March 31, 2022		As at March 31, 2021		% Change during the year	
		No. of shares held	% of holding	No. of shares held	% of holding	As at March 31, 2022	As at March 31, 2021
TVS Motor Company Limited with nominees	Equity	50,000	100%	50,000	100%	Nil	Nil

		As at March 31, 2022	As at March 31, 2021
7	**Other Equity**		
	Retained earnings	82.86	82.50
	Total reserves and surplus	**82.86**	**82.50**

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

Notes to balance sheet

Rs. in Lakhs

		As at March 31, 2022	As at March 31, 2021
8	**Trade payables**		
	Dues to Micro and Small Enterprises **	-	-
	Dues to enterprises other than Micro and Small Enterprises	3.00	1.93
	Total trade payables	**3.00**	**1.93**

**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 detay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Ageing schedules of Trade Receivables as at 31 March, 2022

	Particulars	Unbilled ues	Not due	Outstanding for following periods from due date of payment				
				Less than 1 year	1 - 2 years	2 - 3 years	More than3 years	Total
(i)	MSME	-	-	-	-	-	-	-
(ii)	Other than MSME	-	-	2.94	0.01	0.05	-	3.00
(iii)	Disputed dues - MSME	-	-	-	-	-	-	-
(iv)	Disputed dues - Other than MSME	-	-	-	-	-	-	-
		-	-	2.94	0.01	0.05	-	3.00

Ageing schedules of Trade Receivables as at 31 March, 2021

	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	-	-	1.88	0.05	-	-	1.93
(iii)	Disputed dues - MSME	-	-	-	-	-	-	-
(iv)	Disputed dues - Other than MSME	-	-	-	-	-	-	-
		-	-	1.88	0.05	-	-	1.93

Notes to Statement of Profit or Loss

Rs. in Lakhs

		As at March 31, 2022	As at March 31, 2021
9	**Other financial liabilities**		
	Payable to related parties (Net of Security Deposit)	150.22	257.25
	Total Other financial liabilities	**150.22**	**257.25**
10	**Other current liabilities**		
	Statutory Dues	0.61	0.11
	Total other current liabilities	**0.61**	**0.11**

		Year Ended March 31, 2022	Year Ended March 31, 2021
11	**Revenue from operations**		
	Income from sale of Land	8.26	24.59
	Income from Rentals	7.20	7.20
	Total revenue	**15.46**	**31.79**
12	**Other Income**		
	Interest on IT Refund	24.64	-
	Total Other Income	**24.64**	**-**
13	**Operating Expenses**		
	Inventories at the beginning of the year:		
	Land held for development	161.82	186.32
	Add: Incurred during the year:	-	-
		161.82	**186.32**
	Less: Inventories at the end of the year:	127.82	161.82
	Operating Expenses	**34.00**	**24.50**
14	**Other expenses**		
	Rent	1.20	1.20
	Audit Fees	1.50	1.50
	Consultancy and Professional Charges	2.90	1.47
	Miscellaneous Expenses	0.02	0.57
	Total other expenses	**5.62**	**4.74**
15	**Income tax expense**		
	(a) Income tax expense		
	Current tax		
	Current tax on profits for the year	0.12	0.70
	Total current tax expense	**0.12**	**0.70**
	Total deferred tax expense/(benefit)	**-**	**-**
	Income tax expense	**0.12**	**0.70**
	(b) Reconciliation of tax expense and the accounting profit multiplied by Income tax rate:		
	Profit before income tax expense	0.48	2.55
	Tax at the Income tax rate of 26% (PY : 26.00%)	0.12	0.66
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
	Others	-	0.04
	Income tax expense	**0.12**	**0.70**

Notes to Statement of Profit or Loss (Contd.)

Rs. in Lakhs

	Year Ended March 31, 2022	Year Ended March 31, 2021
16 Earnings per share		
(a) Basic and diluted earnings per share		
Basic/Diluted earnings per share attributable to the equity holders of the Company (Rs.)	0.72	3.70
(b) Reconciliations of earnings used in calculating earnings per share		
Profit attributable to equity shareholders of the company used in calculating basic/diluted earnings per share (Rs.)	0.36	1.85
(c) Weighted average number of equity shares used as the denominator in calculating basic/diluted earnings per share	50,000	50,000

17 Fair value measurements

Financial instruments by category

	As at March 31, 2022 Amortised cost	As at March 31, 2021 Amortised cost
Financial assets		
Cash and cash equivalents	1.85	11.43
Total Financial Assets	**1.85**	**11.43**
Financial liabilities		
Trade payables	3.00	1.93
Payable to related parties	150.22	257.25
Total Financial Liabilities	**153.22**	**259.18**

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.

Financial instruments and risk management

Rs. in Lakhs

18 Financial risk management

The company's activities expose only to credit risk.

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

(A) Credit risk

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

(i) Credit risk management

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

(B) Liquidity risk

(i) Maturities of financial liabilities

The tables below analyse The company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

a) all non-derivative financial liabilities, and

b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

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

Contractual maturities of financial liabilities:

Particulars	Maturity	March 31, 2022	March 31, 2021
Trade payables	< than 12 months	3.00	1.93
Other financial liabilities	> than 12 months	150.22	257.25

19 Capital management

Risk management

The company's objectives when managing capital are to

• safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

• maintain an optimal capital structure to reduce the cost of capital.

20 Ratio Analysis

S No	Ratio	Numerator CY PY	Denominator CY PY	Current Year 31.03.2022	Previous Year 31.03.2021	% Variance
a	Current Ratio= Current assets / Current Liabilities	241.69	153.83	1.57	1.34	17%
		346.79	259.29			
b	Debt equity ratio= total debt / total shareholder's equity	-	87.86	-	-	NA
		-	87.50			
c	Debt service coverage ratio= earnings available for debt services / total interest and principal repayments	0.36	-	NA	NA	NA
		1.85	-			
d	Return on equity ratio/ return on investment ratio= Net profit after tax / Average shareholder's equity	0.36	87.68	0.00	0.02	-81%
		1.85	86.57			
e	Inventory turnover ratio= Net sales / average Inventory	15.46	144.82	0.11	0.18	-42%
		31.79	174.07			
f	Trade receivables turnover ratio= Net sales / average trade receivables	15.46	-	NA	NA	NA
		31.79	-			
g	Trade Payables turnover ratio= Net Purchases / average trade Payables	-	2.47	-	-	NA
		-	2.10			
h	Net capital turnover ratio= Net sales / working capital	15.46	87.86	0.18	0.36	-52%
		31.79	87.49			
i	Net profit turnover ratio= Net profit after tax / Net sales	0.36	15.46	0.02	0.06	-60%
		1.85	31.79			
j	Return on Capital employed = Earnings before interest and taxes(EBIT) / Capital Employed	0.48	87.86	0.01	0.03	-81%
		2.55	87.50			
k	Return on investment	0.36	87.50	0.00	0.02	-81%
		1.85	85.65			

Other disclosures

Rs. in Lakhs

21 **Operating Segment**

(a) Description of segments and principal activities

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

(b) Entity Wide disclosures

i) Company's major service is real estate development

ii) Company is domiciled and operates within India

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

22 **Contingent liabilities and contingent assets**

	As at March 31, 2022	As at March 31, 2021
(a) Contingent liabilities	Nil	Nil

23 **Commitments**

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

24 **Related Party Disclosure**

		As at/ year ended March 31, 2022	As at/ year ended March 31, 2021
(a)	**Related parties and their relationship for the financial year 2021-22**		
	Ultimate Holding company Sundaram Clayton Limited		
	Holding company TVS Motor Company Limited		
	Associate of Holding Co. Emerald Haven Realty Limited		
(b)	**Transactions with related parties:** - Associate of Holding Co. Emerald Haven Realty Limited		
(i)	Sale of Land	8.26	24.59
(ii)	Rent - Corporate Office	1.20	1.20
(iii)	Rental Income	7.20	7.20
(c)	**Balances with related parties: (Payable) / Receivable**		
(i)	Other payables (Net of Security Deposit) - Associate of Holding Co. Emerald Haven Realty Limited	(150.22)	(257.24)

25 **Auditors' remuneration (Included under Other Expenses) (Exclusive of GST)**

Particulars	As at 31st March 2022	As at 31st March 2021
Payments to Auditors as		
a. Statutory Auditor	1.50	1.50
b. Certification Fees	-	-

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

27 (i) 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.

(ii) The Company has not been sanctioned with working capital limit from any banks / financial institutions.

(iii) No bank or financial institution has declared the company as "willful defaulter"

(iv) 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 2022 and the year ended 31 March 2021.

(v) 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 2021-2022 and 2020-2021.

(vi) No layers of companies has been established beyond the limit prescribed as per clause (87) of section 2 of the The Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

(vii) No scheme of arrangements has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.

(viii) There is no such income which has not been disclosed in the books of accounts. No such income is surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961

(ix) 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

(x) The Company has not operated in any crypto currency Transactions.

(xi) The Company does not have any immovable Property under its own name or jointly held with others in the nature of Property, Plant and Equipment.

(xii) The Company does not have any investment property.

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

(xiv) The Company has not revalued its intangible assets

(xv) The Company does not have any Capital Work in Progress

(xvi) There are on intangible assets under development.

(xvii) The Company does not meet the applicability criteria for CSR activity.

28 Based on assessment of the impact of COVID 19 on the operations of the Company and ongoing discussions with customers, contractors and service providers, the Company is confident of obtaining regular service from the contractors and service providers and serving customers.

The Company has considered the possible effects of COVID-19 on the carrying amounts of Property, Plant and Equipment, Investments, Inventories, Trade Receivable and Other Current Assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the company, as at the date of approval of the financial results, has used external and internal sources of information / Indicators to estimate the future performance of the Company. Based on current estimates the Company expects the carrying amount of these assets to be recovered.

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.VENKATARAMAN
Partner
Membership No.: 023116

SG MURALI
Director

SRIRAM S IYER
Director

Chennai
Dated: 22nd April, 2022

Directors' Report to the Shareholders of the Company

The directors have pleasure in presenting the thirteenth annual report on the progress of the Company together with the audited statement of accounts for the year ended 31st March 2022.

1. Financial Results

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

(Rs. in lakhs)

Particulars	Year ended 31-03-2022	Year ended 31-03-2021
Revenue from Operations	-	-
Other Income	12.13	3.22
Total	-	-
Purchases of Stock-in trade	-	-
Finance Cost	938.59	505.53
Administrative & other expenses	18.97	29.25
Profit / (Loss) before tax	(945.42)	(531.56)
Less:		
- Provision for tax		
Add:		
- Deferred Tax Asset	(156.61)	(34.82)
Profit / (Loss) after tax	(788.81)	(496.74)

2. Dividend

The board of directors do not recommend any dividend for the year under consideration, in view of the loss sustained by the Company for the year ended 31st March 2022.

3. Share Capital

During the year under review, the board of directors issued and allotted 9,60,00,000 equity shares at a face value of Rs.10 per share.

The paid up capital of the company is Rs.149.63 Cr (14,96,33,814 equity shares of Rs.10/- each)

4. Debentures

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

5. Material changes and commitments

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

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

There are no significant and material orders passed by the regulators or courts or tribunals, which would impact the going concern status of the Company. However, the members' attention is drawn to the statement on contingent liabilities, commitments, given in the notes forming part of the financial statements.

6. Internal control systems

The Company has adequate internal control systems to ensure operational efficiency, accuracy and promptness in financial report and compliance of various laws and regulations.

The internal control system is supported by the internal audit process. An internal auditor has been appointed for this purpose. The audit committee of directors will review the internal audit report and the adequacy and effectiveness of internal controls periodically.

The Board is accountable for evaluating and approving the effectiveness of the internal controls, including financial, operational and compliance controls. 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 the company 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 Audit Committee considers both current and emerging risks as part of its oversight of Company's risk management framework. The Committee defines emerging risks as those which are on the three-year horizon.

The Board is satisfied that there are adequate systems and procedures in place to identify, assess, monitor and manage risks.

8. Related Party Transactions

All contracts / arrangements entered into by the Company during the financial year with related parties were in the ordinary course of business and at arm's length 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 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 the IND AS 24 have been provided in Notes to the financial statements.

9. Directors' responsibility statement

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

(a) in the preparation of the annual accounts for the year ended 31st March 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

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

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

(d) the directors had prepared the accounts for the financial year ended 31st March 2022 on a going concern basis; and

(e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

10. Directors

Directors' appointment / re-appointment / cessation

During the year under review, Ms Sasikala Varadachari and Mr. L. Bhadri, ceased as Directors on expiry of their term as Independent Director effective 27th July, 2021.

Further, Mr S G Murali resigned as Director effective 28th March 2022.

Independent Directors (IDs)

The Ministry of Corporate Affairs vide its notification dated July 5, 2017, exempted the wholly owned subsidiaries, joint ventures and dormant companies from the requirement of appointing Independent Directors pursuant to section 149 (4) of the Act, 2013.

Subsequently, such companies were further exempted from the requirement of constitution of Audit and Nomination and Remuneration Committees, vide its notification dated July 13, 2017.

Thus, the provisions of Section 149 of the Act, 2013 pertaining to the appointment of Independent Directors and constitution of the said Committees does not apply to the Company.

Directors liable to retire by rotation

In terms of Article 21 of the Articles of Association of the Company, Mr V N Venkatanathan, Mr Arvind Balaji, and Mr K N Radhakrishnan, retire from the office at the ensuing annual general meeting and being eligible, offer themselves for re-appointment.

Policy on Directors appointment and remuneration of directors, Key Managerial Personnel (KMPs)

In accordance with Section 178 of the Act, 2013 the Nomination and Remuneration Committee has formulated a Nomination & 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 determining qualifications, positive attributes and independence of a director.

Remuneration Policy

Directors:

NRC 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.

The non-executive independent directors are appointed to the board of the Company in terms of 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.

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 Six times on 26th April 2021, 20th August 2021, 10th December 2021, 31st December 2021, 10th March 2022 and 24th March 2022 the gap between the two meetings did not exceed one hundred and twenty days.

Key Managerial Personnel (KMPs)

The following persons have been designated as Key Managerial Personnel of the Company under Section 203 of the Act, 2013 read with the Rules framed thereunder.

Mr V Karunakara Reddy as Chief Executive Officer; Mr S Sridhar as Chief Financial Officer.

During the year under review, Mr K S Srinivasan has resigned from the position of Company Secretary effective 20th August 2021 and Mr ArvindKumar V was appointed as Company Secretary in the Board Meeting held on 20th August 2021 effective that date.

Further, Mr ArvindKumar V resigned from the position of Company Secretary effective 10th March 2022.

Evaluation of the board and directors

In terms of Section 134 of the Companies Act 2013 and the rules made there-under, the board has carried out evaluation of its own performance and that of its committees and individual directors.

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 and reporting by the various committees. Besides, the board considered both its characteristics and the effectiveness of its performance in carrying out its roles 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 (iv) knowledge and proficiency etc.

The evaluation of each committee, namely audit committee, nomination and remuneration committee (NRC) and Corporate Social Responsibility, were evaluated by the board after seeking inputs from its members on the basis of the criteria such as matters assessed against the terms of reference, time spent by the committees in considered matters, quality of information received, work of each committee, overall effectiveness and decision making and compliance with the corporate governance requirements and concluded that all the committees continued to function effectively, with full participation by all its members and the management.

11. Deposits

The Company has not accepted any deposit from the public within the meaning of Chapter V of the Act 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the year ended 31st March 2022.

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 10th Annual General Meeting of the Company for a term of 5 consecutive years i.e. till the conclusion of 15th Annual General Meeting pursuant to Section 139 of the Companies Act, 2013, at such remuneration in addition to applicable taxes, out of pocket expenses, travelling and other expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors.

The Statutory Auditors will continue to hold office for the 3rd 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 2021-22.

The Auditors' Report for the financial year 2021-22 does not contain any qualification, reservation or adverse remark 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.

As required under Section 204 of the Act, 2013, the Secretarial Audit Report for the year 2021-22, 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 2022-23.

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.

Related Party Transactions:

Particulars of contracts / arrangements with related parties referred to in sub-section (1) of Section 188 of the Act, 2013 are given in notes on accounts for the financial year 2021-22.

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 2021-22.

Please refer note no. 4 to Notes on accounts for the financial year 2021-22, for details of investments made by the Company.

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.

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	V N Venkatanathan	K N Radhakrishnan
Date: 04th May 2022	Director	Director
	DIN: 00059273	DIN: 02599393

FORM NO.MR-3
SECRETARIAL AUDIT REPORT OF TVS MOTOR SERVICES LIMITED
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2022
[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.149,63,38,140/-

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by TVS MOTOR SERVICES LIMITED,(CIN: U50404TN2009PLC071075) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliance and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2022 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 there under;

iii) The Company being unlisted public limited company, the provisions of The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under are not applicable;

iv) As the company has not done any Foreign Direct Investment, or overseas Direct Investment nor availed any External Commercial Borrowings, the provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings in not applicable to the company;

v) The Company being unlisted public limited company, the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable viz.

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

 b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

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

 d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, which was replaced by the Securities and Exchange Benefits and Sweat Equity) Regulations, 2021(with effect from 13th August 2021;

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

 f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

 g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

 h) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

 i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; and

 j) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.The Company has materially complied with laws applicable specifically to the Company.

vi) The Company has materially complied with laws applicable specifically to the Company.

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

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

 ii) The company being unlisted public limited company, the company is not required to enter into Listing Agreements with any Stock Exchange(s), and hence compliance in relation thereto is not applicable.

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

I further report that

 i) The Board of Directors of the Company is duly constituted 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) 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) Constituted the Audit Committee of directors in terms of Section 177 of the Companies Act, 2013;

 iii) 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 not liable to spend any amount in pursuance of its Corporate Social Responsibility Policy as required under Section 135(4) of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

However, since pursuant to provision of Section 149(4), 177, 178 of the Companies Act, 2013 read with MCA Notification dated 5th July, 2017 and 13th July, 2013, read with Rule 6 of the Companies (Meetings of Board and its powers) Rules, 2014 and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2017, the company being a wholly owned subsidiary of TVS Motor Company Limited, the company was exempt from the constitution of Audit Committee and Nomination and Remuneration Committee. 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 20th August, 2021 has passed resolution for dissolution of the Audit Committee, Nomination and Remuneration Committee with effect from 20th August, 2021 and the CSR Committee was dissolved with effect from 3rd May, 2022 in pursuance of the provisions of Section 135(9) of the Companies Act, 2013

iv) Considered and recorded the Risk Management Policy followed by the Company in terms of Section 134(3)(n) of the Companies Act, 2013 including identification therein of elements of risk, if any, which in the opinion of the board, may threaten the existence of the company;

v) 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 appointed Mrs.Sasikala Varadachari as woman director since 31st March 2015 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. She has retired on expiry of her term of office on 27th July 2021 and the relevant Form DIR-12 was filed with the Registrar of Compnaies, in compliance with the provisions of the Act. However, no new women director has been appointed since her retirement.

I further report that from the information and explanations furnished to me, during the audit period

i) The Company had issued and allotted to the holding company M/s. TVS Motor Company Limited 5,00,00,000 Equity Shares of Rs.10/- each at par aggregating to Rs.50.00 Crs on 31st December 2021 and 4,60,00,000 Equity shares of Rs.10/- each at par aggregating to Rs.46.00 crores on 24th March 2022, total aggregating to 9,60,00,000 equity shares of Rs.10/- each at par aggregating to Rs.96 crores on Rights basis;

ii) No Foreign technical collaborations have been entered into during the year under review.

UDIN	F003797D000457965

Place: Chennai
Date: 04th May 2022

T.N.SRIDHARAN
Practising Company Secretary
Membership No. FCS 3797
C.P.No.4191

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.53,63,38,140/-

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company..

UDIN	F003797D000457965

Place: Chennai
Date: 04th May 2022

T.N.SRIDHARAN
Practising Company Secretary
Membership No. FCS 3797
C.P.No.4191

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2022

To the Members of TVS Motor Services Limited

Report on the Audit of the Standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of TVS Motor Services Limited ("the Company"), having its registered office at "Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai-600 006, Tamil Nadu which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31st March 2022, 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.

Responsibilities of Management and Those charged with governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance) changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order
2. As required by section 143(3) of the Act, we report that

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

(e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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 the impact of pending litigations on the financial position in its standalone financial statements-Refer Note 30 to the financial statements;

(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 2022

(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.

UDIN	22027716AILPOC1572

For RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants
FRN: 007761S
V. SATHYANARAYANAN
Partner
Membership No. 027716

Place : Bangalore
Date : 04th May 2022

Annexure "A" to Independent Auditors' Report 31st March 2022

(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:

(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, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder;

ii. (a) The Company does not hold any inventory (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(ii) (a) of the Order are not applicable.

(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable;

iii. The Company has not made investments and has not provided any Guarantee or security or granted any loans or advances in nature of loans secured or unsecured to companies, firms, Limited Liability Partnerships, or any other parties, during the year. Accordingly, the provision of clause 3(iii)(a) to 3 (iii)(f) of the order is not applicable;

iv. In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security;

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable;

vi. The maintenance of cost records has not been specified by the Central Government under sub- section (1) of section 148 of the Companies Act, 2013 for the business activities carried out 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 made private placement of shares in respect of the same, in our opinion, the company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised. During the year, the company did not make preferential allotment/ private placement of fully/partly convertible debentures.

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), (b), (c) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable;

(d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable;

xvii. The Company has incurred cash losses during the financial year and in immediately preceding financial year amounting to Rs 7,88,81,190 & Rs 4,96,73,531 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 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	22027716AILPOC1572

V. SATHYANARAYANAN
Partner
Membership No. 027716

Place : Bangalore
Date : 04th May 2022

Annexure 'B' to the Independent Auditors' Report for the year ended 31st March 2022

(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, 2022 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, 2022, 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	22027716AILPOC1572

V. SATHYANARAYANAN
Partner
Membership No. 027716

Place : Bangalore
Date : 04th May 2022

BALANCE SHEET AS AT 31st March 2022

(Rs. In Lakhs)

	Notes	As at March 31, 2022	As at March 31, 2021
Assets			
Non-current assets			
Capital work in progress	2	569.75	569.75
Investment property	3	9,029.61	9,029.61
Financial assets			
i. Investments	4	2,101.70	1,952.70
ii Loans	4a	144.10	138.28
Income Tax Assets (Net)	5	72.22	0.93
Other non current assets			
Deferred Tax assets	6	1,184.15	1,065.95
Total non-current assets		**13,101.53**	**12,757.23**
Current assets			
Financial assets			
i. Trade Receivables	7	797.36	797.36
ii. Cash and cash equivalents	8	80.35	100.23
iii. Other receivables	9	6,298.05	6,298.05
Other current assets	10	701.56	700.28
Total current assets		**7,877.32**	**7,895.92**
Total Assets		**20,978.85**	**20,653.14**
Equity and liabilities			
Equity			
Equity share capital	11	14,963.38	5,363.38
Other Equity			
Reserves and surplus	12	(80.29)	708.52
Other reserves	13	447.12	332.91
Total equity		**15,330.21**	**6,404.81**
Liabilties			
Non-current liabilities			
Financial liabilities			
i. Borrowings	14	-	637.00
ii. Other financial liabilities	15	-	3,453.95
Total non-current liabilities		**-**	**4,090.95**
Current liabilities			
Financial liabilities			
i. Borrowing	16	-	4,500.13
ii Trade payables	17	175.92	176.07
iii. Other financial liabilities	18	4,263.87	4,320.87
Other current liabilities	19	1,208.85	1,160.31
Total current liabilities		**5,648.64**	**10,157.38**
Total liabilities		**5,648.64**	**14,248.33**
Total equity and liabilities		**20,978.85**	**20,653.14**
Significant accounting policies	1		

As per our report of even date
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No. FRN 007761S

V. Sathyanarayanan
Partner
Membership No. 027716

Place: Chennai
Date: 04 May 2022

V N Venkatanathan
Director

V Karunakara Reddy
Chief Executive Officer

For and on behalf of the Board
K N Radhakrishnan
Director

S Sridhar
Chief Financial Officer

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH 2022

(Rs. In Lakhs)

	Notes	1st April 2021 to 31st March 2022	1st April 2020 to 31st March 2021
Income			
Other income	20	12.13	3.22
Total income		**12.13**	**3.22**
Expenses			
Purchases of stock-in-trade	21		-
Finance costs	22	938.59	505.53
Other expenses	23	18.97	29.25
Total expenses		**957.55**	**534.78**
Profit/(loss) before tax		**(945.42)**	**(531.56)**
Income tax expense	24		
Current tax		-	-
Deferred tax		(156.61)	(34.82)
Profit/(loss) for the year		**(788.81)**	**(496.74)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Changes in fair value of FVOCI equity instruments		152.62	207.12
Income taxes on the above		(38.41)	(52.13)
Other comprehensive income for the year, net of tax		**114.21**	**155.00**
Total comprehensive income for the year		**(674.61)**	**(341.74)**
Significant accounting policies	**1**		
Earnings per equity share (Basic/ diluted earnings per share)	**25**	**(1.18)**	**(0.93)**

As per our report of even date
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No. FRN 007761S

V. Sathyanarayanan
Partner
Membership No. 027716

Place: Chennai
Date: 04 May 2022

V N Venkatanathan
Director

V Karunakara Reddy
Chief Executive Officer

For and on behalf of the Board
K N Radhakrishnan
Director

S Sridhar
Chief Financial Officer

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2022

(Rs. In Lakhs)

	As at March 31, 2022	As at March 31, 2021
Cash flow from operating activities		
Profit before income tax	**(945.42)**	**(531.56)**
Adjustments for		
Gain on transfer of land		-
Interest income accrued reversed	(7.00)	(3.03)
Fair valuation of Preference share		
Unwinding of discount on security deposits	622.25	138.36
Long Term Capital Loss/ gain on Sale of Investments		
Fair value of 6% Pref share		
Fair Valuation Loss on Mutual Funds		
Operating Profit Before Working Capital Changes	**(330.16)**	**(396.23)**
Change in operating assets and liabilities		
(Increase)/decrease in other current assets	(72.57)	6.28
Increase/(decrease) in other financial liabilities	(4,133.35)	(638.65)
(Increase)/decrease in trade current assets		
Increase/(decrease) in other current liabilities	48.54	12.66
Cash generated from operations	**(4,487.54)**	**(1,015.93)**
Income taxes paid		-
Net cash inflow from operating activities	**(4,487.54)**	**(1,015.93)**
Cash flows from investing activities		
Investment	4.78	(133.76)
Investment Property		
Net cash outflow from investing activities	**4.78**	**(133.76)**
Cash flows from financing activities		
Proceeds from issue of Share capital	9,600.00	-
Increase/(Repayment) of Borrowings (Short)	(5,137.13)	624.65
Net cash inflow (outflow) from financing activities	**4,462.87**	**624.65**
Net increase (decrease) in cash and cash equivalents	**(19.89)**	**(525.04)**
Cash and cash equivalents at the beginning of the financial year	100.23	625.27
Cash and cash equivalents at end of the year	**80.35**	**100.23**

As per our report of even date
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No. FRN 007761S

V. Sathyanarayanan
Partner
Membership No. 027716

Place: Chennai
Date: 04 May 2022

V N Venkatanathan
Director

V Karunakara Reddy
Chief Executive Officer

For and on behalf of the Board
K N Radhakrishnan
Director

S Sridhar
Chief Financial Officer

Statement of Changes in Equity

(Rs. In Lakhs)

I) Equity Share Capital

	Notes	Amounts
Balance as at March 31, 2020		**5,363.38**
Changes in equity share capital during the year	11	-
Balance as at March 31, 2021		**5,363.38**
Changes in equity share capital during the year	11	9,600.00
Balance as at March 31, 2022		**14,963.38**

II) Other equity

	Notes	Reserves and surplus		Other reserves	Total
		Retained earnings	Capital reserve	FVOCI - Equity instruments	
Balance as at 1st Apr, 2020		**1,229.35**	**(24.09)**	**177.91**	**1,383.17**
Profit for the period	12	(496.74)			**(496.74)**
Other Compreshensive income (net of tax)	13			155.00	**155.00**
Balance as at 1st Apr, 2021		**732.61**	**(24.09)**	**332.91**	**1,041.43**
Profit for the period	12	(788.81)			**(788.81)**
Other Compreshensive income (net of tax)	13			114.21	**114.21**
Balance as at March 31, 2022		**(56.20)**	**(24.09)**	**447.12**	**366.83**

As per our report of even date
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No. FRN 007761S

V. Sathyanarayanan
Partner
Membership No. 027716

Place: Chennai
Date: 04 May 2022

V N Venkatanathan
Director

V Karunakara Reddy
Chief Executive Officer

For and on behalf of the Board
K N Radhakrishnan
Director

S Sridhar
Chief Financial Officer

1. Significant Accounting Policies forming part of Financial Statements

COMPANY BACKGROUND

TVS Motor Services Limited ('the Company') is a public limited company incorporated and domiciled in India. The registered office is located at "Chaitanya, No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai – 600 006, Tamil Nadu, India.

SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of accounts:

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

b. Historical cost convention

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

➢ certain financial assets and liabilities that is measured at fair value;

c. Critical Estimates and judgments

TThe 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. Prior period error

Errors have been made in the previous years in estimates of fair value and eligibility of deferred tax. These errors are such that it is difficult to estimate accurately the period in which the impact has to be considered. As a result, in accordance with Ind AS the accounting of these errors, after quantification, has been reflected in the opening balance for the current year with concomitant impact adjusted in the Opening Reserves and Surplus.

e. 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.

f. Revenue Recognition

I. Income is recognized as per the terms of contract, on accrual basis.

II. Dividends are recognised in profit or loss only when the right to receive payment is established.

g. Financial Assets:

1) Classification

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

- fair value through other comprehensive income,
- fair value through profit or loss, and
- Measured at amortized cost.

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

2) Measurement:

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt Instruments:

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

Amortised Cost:

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

Fair Value through profit or loss:

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

3) Impairment of financial assets:

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

4) De-recognition of financial assets:

A financial asset is derecognised only when:

The Company has transferred the rights to receive cash flows from the financial asset or the Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

5) Offsetting financial instruments

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

h. Taxation

i. Provision for current tax is made on the basis of taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

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

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

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

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

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

i. Functional Currency:

Functional and presentation currencies:

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

j. Goods and Service Tax Input Credit

Eligible Goods and Service Tax input credit is accounted as receivable when the underlying service is received, as per the Goods and Service Tax Act.

k. 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.

l. Borrowings cost:

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

m. 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.

n. 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.

o. 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.

p. 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.

q. 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.

r. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker

s. Provisions

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

t. 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.

u. 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.

v. Business Combination

Business combinations involving entities under common control are accounted for using the pooling of interests method as follows:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

(iii) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

(iv) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

(v) The identity of the reserves are preserved and the reserves of the transferor becomes the reserves of transferee.

(vi) The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve and is presented separately from other capital reserves.

Notes to Balance Sheet

(Rs. In Lakhs)

		March 31, 2022	March 31, 2021
2	**Capital work in progress**		
	Capital work in progress (Refer Note 32 C)	569.75	569.75
	Total Capital work in progress	**569.75**	**569.75**

3 Investment Property

Particulars	Gross Value				
	As at 1st April 2021	Additions during the year due to business combination	Additions during the year	Deletions during the year	As at 31st March 2022
Land*	9,029.61	-	-	-	9,029.61
Total	**9,029.61**		**-**	**-**	**9,029.61**

Fair Value of the land as at 31/03/2020 Rs.44,601.00 Lakhs (31/03/2019 Rs.44,601.00 Lakhs)

Particulars	Gross Value				
	As at 1st April 2020	Additions during the year due to business combination	Additions during the year	Deletions during the year	As at 31st March 2021
Land*	9,029.61	-	-	-	9,029.61
Total	**9,029.61**		**-**	**-**	**9,029.61**

Fair Value of the land as at 31/03/2019 Rs.44,601.00 Lakhs (31/03/2018 Rs.44,601.00 Lakhs)

*1. A part land is given as security for term loan borrowing of subsidiary company .

* 2. Land includes Rs. 5,542 lakhs, whose possession has been taken by Company and supported by Agreement of Sale, Power of Attorney and in respect of which process of registration is in progress.

The company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. The fair values of investment properties have been determined by independent valuers.

		March 31, 2022	March 31, 2021
4	**Investments**		
	Unquoted		
	Investment in equity shares carried at FVOCI		
	TVS Credit Services Limited **		
	10,90,125 (PY 10,90,125) equity shares of Rs.10 each fully paid up	1,766.00	1,613.38
	Phi Research Private Ltd	300.70	300.70
	Investment Carried at FVTPL		0.00
	Investment in CIG Reality Fund	35.00	35.00
	(5,00,000 (PY 5,00,000) units of Rs 10 each)		
	Investment in Urban Infra Opportunities Fund	-	3.61
	(250 (PY 250) units of Rs 1,00,000 each)		
	Investment in Zero Coupon Bond	-	-
	Investment in 6% Preferance shares of CBCL		-
	Total Financial Assets-Investments	**2,101.70**	**1,952.70**
	Agreegate amount of quoted investments and market value thereof		
	Agreegate amount of unquoted investments	2,101.70	1,952.70
	Total	**2,101.70**	**1,952.70**

** During 2019-20 the company has transferred 133,651,475 no of equity shares invested in TVS Credit Services Limited to settle the shareholders of Non Cumulative redeemable Preference shares.

		March 31, 2022	March 31, 2021
4a	Loans	144.10	138.28
	Total	**144.10**	**138.28**
5	**Income Tax Assets (Net)**		
	Income Tax Assets (Net)	72.22	0.93
	Total Other- Income Tax Assets	**72.22**	**0.93**

Notes to Balance Sheet (Contd.)

(Rs. In Lakhs)

6 Deferred tax Liabilities/(asset)

The balance comprises of temporary differences attributable to:

	March 31, 2022	March 31, 2021
Depreciation		
Fair valuation of financial liabilties	81.49	238.10
Fair valuation of financial asset	206.82	168.41
Invesment Property	(1,472.47)	(1,472.47)
Net deferred tax Liabilities/(asset)	**(1,184.15)**	**(1,065.95)**

Movement in deferred tax (assets)/liabilities	**Investment Property**	**Fair valuation of financial asset**	**Fair valuation of financial liabilties**	**Total**
At Mar 31, 2021	**(1,472.47)**	**168.41**	**238.10**	**(1,065.95)**
- to profit or loss		38.41	(156.61)	(118.20)
- to other comprehensive income				
At Mar 31, 2022	**(1,472.47)**	**206.82**	**81.49**	**(1,184.15)**

Note:- 1) Deferred Tax assets been recognised on certain losses. The group has concluded tax assets will be recoverable against future taxable income.

	March 31, 2022	March 31, 2021
7 Trade Receivables		
Trade Receivables considered good - unsecured (Refer Note 32 A)	797.36	797.36
Total Trade Receivables	**797.36**	**797.36**
8 Cash and cash equivalents		
Balances with banks	16.59	36.20
Cash on Hand	63.76	64.03
Total cash and cash equivalents	**80.35**	**100.23**

	March 31, 2022	March 31, 2021
9 Other financial assets		
Secured		
Receivable towards sale of property and other assets	6,298.05	6,298.05
Total Other receivables	**6,298.05**	**6,298.05**
10 Other Current assets		
Balance with GST/Service Tax Department	701.56	700.28
Advance to vendors		
Total Other Current assets	**701.56**	**700.28**

11 Equity share capital

i) Authorised, issued, subscribed & fully paid equity share capital

	Number of shares	**Amount (in Lakh)**
14,96,33,814 nos (Previous year: 5,36,33,814 nos) of Equity shares of Rs.10 each		
As at 31 March 2020	5,36,33,814	5,363.38
Increase during the year	-	-
As at 31 March 2021	**5,36,33,814**	**5,363.38**
Increase during the year	9,60,00,000	9,600.00
As at 31 March 2022	**14,96,33,814**	**14,963.38**

ii) Reconciliation of equity share outstanding at the beginning and end of the year

	Note	**Number of shares**	**Equity share capital (par value)**
As at 31 March 2021		**5,36,33,814**	**5,363.38**
Add: Addition		9,60,00,000	9,600.00
As at 31 March 2022		**14,96,33,814**	**14,963.38**

(Refer Note 32 D)

Terms and rights attached to equity shares

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.

iii) Shares of the company held by holding company at the end of the year

	31-Mar-22		**31-Mar-21**	
	Share holding %	**Number of shares**	**Share holding %**	**Number of shares**
TVS Motor Company Limited	100%	14,96,33,814	100%	5,36,33,814

* 6 equity shares of the Company are held by the nominees of the holding company

Notes to Balance Sheet (Contd.)

(Rs. In Lakhs)

iv) **Details of other shareholders holding more than 5% shares in the company**

March 31, 2022	Share holding percentage	Number of shares	Amount (In Lakhs)
TVS Motor Company Limited		14,96,33,814	14,963.38
Total		**14,96,33,814**	**14,963.38**
March 31, 2021	**Share holding percentage**	**Number of shares**	**Amount (In Lakhs)**
TVS Motor Company Limited	100%	5,36,33,814	5,363.38
Total		**5,36,33,814**	**5,363.38**

	March 31, 2022	March 31, 2021
12 Reserves and surplus		
Retained earnings	(56.20)	732.61
Captial reserves	(24.09)	(24.09)
Total reserves and surplus	**(80.29)**	**708.52**
a) Retained earnings		
Opening balance	732.61	1,229.35
Net profit for the period	(788.81)	(496.74)
Less: DTA created for Non Cumulative Redeemable Preference shares		
Less: Loss on Fair valuation of 6% CBSL Pref Shares (non consideration of Dividend Income)		
Less: DTA created for Fair valuation of CBCSL Preference shares		
Add: Changes in Accounting Policy (Refer Note- 34)		
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax		-
Closing balance	**(56.20)**	**732.61**
b) Capital reserve		
Opening balance	(24.09)	(24.09)
Add: Arising on business combination (Note 34)		-
Closing balance	**(24.09)**	**(24.09)**

Note

Retained earnings: Company's cumulative earnings since its formation minus the dividends/capitalisation.

Capital Reserve: Gain on common control business combination has been credited capital reserve

	March 31, 2022	March 31, 2021
13 Other reserves		
FVOCI-Equity Instruments		
Opening balance	332.91	177.91
Other Compreshensive income (net of tax)	114.21	155.00
Closing Balance	447.12	332.91

	March 31, 2022	March 31, 2021
14 Borrowings		
8% Secured Non Convertable Debenture (Nominal Value Rs 10 per unit)	-	637.00
Non Cumulative Redeemable Preference shares **		0.00
Total borrowings	**-**	**637.00**

** During 2019-20 the company have transferred 133,651,475 no of equity shares invested in TVS Credit Services Limited to settle the shareholders of Non Cumulative redeemable Preference shares.

** During the FY 2016-17, the Company allotted 50 Lacs no of non cumulative redeemable preference shares of Rs.10/- each at par to TVS Motor Company Limited, the existing share holders of the Company, valuing Rs.500 lakhs.The holder of the Preference Shares shall be entitled to redeem the said Preference Shares at a premium of 70% of the face value of the Preference Shares at the end of the 9th year, from the date of allottment of respective lot. The Investors, will have an option, in lieu of the redemption of such Preference Shares held by them in the Company, to have such number of Equity Shares in the Subsidiary Company namely TVS Credit ** Services Ltd, out of the total shares held by the Company in the said Subsidiary Company, in the same proportion which the investment held by such Preference Share holders in the Company bears to the face value of the total paid up capital of the Company existing at the time of redemption and transfer to such preference D45share holders in full and final settlement of such redemption.

	March 31, 2022	March 31, 2021
15 Other financial liabilities		
Non- Current		
Payable towards purchase of Investments (TVSCS)	-	3,453.95
Total non current financial liabilities	**-**	**3,453.95**
16 Other Financial Liabilities		
Borrowings		
Short term borrowing from banks		4,500.13
Short term Loan from Others		-
Total non current financial liabilities	**-**	**4,500.13**
17 Trade payables		
Current		
Total Outstanding dues of Micro Enterprises and Small Enterprises *		-
Total Outstanding dues of creditors other than Micro Enterprises and Small Enterprises (Refer Note 32 B)	175.92	176.07
Total trade payables	**175.92**	**176.07**

* Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by management. There are no interest due or outstanding on the same.

Notes to Balance Sheet (Contd.)

(Rs. In Lakhs)

		March 31, 2022	March 31, 2021
18	**Financial liabilities**		
	Current		
	Payable for purchase of investments and investment property	4,076.20	4,133.33
	Payable to Holding company		-
	Stale Cheques	54.03	54.03
	Payable Others	133.64	133.51
	Total other current financial liabilities	**4,263.87**	**4,320.87**
19	**Other current liabilities**		
	Statutory Dues	896.48	920.11
	Advance from customers	67.11	67.11
	- Advance received Chennai business consulting Pvt Ltd.	245.26	173.09
	Total other current liabilities	**1,208.85**	**1,160.31**
20a	**Contingent Liability**		
	Claims against the Company not acknowledged as debts.		
	Disputed Income Tax Demand (Of this 70.12 lakhs has been paid for stay of demand)	467.46	-

		1st April 2021 to 31st March 2022	1st April 2020 to 31st March 2021
20	**Other income**		
	Other Non Operating Income	5.14	0.19
	Interest income on loan to SAEL	7.00	3.03
	Fair Valuation gain on sale of ZCB		-
	Fair valuation gain on mutual fund investments		-
	Total other income	**12.13**	**3.22**
21	**Purchases of stock-in-trade**		
	Automobiles		-
	Total Purchases of stock-in-trade	**-**	**-**
22	**Finance Cost**		
	Other Borrowing Cost	938.59	505.53
	Total finance cost	**938.59**	**505.53**
23	**Other expenses**		
	Rates and Taxes	0.12	8.58
	Payment to Auditor* (Refer below note)	6.00	6.00
	Consultancy Fees	8.55	9.11
	Wealth tax pertaining to previous years		
	Fair valuation loss on mutual fund investments		
	Power and fuel		-
	Packing and freight charges		-
	Rent		-
	Long Term Capital Loss on Sale of Investments		-
	Share Transfer Agent Fees		-
	Other expenses	4.30	5.56
	Total other expenses	**18.97**	**29.25**
	Note 18 (a): Details of payment to auditors		
	Payment to auditors		
	As Statutory auditors		6.00
	In other capacities		
	Taxation matters		
	Total payment to auditors	**-**	**6.00**

		1st April 2021 to 31st March 2022	1st April 2020 to 31st March 2021
24	**Income tax expense**		
	(a) Income tax expense		
	Current tax	0	
	Current tax on profits for the year		
	Total current tax expense	**0**	
	Deferred tax		
	Decrease (increase) in deferred tax assets		-
	(Decrease) increase in deferred tax liabilities	(118.20)	(34.82)
	Total deferred tax expense/(benefit)	**(118.20)**	**(34.82)**
	Income tax expense	**(118.20)**	**(34.82)**

		March 31, 2022	March 31, 2021
25	**Earnings per share**		
	(a) Basic and diluted earnings per share		
	Basic and diluted earnings per share attributable to the equity holders of the company (in rupees)	(1.18)	(0.93)
	(b) Reconciliations of earnings used in calculating earnings per share		
	Basic and diluted earnings per share		
	Profit attributable to equity holders of the company used in calculating basis earnings per share (Rs in lakhs)	(788.81)	(496.74)
	(c) Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share (in numbers)	666	536

Notes to Balance Sheet (Contd.)

(Rs. In Lakhs)

26 Fair value measurements

Financial instruments by category

	March 31, 2022			March 31, 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Equity instruments	-	300.70	-	-	300.70	-
- Other funds	35.00	-	-	38.61	-	-
- Equity share of TVS Credit Services to be retained		1,766.00			1,613.38	
Loan			144.10			138.28
Trade receivable			797.36			797.36
Cash and cash equivalents	-	-	80.35	-	-	100.23
Receivable towards sale of property	-	-	6,298.05	-	-	6,298.05
Total financial assets	**35.00**	**2,066.70**	**7,319.86**	**38.61**	**1,914.08**	**7,333.92**
Financial liabilities						
Borrowings	-	-	-	-	-	5,137.13
Trade payables	-	-	175.92	-	-	176.07
Payable towards purchase of Investments	-	-	4,076.20	-	-	7,587.28
Other financial liabiity	-	-	187.67	-	-	187.54
Total financial liabilities	**-**	**-**	**4,439.80**	**-**	**-**	**13,088.02**

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 2022	At 31 March 2021
Level 3 Measurements			
Financial Assets			
Investments	4	335.70	339.31
Total financial Assets		**335.70**	**339.31**
Financial liabilities			
Borrowings	14	-	-
Total financial liabilities		**-**	**-**

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

Particulars	Notes	At 31 March 2022	At 31 March 2021
Level 3 Measurements			
Financial assets			
		-	-
Total financial assets		-	-
Financial liabilities			
Payable towards purchase of Investments	15	4,076.20	7,587.28
Total financial liabilities		**4,076.20**	**7,587.28**

Notes to Balance Sheet (Contd.)

(Rs. 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, included in level 3.

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

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

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments

- the use of entity specific growth rates and discount rates applicable to the entity

- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

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

(iii) Valuation processes

Discount rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset and Earnings growth factor.

Risk adjustments have been derieved based on the market risk premium adjusted for companies relevered financial data

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

	31-March-22		31-March-21	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial assets				
Loan	144.10	144.10	138.28	138.28
Trade receivable	797.36	797.36	797.36	797.36
Cash and cash equivalents	80.35	80.35	100.23	100.23
Receivable towards sale of property	6,298.05	6,298.05	6,298.05	6,298.05
Total financial assets	**7,319.86**	**7,319.86**	**7,333.92**	**7,333.92**
Financial Liabilities				
Borrowings	-	-	5,137.13	5,137.13
Trade payables	175.92	175.92	176.07	176.07
Payable towards purchase of Investments	4,076.20	4,076.20	7,587.28	7,587.28
Other financial liabiity	187.67	187.67	187.54	187.54
Total financial liabilities	**4,439.80**	**4,439.80**	**13,088.02**	**13,088.02**

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.

27 Financial risk management

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

(A) Credit risk

Credit risk arises from cash and cash equivalents, and receivables for sale of property

(i) Credit risk management

Credit risk is on cash and cash equivalents are managed by depositing in high rated banks/institutions are accepted and company faces negligible credit risk on receivable from sale of property

(B) Liquidity risk

Company is managing liquidity risk by issue of Preference Shares

(i) Maturities of financial liabilities

The tables below analyse The company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

a) all non-derivative financial liabilities, and

b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

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

(Rs. In Lakhs)

Contractual maturities of financial liabilities:

31 March 2022	Less than 3 months	Between 3 Month and 1 year	Between 1 and 2 years	Greater than 2 years	Total
Non-derivatives					
8% Secured Non Convertable Debenture	0				-
Payable towards purchase of Investments	-	4,133.33		-	4,133.33
Trade payables	175.92	-	-	-	175.92
Other financial liabilities	187.67	-	-	-	187.67
Total non-derivative liabilities	**363.60**	**4,133.33**	**-**	**-**	**4,496.93**

31 March 2021	Less than 3 months	Between 3 Month and 1 year	Between 1 and 2 years	Greater than 2 years	Total
Non-derivatives					
8% Secured Non Convertable Debenture		4,500.00	-	637.00	5,137.00
Payable towards purchase of Investments		4,133.33	4,133.33	-	8,266.66
Trade payables	176.07	-	-	-	176.07
Other financial liabilities	187.54	-	-	-	187.54
Total non-derivative liabilities	**363.61**	**4,133.33**	**4,133.33**	**-**	**8,630.27**

28 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, 2022	March 31, 2021
Net debt	-	5,036.90
Total equity	15,330.21	6,404.81
Net debt to equity ratio	**0.00**	**0.79**

29 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, 2022.

30 Contingent Liabilities not provided for

Particulars	March 31, 2022	March 31, 2021
Disputed liability relating to Income Tax asst. – matter under appeal, at Commissioner of Income Tax (Appeal) - 11, Chennai.		
for the FY 2011-12	1.06	1.06
for the AY 2012-13	0.35	0.35

(Rs. In Lakhs)

31 Related party transactions

(a) Holding Entity

Name of entity

TVS Motor Company Limited (Effective 7th Sep'17), Chennai

(b) Ultimate Holding Entity

Sundaram-Clayton Limited, Chennai

T V Sundaram Iyengar & Sons Private Limited, Madurai (Upto 4th February 2022)
TVS Holdings Private Limited (From 4th February 2022)

(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, 2022	March 31, 2021
TVS Credit Services Limited		
Repayment towards purchase of investment	4,133.33	637.33
Interest on payable towards purchase of investment	622.25	138.36
TVS Motor company		
Equity Investment	9,600.00	-

(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, 2022	March 31, 2021
Payables:		
TVS Credit Services Limited	4,076.20	7,587.28

As per our report of even date
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No. FRN 007761S

V. Sathyanarayanan
Partner
Membership No. 027716

Place: Chennai
Date: 04 May 2022

For and on behalf of the Board

V N Venkatanathan
Director

K N Radhakrishnan
Director

V Karunakara Reddy
Chief Executive Officer

S Sridhar
Chief Financial Officer

INTELLICAR TELEMATICS PRIVATE LIMITED

Board of Directors

RAJESH NARASIMHAN

HARNE VINAY CHANDRAKANT

MANU SAXENA

Auditors

RAGHAVAN,CHAUDHURI & NARAYANAN

Chartered Accountants,

Second Floor, Casa Capitol, Wood Street, Ashoknagar,
Bangalore - 560 025

Registered Office:

No.1216 & 1217, KCN Complex,1st & 3rd floor, 11th A Cross,
24th Main, Sector 1, HSR Layout, Bengaluru,

Karnataka - 560102

E-mail: corpsec@sundaramclayton.com

CIN : U72300KA2015PTC078960

Directors' Report to the Shareholders

The Directors present the 7th annual report together with the audited financial statements for the year ended 31st March 2022.

Financial Highlights

(Rs.in crores)

Details	Year ended 31.03.2022	Year ended 31.03.2021
Sales and other income	21.60	7.89
Less: Expenses	20.64	12.71
Profit / (Loss) before tax	0.96	(4.83)
Provision for taxation (including deferred tax)	0.37	(1.30)
Profit / (Loss) after tax	0.59	(3.53)

Share Capital

The Company's paid-up Equity Share Capital as on 31st March 2022 is Rs. 9.04 Lakhs.

The Company continues to be a wholly owned subsidiary of TVS Motor Company Limited.

Dividend

In order to conserve the resources for its future business activities, the directors do not propose any dividend for the year under review.

Operation Review

This report pertains to the operations of Intellicar Telematics Private Limited for the financial year ending March 2022. The 1st quarter of FY 22 was impacted due to the devastating second wave of the pandemic. The revenue was impacted in the first quarter on account of pandemic induced lockdowns across the country. The effect of the second wave lasted for the first and the second quarter of FY 22 impacting the mobility and automotive sector thereby impacting operations of Intellicar.

However, Intellicar outperformed in the third and fourth quarter of FY 22 in spite of Covid induced lockdown and global semiconductor shortages. For the year ending FY 22, Intellicar overachieved the revenue budgets by 27% despite various challenges. Intellicar was also able to successfully manage its cashflows despite challenges on account of increase in technology man-power costs and increased lead-times in hiring and on-boarding technology talent. The cost of hiring technology talent continues to increase significantly. Intellicar was also able to successfully recover majority of its bad debts that were provisioned in the books of accounts in FY 21 despite various challenges in the automotive and mobility sector.

Intellicar's growth in business was attributed towards the growth in the electric vehicle (EV) ecosystem and its ability to create value adding solutions in the EV space. These in-house developed products witnessed massive demand from the entire EV ecosystem. India's focus towards enabling rapid adoption of EV will continue to drive Intellicar's growth in the segment becoming one of the largest EV focused IOT companies. Intellicar will continue to focus on developing and strengthening its IOT ecosystem which enables quick adoption of IOT technology across the automotive and mobility segment.

Performance and financial position of subsidiaries

During the Financial Year 2021-22, the Company has acquired M/s Intellicar Singapore Ptd. Ltd. as a wholly owned subsidiary. The Company is yet to commence and there were no operations during the Financial Year 2021-22.

Preparation of financial statements under Indian Accounting Standards

Pursuant to the notification issued by the Ministry of Corporate Affairs dated 16th February, 2015 relating to the Companies (Indian Accounting Standard) Rules, 2015, the Company being a wholly owned subsidiary of TVS Motor Company Limited (TVSM), is required to adopt Indian Accounting Standards ("IND AS").

In terms of Rule 4 (1) (ii) of the aforesaid rules, the Company has adopted Ind AS for the year 2021-22 in compliance with the said rules.

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 matrixes are developed for monitoring and reviewing risk mitigation.

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) and policies 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 Board.

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 2013):

(a) that in the preparation of the annual accounts for the year ended 31st March 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

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

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

(d) that the Directors had prepared the accounts for the financial year ended 31st March 2022 on a going concern basis; and

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

Directors

There were no change in the directorship during the year.

Corporate Governance

Board Meetings:

During the year under review, the Board met five (5) times on 5th April 2021, 19th April 2021, 19th July 2021, 15th October 2021, 21st January 2022 and the gap between two meetings did not exceed one hundred and twenty days.

Auditors

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 Raghavan, Chaudhuri & Narayanan., Chartered Accountants (Firm Registration No. 007761S), Bengaluru as Statutory Auditors, have completed their first year in the first term of five years as statutory auditors of the Company.

It may be noted that M/s Raghavan, Chaudhuri & Narayanan, Chartered Accountants, Statutory Auditors will carry out the audit for the second year from the conclusion of the ensuing annual general meeting, in the first term of five consecutive years

Statutory Statements

Deposits

The Company has not accepted any deposit from the public within the meaning of Section 76 of the Act 2013, for the year ended 31st March 2022.

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

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.

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.

Annual Return:

Extract of the Annual Return in prescribed form is made available on the Company's website in the link www.intelicar.in in terms of the requirements of Section 134 (3) (a) of the Act, 2013 read with Companies (Management and Administration) Rules 2014 and Companies (Accounts) Rules, 2014.

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 I 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 at the Registered Office of the Company.

Related Party Transactions:

All contracts / arrangements entered by the Company during the period ended 31st March 2022 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.

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 2021-22, the Company has not extended any guarantee or loans to other companies during the year under review.

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 exceed the turnover required for maintenance and audit of cost records.

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.

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.

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.

For and on behalf of the Board

Place : Bengaluru	Rajesh Narasimhan	Harne Vinay Chandrakant
Date : 27th April 2022	Director	Director
	DIN : 07824276	DIN : 09012669

Independent Auditors' Report to the members of Intellicar Telematics Private Limited, for the year ended 31st March 2022

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of Intellicar Telematics Private Limited ("the Company"), having its registered office at no1216 & 1217, KCN Complex,1st & 3rd Floor,11th A Cross Road, 24th Main, Sector 1, HSR Layout Bangalore - 560 102 which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31st March 2022, and its profit, total comprehensive income , 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.

Responsibilities of Management and Those charged with governance 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 but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order

2. As required by section 143(3) of the Act, we report that

   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

   (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 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 31st March 2022 does not arise as per Notification GSR 583 E dated 13th June 2017, since the company doesn't satisfies the turnover and borrowings conditions of the above notification.

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

(i) The company does not have any pending litigations which would impact its financial position as on 31 March 2022;

(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 2022

(iii) There are no amounts required to be transferred to investor education and protection fund by the company during the year ended 31 March 2022.

(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.

UDIN	22027716AHXNWQ7408

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn No.: 007761S

Bangalore .
Dated: 27th April 2022

V. SATHYANARAYANAN
Partner
Membership No.: 027716

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT – 31st March 2022 (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:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets;

(B) The Company has maintained proper records showing full particulars of intangible assets;

(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 fixed assets is reasonable having regard to the size of the Company and the nature of its assets

(c) The Company does not hold any immovable property (in the nature of ‘fixed assets’). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable;

(d) The Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) 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, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder;

ii. (a) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification;

(b) The Company has not been sanctioned working capital limits in excess of 5 crore during the year, from banks 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 including provident fund, employees’ state insurance, income-tax, Goods and service tax, duty of customs, and other material statutory dues, as applicable, to the appropriate authorities. Further, 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:

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;

(c) In our opinion and according to the information and explanations given to us, the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained;

(d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company;

(e) On an overall examination of the standalone financial statements of the Company, 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 standalone financial statements, as required by the applicable Ind AS. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act;

xiv In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013 and hence reporting under clause 3(xiv)(a) and clause 3(xiv)(b) of the Order is not applicable;

xv. In our opinion during the year the Company has not entered into any non-cash transactions withits Directors or persons connected with its directors and hence provisions of section 192 of theCompanies Act, 2013 are not applicable to the Company;

xvi. (a) (b) 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;

(c)) 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 covered by our audit and Company has incurred cash losses amounting to Rs 4,48,68,056 in the immediately preceding financial year;

xviii. There has been no resignation of the statutory auditors of the Company during the year;

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

xx. (a) 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
Firm Regn No.: 007761S

UDIN	22027716AHXNWQ7408

Bangalore
Dated: 27th April 2022

V. SATHYANARAYANAN
Partner
Membership No.: 027716

Balance Sheet as at 31st March 2022

All amounts in Indian Rupees, except stated otherwise

		Particulars	Note No	As at 31st March, 2022	As at 31st March, 2021
A		Assets			
	1	Non Current Assets			
	(a)	Property, Plant and Equipment	1	44,96,478	29,78,976
	(b)	Capital Work in Progress	2	-	2,33,263
	(c)	Right To Use Asset	3	57,47,429	60,23,645
	(d)	Other Intangible assets	4	82,46,464	40,37,012
	(e)	Intangible under Development	5	3,39,17,974	78,31,455
	(f)	Other Non Current Assets	6	11,83,881	12,70,729
	(g)	Deferred Tax asset	7	97,71,898	1,25,75,857
		Total Non Current Assets		6,33,64,123	3,49,50,937
	2	Current Assets			
	(a)	Inventories	8	4,91,99,435	75,70,903
	(b)	Financial Assets			
		(i) Trade Receivables	9	3,15,61,438	1,62,94,185
		(ii) Cash & Cash Equivalents	10	1,75,47,191	3,11,84,311
		(iii) Other Financial Assets	11	12,05,620	45,000
	(c)	Other Current Assets			
		i) Other Current Assets	12	95,02,605	1,05,29,960
		ii) Unbilled Dues	13	25,02,960	-
		Total Current Assets		11,15,19,249	6,56,24,360
3		Total Assets		17,48,83,373	10,05,75,297
B		Equity And Liabilities			
	1	Equity			
	(a)	Equity Share Capital	14	6,02,410	6,02,410
	(b)	Other Equity	15	(2,26,65,750)	(2,92,68,155)
		Total Equity		(2,20,63,340)	(2,86,65,745))
	2	Liabilities			
		Non Current liabilities			
	(a)	Financial Liabilities			
		(i) Lease Liabilities	16	34,20,253	45,56,722
		(ii) Long Term Borrowings	17	7,58,47,238	7,60,60,690
	(b)	Provisions	18	52,88,909	46,60,749
		Total Non Current Liabilities		8,45,56,400	8,52,78,161
		Current Liabilities			
	(a)	Financial Liabilities			
		(i) Lease Liabilities	19	32,34,919	21,08,005
		(ii) Borrowings	20	1,12,85,076	-
		(iii) Trade Payables	21	3,79,27,940	1,21,02,530
		(iv) Other Financial Liabilities	22	4,81,46,033	2,48,91,382
	(b)	Other Current Liabilities	23	88,21,314	27,07,4250
	(c)	Provisions	18	29,75,031	21,53,539
		Total Current Liabilities		11,23,90,313	4,39,62,881
		Total Liabilities		19,69,46,713	12,92,41,042
3		Total Equity and Liabilities		17,48,83,373	10,05,75,297

See accompanying notes forming part of the financial statements 1 to 37 In terms of our report attached.

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
FRN: 007761S

for and on behalf of the Board of Directors

V. Sathyanarayanan
Partner
Membership No.: 027716
Date: 27th April 2022
Place: Bangalore
UDIN :21027716AAAAIG7415

Manu Saxena
Director
DIN: 08456330
Date: 27th April 2022
Place: Singapore

Harne Vinay Chandrakant
Director
DIN: 09012669
Date: 27th April 2022
Place: Bangalore

Statement of Profit and Loss for the period 31st March 2022

All amounts in Indian Rupees, except stated otherwise

	Particulars	Note No.	For the period ended 31st March, 2022	For the period ended 31st March, 2021
I	Revenue from Operations	24	17,06,00,202	6,68,39,581
II	Other Incomes	25	4,53,95,654	1,20,02,069
III	Total Incomes		21,59,95,856	7,88,41,650
IV	Expenses			
	(a) Cost of Traded Goods	26	8,27,70,581	87,76,478
	(b) Employee Benefits Expenses	27	7,60,64,580	4,76,13,215
	(c) Finance Cost	28	71,38,613	26,02,582
	(d) Depreciation and Amortisation Expenses	29	78,74,471	30,02,406
	(e) Other Expenses	30	3,25,23,426	6,51,95,539
	Total Expenses (IV)		20,63,71,672	12,71,90,221
V	Profit before tax (III-IV)		96,24,185	(4,83,48,571)
VI	Tax expense:			
	a) MAT Credit		1,15,719	
	b) Prior period Tax		10,34,350	-
	c) Deferred Tax (savings)/Expenses		25,69,312	(1,30,02,096)
			37,19,381	(1,30,02,096)
VII	(Loss)/ Profit for the period (V-VI)		59,04,803	(3,53,46,474)
VIII	Other comprehensive Incomes			
	A i) Items that will not be reclassified to profit or loss			
	Re-measurements of post employee benefit obligations		9,32,248	1,91,183
	Income Tax relating to these items		(2,34,647)	(1,70,696)
	B Items that will be reclassified to profit or loss		-	-
	Total Other Comprehensive Income		6,97,601	20,487
	Total Comprehensive Income		66,02,404	(3,53,25,988)
IX	Earnings per Equity Shares:			
	(a) Basic		98.02	(586.75)
	(b) Diluted		98.02	(586.75)

See accompanying notes forming part of the financial statements 1 to 37 In terms of our report attached.

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
FRN: 007761S

for **and on behalf of the Board of Directors**

V. Sathyanarayanan
Partner
Membership No.: 027716
Date: 27th April 2022
Place: Bangalore
UDIN :21027716AAAAIG7415

Manu Saxena
Director
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Date: 27th April 2022
Place: Singapore

Harne Vinay Chandrakant
Director
DIN: 09012669
Date: 27th April 2022
Place: Bangalore

Statement of Cash Flow for the year ended 31st March 2022

All amounts in Indian Rupees, except stated otherwise

Particulars	For the Period Ended 31 March 2022	For the Period Ended 31 March 2021
Cash Flow From Operating Activities :		
Net Income after tax	59,04,803	(3,53,46,474)
Adjustment for Non operating and Non cash items		
Depreciation and amortization	45,62,432	11,66,227
b. Interest expense on lease liability	6,80,945	4,19,691
b. Amortisation on right-to-use asset	33,12,039	18,36,179
e. Amortisation of prepaid rent expense	61,637	11,492
Interest received on rental deposits	(60,470)	(14,807)
Financial Charges	9,27,878	9,01,233
Capital Reserve	-	-
Deferred Tax	28,03,959	(1,31,72,792)
Other Comprehensive Income	6,97,601	20,487
Interest on Redeemable Preference Shares	52,50,090	11,93,856
Operating Profit before Working Capital Changes	**2,41,40,915**	**(4,29,84,909)**
Adjustment for changes in working capital :		
- Long term provisions	6,28,160	13,24,364
- Trade Payables	2,58,25,410	(88,76,777)
- Other Financial Liabilities	2,32,54,651	62,50,036
- Other current liabilities	61,13,889	(83,27,641)
- Short term provisions	8,21,492	(56,24,768)
- Deposits		-
- Non-current assets	86,848	3,17,942
- Inventories	(4,16,28,532)	18,52,815
- Trade receivables	(1,52,67,253)	4,09,30,449
- Unbilled dues	(25,02,960)	-
- Other Financial Assets	(11,60,620)	2,38,445
- Other Current Assets	10,27,355	62,33,867
Net Working Capital Changes	**(28,01,559)**	**3,43,18,734**
Net Cash generated from Operating Activities	**2,13,39,355**	**(86,66,175)**
Cash flow From Investing Activities :		
- Purchase of Fixed Assets	(3,72,71,319)	(1,40,79,064)
- Capitalisation of Intangible in development to Intangible Assets	11,28,676	
- Sale of Fixed Assets		
Net cash used in investing activities	**(3,61,42,643)**	**(1,40,79,064)**

Statement of Cash Flow for the year ended 31st March 2022 - *(continued)*

Particulars	For the Period Ended 31 March 2022	For the Period Ended 31 March 2021
Cash Flow From Financing Activities :		
- Proceeds/(Payment) of Short-term borrowings	1,12,85,076	(89,25,145)
Payments towards lease liability	(37,26,322)	(24,17,505)
- Finance Charges	(61,79,135)	(9,01,233)
- Proceeds/(Payment) of Long term borrowings	(2,13,452)	6,58,73,072
Net Cash flow from/(used in) financing activities	**11,66,167**	**5,36,29,189**
Net Increase/(Decrease) in cash and cash equivalents	(1,36,37,120)	3,08,83,950
Cash and cash equivalents at beginning of year	3,11,84,311	3,00,361
Cash and cash equivalents at end of year	**1,75,47,191**	**3,11,84,311**

See accompanying notes forming part of the financial statements 1 to 37 In terms of our report attached.

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
FRN: 007761S

for **and on behalf of the Board of Directors**

V. Sathyanarayanan
Partner
Membership No.: 027716
Date: 27th April 2022
Place: Bangalore
UDIN :21027716AAAAIG7415

Manu Saxena
Director
DIN: 08456330
Date: 27th April 2022
Place: Singapore

Harne Vinay Chandrakant
Director
DIN: 09012669
Date: 27th April 2022
Place: Bangalore

1. SIGNIFICANT ACCOUNTING POLICIES

a) Company Background

Intellicar Telematics Private Limited ('the company") was incorporated on 23rd february, 2015 as a private limited company under the provisions of the companies act. The company is in the business of providing subscriptions and customization of services in "Fleet management and Key less access control.

B) Basis of preparation of financial statements

- 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) read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.
- Disclosures under Ind AS are made only in respect of material items and in respect of items that will be useful to the users of financial statements in making economic decision.
- The financial statements have been prepared on historical cost basis following the principles of prudence which requires recognition of expected losses and non-recognition of unrealized gains.
- The financial statements have been prepared 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.
- The financial statements up to the year ended 31st March,2022 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements of the Company are prepared under Ind AS.

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. It also provides an overview 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: The areas involving significant estimates and judgements are

- Estimation of defined benefit obligation (Refer Note 31 attached to the financial statements)
- Estimation of useful life of Property, Plant and Equipment (Refer Note 37 (f), (g), (h) and (i)

e) Revenue recognition:

- Revenue is measured at the fair value of the consideration received (or) receivable and net of returns, trade allowances and rebates and amounts collected on behalf of third parties. It excludes GST since it is not part of revenue and is remitted to the government subsequently.
- **Sale of products:** Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue from sale of products is recognized on transfer of all significant risks and rewards of ownership to the buyer.
- **Sale of services:** Sale of services mainly from "GPS service subscription and AMC services and E-Sim Installations" and revenue from sale of services is recognized at the time of activating E-Sim.
- **Interest Income:** Interest Income is recognized using the time proportion method based on rates implicit in the transaction.

f) Property, Plant and Equipment:

- All items of property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any. Cost includes:
  - ✓ Purchase price
  - ✓ Taxes and duties, that are not refundable or for which no subsequent credit can be taken by the company
  - ✓ Labour cost
  - ✓ Directly attributable overheads incurred upto the date the asset is ready for its intended use, and
- 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 derecognized when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.
- Gains or losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Profit and Loss within Other gains/ (losses).

g) Depreciation:

- Depreciation on tangible fixed assets is provided on the Written Down Value Method over the useful life of the Asset as prescribed under part 'C' of schedule II of the Companies Act 2013 prospectively.
- The estimated useful life of tangible fixed assets is as below:

S.no	Description of the asset	Useful life of the asset (Years)
1	Furniture's	10
2	Office equipment's	5
3	Server	6
4	Computers	3

- The residual values for all above assets are retained at 5% of the cost.
- On tangible fixed assets assed/disposed off during the year, depreciation is charged on pro-rata basis for the period for which the asset was purchased and used.
- Depreciation in respect of tangible assets costing individually less than Rs. 5000/- is provided at 100%.

h) Amortisation of Intangible assets:

- The company has acquired software and the same is recognized in the books of accounts as Intangible Asset. Amortization of intangible assets is provided on the Written Down Value Method over the useful life of the asset.
- Derecognition of tangible and intangible assets: An item of tangible and intangible asset is de-recognized 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 tangible and intangible assets is determined as the difference between the sales proceeds, if any, and the carrying amount of the asset and is recognized in the statement of profit or loss.

i) Impairment:

- Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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.
- 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 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 recognized immediately in Statement of Profit and 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, 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 Statement of Profit and Loss.

j) Inventories: Items of inventories are measured at lower of cost or net realizable value after providing for obsolescence, if any. Cost of inventories comprises of cost of purchase & other costs incurred in bringing them to their respective present location and condition after deducting rebates and discounts. Cost is determined on a weighted average cost.

k) Employee benefits:

- Short term obligations: Short-term obligations are those that are expected to be settled fully within 12 months after the end of the reporting period. They are recognized upto the end of the reporting period at the amounts expected to be paid at the time of settlement. The Company recognises the undiscounted amount of "Short Term Employee Benefits" expected to be paid in exchange for services rendered as a liability after deducting any amount already paid.
- Post-employment obligation: The company operates the following post-employment schemes

✓ Defined benefit plan - gratuity:

- The liability recognized in balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period. 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. This cost is included in employee benefit expense in the Statement of Profit and Loss.
- Remeasurements 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 (net of deferred tax). They are included in Fair Value through Other Comprehensive Income in the statement of changes in equity and in Other Equity in the balance sheet.
- Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the Statement of Profit and Loss as past service cost.
- Gratuity amount payable is not funded with any "Gratuity Fund Trust" as on the date of the financials.

✓ Defined contribution plan:

- 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 account maintained by the Government on its account. The Company is generally liable for monthly contributions which are recognized as an expense in the period in which it is incurred.
  - The company is of the view that the provisions of the Provident Fund Act are not applicable to trainees for a period of one year after their appointment. Hence contribution towards Provident Fund for such staff has not been made by the company.
  - Employee Insurance fund: Contributions to Employee Insurance Fund is made to Employee State Insurance fund maintained by government on its account. Accounting treatment is same as that of provident fund.

i) Income Tax:

- Tax expense comprises of (i) current tax and (ii) deferred tax. 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 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 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 recognized 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 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 Statement of Profit and Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

m) **Provisions and contingent liabilities:**

Provision:

✓ A provision is recorded when the Company has a present legal or constructive obligation as a result of past events and 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 accounted based on technical evaluation when the products are sold.

✓ Provisions are evaluated 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 expense.

Contingent liabilities: Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognized because

✓ It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

✓ The amount of the obligation cannot be measured with sufficient reliability such amounts are considered as contingent liability. Show cause notices are not considered as Contingent Liabilities unless converted into demand.

n) Leases:

- Lease 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 standalone prices.
- Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
  - ✓ Fixed payments (including in-substance fixed payments), less any lease incentives receivable
  - ✓ Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
  - ✓ Amounts expected to be payable by the Company under residual value guarantees.
  - ✓ The exercise price of a purchase option if the Company is reasonably certain to exercise that option,
  - ✓ 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-to-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.
  - ✓ All leases don't have any lock-in-period in the agreement and rental agreement can be terminated by giving notice to the other party as per agreement conditions. But the company (lessee) is reasonably certain not to exercise cancellation option. Lessor's right to terminate the lease at any time, prima facie, is meant to be exercised only in exceptional circumstances. Hence, total period of lease was considered as lease term as per INDAS 116.
- Due to Covid-19 outbreak, the company has modifications in lease by way of changes in lease period as well as lease payment. The company has appropriately treated this in the books of accounts of FY 20-21, by proper recognition of lease liability and right-to-use asset after considering the Covid-19 lease changes and difference between lease liability and asset was considered through Retained Earnings in Statement of Changes in Equity.
- 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-to-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 recognized in profit or loss in the period in which the condition that triggers those payments occurs.
- <u>Right-to-use assets are measured at cost comprising the following</u>:
  - ✓ 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-to-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-to-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 recognized 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.

o) 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.

p) Trade receivables: Trade receivables are recognized initially at the fair value and subsequently measured at amortized cost using the effective interest method less provision for impairment.

q) Investments and other financial assets:

- **Classification**: The company classifies its financial assets in following categories:
  - ✓ 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 depends on the entity's business model for managing the financial assets and the contractual terms of the cash flow.

- **<u>Measurement</u>**:

At initial recognition, the Company measures a financial asset at its fair value (in the case of a financial asset not a fair value through profit or loss) plus 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 the Statement of Profit and Loss.

- **<u>Impairment of financial assets</u>**:
  - ✓ The company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been significant increase in credit risk. Note 36 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 recognized from initial recognition of the receivables.
- 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 expects 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.

r) 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 the Statement of Profit and 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 of assets transferred or liabilities assumed, is recognized in the 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 over or at least 12 months after the reporting period.

s) Borrowing cost:

- 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.
- Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

t) 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. In Company's considered view, twelve months has been considered its operating cycle.

u) 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 transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

v) Basic and diluted earnings/(loss) per share:

Basic and diluted earnings / (loss) per share is computed by dividing the net profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. The Company does not have any potentially dilutive equity shares.

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
FRN: 007761S

for **and on behalf of the Board of Directors**

V. Sathyanarayanan
Partner
Membership No.: 027716
Date: 27th April 2022
Place: Bangalore
UDIN :21027716AAAAIG7415

Manu Saxena
Director
DIN: 08456330
Date: 27th April 2022

Harne Vinay Chandrakant
Director
DIN: 09012669
Date: 27th April 2022

Notes to financial statements for the Period ended 31st Mar 2022

1, 2,3,4 and 5 Property Plant and Equipment, Right to use Assets, Work in Progress and Other Intangible Assets

All amounts in Indian Rupees, except stated otherwise

Particulars	Rate	Gross Block				Depreciation						Net Block	
		As at 01/04/2021	Additions	Deletions	As at 31/03/2022	As at 01/04/2021	For the year	Additions	Charge for the year	Adjustment	As at 31/03/2022	As at 31/03/2022	As at 31/3/2021
Note 1: Property, Plant and Equipment													
Furnitures	25.89%	11,77,732	63,907	-	12,41,639	5,41,567	1,64,703	11,558	1,76,261	-	7,17,828	5,23,811	6,36,165
Office Equipments	45.07%	12,40,317	7,78,101	-	20,18,418	9,56,334	1,27,991	1,82,471	3,10,462	-	12,66,796	7,51,622	2,83,983
Server	39.30%	7,25,217	1,98,020	-	9,23,237	2,20,862	1,98,212	74,623	2,72,835	-	4,93,696	4,29,541	5,04,355
Computers	63.16%	43,04,283	32,29,593	-	75,33,876	27,49,811	9,81,805	10,10,756	19,92,561	-	47,42,371	27,91,505	15,54,472
Total		**74,47,549**	**42,69,621**	**-**	**1,17,17,170**	**44,68,573**	**14,72,711**	**12,79,408**	**27,52,119**	**-**	**72,20,692**	**44,96,478**	**29,78,976**
Note 2 : Capital Work in Progress													
Capital Work in Progress		2,33,263	2,47,913	4,81,176	-	-	-	-	-	-	-	-	2,33,263
Total		**2,33,263**	**2,47,913**	**4,81,176**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,33,263**
Note 3: Right to use													
Right to use Assets		95,41,155	30,35,822	-	1,25,76,977	35,17,510	33,12,039	-	33,12,039	-	68,29,548	57,47,429	60,23,645
Total		**95,41,155**	**30,35,822**	**-**	**1,25,76,977**	**35,17,510**	**33,12,039**	**-**	**33,12,039**	**-**	**68,29,548**	**57,47,429**	**60,23,645**
Note 4: Other intangible Assets													
Intangible Assets	25.95%	41,85,970	60,19,766	-	1,02,05,736	1,48,958	10,47,605	7,62,709	18,10,314	-	19,59,272	82,46,464	40,37,012
Total		**41,85,970**	**60,19,766**	**-**	**1,02,05,736**	**1,48,958**	**10,47,605**	**7,62,709**	**18,10,314**	**-**	**19,59,272**	**82,46,464**	**40,37,012**
Note 5: Intangible Assets under Development													
Intangible Assets under Development*		78,31,455	2,67,34,019	6,47,500	3,39,17,974	-	-	-	-	-	-	3,39,17,974	78,31,455
* Refer Note 5(a) to 5(d) below													
Total		**78,31,455**	**2,67,34,019**	**6,47,500**	**3,39,17,974**	**-**	**-**	**-**	**-**	**-**	**-**	**3,39,17,974**	**78,31,455**
Total (a)+(b)+(c)		**2,92,39,392**	**4,03,07,141**	**11,28,676**	**6,84,17,857**	**81,35,041**	**58,32,354**	**20,42,117**	**78,74,471**	**-**	**1,60,09,512**	**5,24,08,345**	**2,11,04,351**

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
FRN: 007761S

for **and on behalf of the Board of Directors**

V. Sathyanarayanan
Partner
Membership No.: 027716
Date: 27th April 2022
Place: Bangalore
UDIN :21027716AAAAIG7415

Manu Saxena
Director
DIN: 08456330
Date: 27th April 2022
Place: Singapore

Harne Vinay Chandrakant
Director
DIN: 09012669
Date: 27th April 2022
Place: Bangalore

Notes forming part of the financial statements

Rupees

Intangible Assets Under Development

Note 5(a): Amount in Intangibles Under Development as of 31st March' 2022

Intangible Assets Under Development	Amount in Intangibles Under Developement for Period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress					
Project 1	82,91,515	36,90,564	-	-	1,19,82,079
Project 4	1,71,44,738	-	-	-	1,71,44,738
Project 5	47,91,157	-	-	-	47,91,157
Total	3,02,27,410	36,90,564	-	-	3,39,17,974

Note 5(b): Amount in Intangibles Under Development as of 31st March' 2021

Intangible Assets Under Development	Amount in Intangibles Under Developement for Period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress					
Project 1	36,90,564	-	-	-	36,90,564
Project 2	-	-	-	-	-
Project 3	-	-	-	-	-
Project 4	41,40,891	-	-	-	41,40,891
Total	78,31,455	-	-	-	78,31,455

Note 5(c): Expected amount in Intangibles existing as on 31st March' 2022 to be completed

Intangible Assets Under Development	To be Completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress					
Project 1	1,78,50,000	1,96,35,000	-	-	3,74,85,000
Project 4	1,75,00,000	-	-	-	1,75,00,000
Project 5	71,86,736	86,24,083	-	-	1,58,10,818
Total	4,25,36,736	2,82,59,083	-	-	7,07,95,818

Note 5(d): Expected amount in Intangibles existing as on 31st March' 2021 to be completed

Intangible Assets Under Development	To be Completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in Progress					
Project 1	82,91,515	1,78,50,000	1,96,35,000	-	4,57,76,515
Project 2	50,97,266	-	-	-	50,97,266
Project 3	6,47,500	-	-	-	6,47,500
Project 4	1,30,03,847	1,75,00,000	-	-	3,05,03,847
Project 5	47,91,157	71,86,736	86,24,083	-	2,06,01,975
Total	3,18,31,285	4,25,36,736	2,82,59,083	-	10,26,27,103

Notes forming part of the financial statements - *(continued)*

Rupees

		As at 31st March, 2022	As at 31st March, 2021
6	**Other Non Current Assets**		
	Prepaid rent expense (non-current)	47,089	65,198
	Other deposits	1,42,000	92,000
	Rental Deposits	9,94,792	11,13,531
	Total	**11,83,881**	**12,70,729**

		As at 31st March, 2022	As at 31st March, 2021
7	**Deferred Tax**		
	The balance comprises temporary differences attributable to:		
	Property, Plant & Equipment	(3,20,656)	33,506
	Employee benefits	71,28,206	6,83,951
	Trade receivables	5,19,234	97,62,064
	On carried forward loss	24,36,199	21,25,576
	OCI Adjustment	(2,34,647)	(1,70,696)
	Others	2,43,562	1,41,457
	Total deferred tax (liabilities) / assets	**97,71,898**	**1,25,75,857**

Movement in deferred tax liabilities / (assets)

Particulars	Property, Plant & Equipment	Employee benefits	Provision for doubtul debts	On carried forward loss	OCI Adjustment	Others	Total
At March 31st, 2020	**(2,55,543)**	**-**	**-**	**-**	**-**	**-**	**(2,55,543)**
(Charged)/credited:							
INDAS 116 initial adoption	-	-	-	-	-	-	-
- to statement of profit and loss	2,89,049	6,83,951	97,62,064	21,25,576		1,41,457	1,30,02,097
- to other comprehensive income	-	-	-	-	(1,70,696)	-	(1,70,696)
At March 31st, 2021	**33,506**	**6,83,951**	**97,62,064**	**21,25,576**	**(1,70,696)**	**1,41,457**	**1,25,75,857**
(Charged)/credited:							
INDAS 116 initial adoption							
- to statement of profit and loss	(3,54,162)	64,44,255	(92,42,830)	3,10,623	(63,951)	1,02,105	(28,03,960)
- to other comprehensive income	-	-	-	-	-	-	-
At March 31st, 2022	**(3,20,656)**	**71,28,206**	**5,19,234**	**24,36,199**	**(2,34,647)**	**2,43,562**	**97,71,898**

		As at 31st March, 2022	As at 31st March, 2021
8	**Inventories**		
	Valued at lower of Cost or Net realisable value		
	Finished Goods and Raw material*	4,91,99,435	75,70,903
	(* As valued and certified by the Management)		
	Total	**4,91,99,435**	**75,70,903**
9	**Trade Receivables**		
	Unsecured		
	Undisputed Trade receivables-considered good outstanding from Due date of payment		
	Less than 6 months	3,05,23,120	2,90,76,025
	6 months -1 year	10,38,317	1,43,63,619
	1-2 years	9,14,303	1,94,22,269
	2-3 years	11,38,735	-
	More than 3 years	10,035	-
	Provision for Bad and Doubful Debts	(20,63,073)	(4,65,67,728)
	Total	**3,15,61,438**	**1,62,94,185**
10	**Cash and Cash Equivalents**		
	Balance with Banks		
	-Current Account	1,75,47,191	3,08,36,730
	-Debit Balance in Bank OD	-	2,73,750
	-Fixed Deposit	-	-
	Cash in hand	-	73,831
	Total	**1,75,47,191**	**3,11,84,311**

		As at 31st March, 2022	As at 31st March, 2021
11	**Other Financial Assets**		
	Other Advances	12,05,620	45,000
	Total	**12,05,620**	**45,000**
12	**Other Current Assets**		
	Other Current Assets		
	Balance with Government Authority	60,50,168	99,29,791
	Prepaid Expense	17,36,719	5,56,872
	Prepaid rent expense (current)	53,978	43,297
	Advance tax	-	-
	Accrued Interest on FD	-	-
	Advance to Suppliers	16,61,740	-
		95,02,605	**1,05,29,960**
13	**Unbilled Dues**	25,02,960	-
	Total	**1,20,05,565**	**1,05,29,960**

Notes forming part of the financial statements - *(continued)*

Rupees

14 Share Capital

Particulars		As at 31st Mar , 2022		As at 31st March , 2021	
		No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
(a)	Authorised Share Capital	1,30,500	13,05,000	1,30,500	13,05,000
	1,30,500 Equity shares of Rs.10 /- each				
	Issued, subscribed and paid up capital	60,241	6,02,410	60,241	6,02,410
	60241 Equity Shares of Rs 10 /- fully paid up				
	Issued, subscribed and paid up capital				
	Total	60,241	6,02,410	60,241	6,02,410

(b)	Reconciliation of the Equity shares outstanding at the beginning and at the end of the reporting period				
	Particulars	As at 31st Mar , 2022		As at 31st March , 2021	
		No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
	Shares outstanding at the beginning of the year	60,241	6,02,410	60,241	6,02,410
	Shares Issued during the year				
	Shares bought back during the year			-	-
	Shares outstanding at the end of the year	60,241	6,02,410	60,241	6,02,410

(c)	Details of shareholders holding more than 5% shares in the company				
	Name of Shareholder	As at 31st Mar , 2022		As at 31st March , 2021	
		No. of Shares	Shareholding %	No. of Shares	Shareholding %
	TVS Motors Company Limited	60,241	100%	60,241	100%
	Total	60,241	100%	60,241	100%

(d) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares would be entitled to receive 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.

15 Statement of Changes in Equity for the year ended 31st Mar, 2022

All amounts in Indian Rupees, except stated otherwise

Particulars	**Amount**
A. Equity Share Capital:	
As at 31st March, 2020	6,02,410
Changes in equity share capital during the year	-
As at 31st March, 2021	6,02,410
Changes in equity share capital during the 4th Quarter	
As at 31st Mar, 2022	6,02,410

B. Other Equity:

Particulars	Fair Value through Other Comprehensive Income	Securities Premium Account	Retained Earnings	Total
Balance as at 31st March, 2020 (A)	**4,65,341**	**-**	**55,92,492**	**60,57,833**
Profit/(Loss) for the period	-	-	(3,53,46,475)	(3,53,46,475)
Capital Reserve	-	-	-	-
Securities Premium	-	-	-	-
Other Comprehensive Income/(Loss)	20,487	-	-	20,487
Total Comprehensive income for the period (B)	**20,487**	**-**	**(3,53,46,475)**	**(3,53,25,988)**
Balance as at 31st March , 2021 (C=A+B)	**4,85,828**	**-**	**(2,97,53,982)**	**(2,92,68,155)**
Profit/(Loss) for the period (Apr 21 - Mar 22)	-	-	59,04,803	59,04,803
Capital Reserve	-	-	-	-
Securities Premium	-	-	-	-
Other Comprehensive Income/(Loss)	6,97,601	-	-	6,97,601
Total Comprehensive income for the period (D)	6,97,601	-	59,04,803	66,02,404
Balance as at 31th Mar, 2022 (E=C+D)	**11,83,429**	**-**	**(2,38,49,179)**	**(2,26,65,750)**

Notes forming part of the financial statements - *(continued)*

Rupees

		As at 31st March, 2022	As at 31st March, 2021
16	**Lease Liabilities**		
	Lease	34,20,253	45,56,722
	Total	**34,20,253**	**45,56,722**
17	**Long Term borrowings**		
	Secured		
	Term loan	8,45,948	10,59,400
	(Secured by Hypothication of Stocks and Book Debts)		
	Unsecured		
	From Related Parties	-	-
	7% Redeemable Preference Shares	7,50,01,290	7,50,01,290
	Total	**7,58,47,238**	**7,60,60,690**
18	**Provisions**		
	Long Term Provisions		
	Other Long Term Provisions	-	-
	Provision for Employee Benefits	52,88,909	46,60,749
	Total	**52,88,909**	**46,60,749**
	Short Term Provisions		
	Provision for Employee Benefits	8,73,381	3,85,82
	Other Provisions	21,01,650	17,67,710
	Total	**29,75,031**	**21,53,539**
19	**Lease Liability (Current)**		
	Lease Liability (Current)	32,34,919	21,08,005
	Total	**32,34,919**	**21,08,005**
20	**Short Term Borrowings**		
	Bank Overdraft Account	1,12,85,076	-
	(Secured by Hypothication of Stocks and Book Debts)		
	Total	**1,12,85,076**	**-**
21	**Trade Payables***		
	Undisputed		
	Total outstanding dues of micro enterprises and small enterprises; and	55,98,724	24,20,812
	Total outstanding dues of creditors other than micro enterprises and small enterprises	3,23,29,216	96,81,718
	(Refer note 34(a) & 34(b))		
	Total	**3,79,27,940**	**1,21,02,530**
22	**Other Financial Liabilities**		
	Statutory Liabilities	31,03,545	11,89,185
	Salary Payable	1,54,67,278	2,06,34,298
	Employee Bonus Payables	2,12,27,884	8,31,822
	Other Payables	83,47,326	22,36,077
	Total	**4,81,46,033**	**2,48,91,382**
23	**Other Current Liabilities**		
	Advances from Customers	88,21,314	27,07,425
	Total	**88,21,314**	**27,07,425**

		As at 31st March, 2022	As at 31st March, 2021
24	**Revenue from Operations**		
	Revenue from Sale of Products		
	a. Stock in trade	9,62,19,754	1,12,54,213
	Revenue from Sale of Services		
	a. Subscription, Software and AMC Services	8,60,15,548	5,55,85,368
	Less: Trade Discount	(1,16,35,100)	-
	Total	**17,06,00,202**	**6,68,39,581**
25	**Other Incomes**		
	a. Financial assets mandatorily measured at fair value through profit or loss	60,470	14,807
	b.Interest on IT Refund	7,15,970	82,941
	c. Other non-operating income	4,46,19,214	1,19,04,321
	Total	**4,53,95,654**	**1,20,02,069**
26	**Cost of Traded Goods**		
	Stock in Trade		
	Opening Stock	75,70,903	94,23,718
	Add: Purchases during the year		
	Other Items Purchase	12,43,99,113	69,23,663
	Less: Closing Stock of Stock in Trade	4,91,99,435	75,70,903
	Total	**8,27,70,581**	**87,76,478**
27	**Employee Benefits Expenses**		
	Salaries, Wages and Bonus	6,87,75,122	4,33,52,767
	Contribution to provident funds and other funds	23,01,571	21,36,813
	Gratuity	20,47,960	18,49,841
	Staff Welfare Expenses	29,39,927	2,73,794
	Total	**7,60,64,580**	**4,76,13,215**
	*Refer Note-31: Employee benefit obligations		
28	**Finance Cost**		
	Interest and finance charges on financial liabilities carried at amortised cost		
	a. Interest on Bank Borrowings	9,27,878	9,01,233
	b. Interest expense on lease liability	6,80,945	4,19,691
	c. Interest on Redeemable Preference Share	52,50,090	11,93,856
	d. Other borrowing Costs	2,79,700	87,802
	Total	**71,38,613**	**26,02,582**
29	**Depreciation and Amortisation Expenses**		
	a. Depreciation on plant, property and equipment	27,52,119	10,51,560
	b. Amortisation on right-to-use asset	33,12,039	18,36,179
	c. Amortisation on Intangible assets	18,10,313	1,14,667
	Total	**78,74,471**	**30,02,406**
30	**Other Expenses**		
	a. Audit Fees	2,00,000	2,00,000
	b. Cost of Services Rendered	2,13,16,792	1,92,77,006
	c. Other Administrative Expenses	42,68,707	19,19,448
	e. Amortisation of prepaid rent expense	61,637	11,492
	g. Doubtful Debts	54,079	3,75,46,399
	h. Power & Fuel	23,14,513	8,89,073
	i. Consultancy Charges	18,73,845	46,42,250
	j. Rates and Taxes	5,00,947	1,99,311
	k. Marketing & Business Promotion Expenses	67,547	1,12,489
	l. Repairs & Maintenance	6,80,801	3,42,625
	m. Travelling Expenses & Allowances	10,32,388	55,446
	n. Interest Expenses on MSME Payables	1,52,170	-
	Total	**3,25,23,426**	**6,51,95,539**

Notes forming part of the financial statements - *(continued)*

Rupees

31 Employee Benefit Obligationsw

Amount recognised in the Balance sheet and the movements in the net defined benefit obligation are as follows:

	Gratuity		
	Present value of obligation	**Fair value of plan assets**	**Net amount**
March 31, 2020	**33,87,920**	**-**	**33,87,920**
Current service cost	15,76,737		15,76,737
Interest expense/(income)	2,73,104		2,73,104
Total amount recognised in statement of profit and loss	**18,49,841**	**-**	**18,49,841**
Remeasurements			
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	(19,513)		(19,513)
(Gain)/loss from change in Experience on DBO	-	-	-
Experience (gains)/losses	(1,71,670)	-	(1,71,670)
Total amount recognised in other comprehensive income	**(1,91,183)**	**-**	**(1,91,183)**
Employer contribution	-	-	-
Benefit payments	-	-	-
March 31st, 2021	**50,46,578**	**-**	**50,46,578**
Current service cost	16,70,225		16,70,225
Interest expense/(income)	3,77,735		3,77,735
Total amount recognised in statement of profit and loss	**20,47,960**	**-**	**20,47,960**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-
(Gain)/loss from change in demographic assumptions	(3,26,286)		(3,26,286)
(Gain)/loss from change in financial assumptions	24,939		24,939
(Gain)/loss from change in Experience on DBO	(6,30,901)		(6,30,901)
Experience (gains)/losses			-
Total amount recognised in other comprehensive income	**(9,32,248)**	**-**	**(9,32,248)**
Employer contribution	-		
Benefit payments	-		
March 31st, 2022	**61,62,290**	**-**	**61,62,290**

(i) Post-Employment benefits

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Details	**Gratuity**		
	31-Mar-22	**31-Mar-21**	**31-Mar-20**
Discount rate	6.64%	6.58%	6.64%
Attrition rate	15.00%	15.00%	15.00%
Salary growth rate	10.00%	10.00%	10.00%
Mortality rate	IALM* (2012-14)		

*IALM- Indian Assured Lives Mortality

Defined employee benefit obligations as on Balance Sheet date are:

Defined benefit obligations	**As at 31st Mar, 2022**			**As at 31st Mar, 2021**		
	Non-current	**Current**	**Total**	**Non-current**	**Current**	**Total**
Gratuity	52,88,909	8,73,381	61,62,290	46,60,749	3,85,829	50,46,578
Total employee benefit obligations	52,88,909	8,73,381	61,62,290	46,60,749	3,85,829	50,46,578

(i) Sensitivity analysis

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

Gratuity	**Change in assumption**		**Impact on defined benefit obligation**			
			Increase in assumption		**Decrease in assumption**	
	31-Mar-22	**31-Mar-21**	**31-Mar-22**	**31-Mar-21**	**31-Mar-22**	**31-Mar-21**
Discount rate	1.00%	1.00%	(2,52,595)	(3,06,473)	2,74,630	4,45,006
Salary growth rate	1.00%	1.00%	2,38,325	2,22,445	(1,99,955)	(2,16,033)
Attrition rate	1.00%	1.00%	(34,968)	(94,770)	35,144	93,355

Notes forming part of the financial statements - *(continued)*

Rupees

The above sensitivity analysis 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 when calculating the defined benefit liability recognised in the balance sheet. There is no change from the previous period in the methods and assumptions used in the preparation of above analysis, except that the base rates have changed

(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:

Interest rates risk : One actuarial assumption that has a material effect is the discount rate. This assumption depends on the yields on the corporate / government bonds as at the valuation date and hence the valuation of liability is exposed to fluctuations in the yields. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk: Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risks: This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the DBO depend upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short caring employees will be less compared to long service employees.

Liquidity risk: The Company may run out of cash as they follow 'pay as you go' system to meet the liabilities as and when they fall due. The company is only making book provisions for the entire gratuity liability on the valuation date. Therefore the scheme is fully unfunded, and no assets are maintained by the company and asset values are taken as zero. Employees with high salaries and long durations, or those higher in the hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.

Legislative risk: This is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

32 Fair Value Measurements

Financial instruments by category	As at 31st Mar, 2022			As at 31st Mar, 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets :						
Balance with Banks	-	-	1,75,47,191	-	-	3,11,84,311
Trade Receivables	-	-	3,15,61,438	-	-	1,62,94,185
Balance with credit card agencies	-	-	-	-	-	-
Employee advances	-	-	12,05,620	-	-	45,000
Total financial assets	**-**	**-**	**5,03,14,249**	**-**	**-**	**4,75,23,496**
Financial liabilities						
Lease liability - Non current	34,20,253	-	-	45,56,722	-	-
Borrowings - Non Current	-	-	7,58,47,238	-	-	7,60,60,690
Trade payables	-	-	3,79,27,940	-	-	1,21,02,530
Borrowings - Current	-	-	-	-	-	-
Lease liability - Current	32,34,919	-	-	21,08,005	-	-
Current Maturities of long term borrowings		-	-	-	-	-
Total financial liabilities	**66,55,172**	**-**	**11,37,75,178**	**66,64,727**	**-**	**8,81,63,220**

(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 March 31st, 2022	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at FVTPL:					
Total financial assets		**-**	**-**	**-**	**-**
Financial liabilities					
Financial liabilities at FVTPL:					
Lease liability	16 & 19	-	66,55,172	**-**	**66,55,172**
Total financial liabilities		**-**	**66,55,172**	**-**	**66,55,172**

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

At March 31st, 2022	Notes	Level 1	Level 2	Level 3	Total
Financial Liabilities					
Borrowings	17	-	-	7,58,47,238	7,58,47,238
Total financial liabilities		**-**	**-**	**7,58,47,238**	**7,58,47,238**

Notes forming part of the financial statements - *(continued)*

Rupees

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

At March 31st, 2021	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at FVTPL:					
Total financial assets		-	-	-	-
Financial liabilities					
Financial liabilities at FVTPL:					
Lease liability	16 & 19	-	2,94,48,104	-	2,94,48,104
Total financial liabilities		-	2,94,48,104	-	2,94,48,104

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

At March 31st, 2021	Notes	Level 1	Level 2	Level 3	Total
Financial Liabilities					
Borrowings	17	-	-	7,60,60,690	7,60,60,690
Total financial liabilities		**-**	**-**	**7,60,60,690**	**7,60,60,690**

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.

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

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.

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. Earnings growth factor of preference shares are based on cash flow projections 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 relevered financial data.

Fair value of financial assets and liabilities measured at amortised cost
The carrying amounts of trade receivables, trade payables, deposits, cash and cash equivalents, employee advances, claims receivables and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature and insignificant change in interest rate.

FVTPL - Fair value through statement of Profit and Loss; FVOCI - Fair value through Other Comprehensive Income

34 Trade payable

a) Trade payable as on 31st March'22

Particulars	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	46,87,824	9,10,901	-	-	55,98,725
(ii) Others	3,18,86,315	-	-	4,42,900	3,23,29,215
(iii) Disputed Dues MSME	-	-	-	-	-
(iv) Disputed Dues others	-	-	-	-	-
Total	**3,65,74,139**	**9,10,901**	**-**	**4,42,900**	**3,79,27,940**

b) Trade payable as on 31st March'21

Particulars	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) Others	1,00,93,890	14,67,186	5,41,454	-	1,21,02,530
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
Total	**1,00,93,890**	**14,67,186**	**5,41,454**	**-**	**1,21,02,530**

Notes forming part of the financial statements - *(continued)*

Rupees

Note 35: Financial ratios

Ratio	Formulae	FY 21-22	FY 20-21	Change in %	Reason
Current Ratio	Current Assets / Current Liabilities	0.99	1.49	-34%	Due to increase in Borrowings and Other financial liabilities
Debt-Equity ratio	Total Debt / Total Equity	0.23	0.02	902%	Ratios is calculated as per 2(57) of Companies act and Redemabale Preference shares are considered as part of total equity
Debt Service Coverage Ratio	EBITDA / (Interest + Principal)	0.26	-0.54	-148%	On account of positive EBITDA for the current year.
Return on Equity Ratio	Net Income / Shareholders Equity	10.96	-58.64	-119%	On account of net profit for the current year Vs Loss for the previous FY.
Inventory turnover ratio	Cost of Sales / (Opg Inv + Clg Inv)/2	2.92	1.03	182%	On account of low sales in last year I.e FY 21 due to pandemic leading to higher inventory built up as compared to sales in that year
Trade Receivables turnover ratio	Net credit sales / Average account receivable	7.13	1.82	292%	On account of collection of Old dues in current FY 22.
Trade payables turnover ratio	Net credit purchases / Average accounts payable	4.97	0.42	1088%	Better in current FY 21-22 as creditors got paid on a timely manner. However, in previous FY 20-21 payments were effected due to pandemic
Net capital turnover ratio	Net annual sales / Working capital	-195.85	5.73	-3518%	On account of Increase in turnover in current FY 21-22
Net Profit Ratio	Net profit / Revenue	0.03	-0.53	-107%	On account of higher profit and revenue in FY 21-22.
Return on Capital Employed	EBIT/Capital Employed Capital Employed = Total Assets - current liabilities	0.27	-0.81	-133%	On account of higher profit and revenue in FY 21-22.

36 Note on Financial risk management

(A) Credit risk (except Loans from financing activity

a) Expected credit loss for investments, loans and other financial assets

Particulars	Assets/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	Investments at amortised cost	-	-	-	-
	Other financial assets				
	Advances to Employees	12,05,620.00	0%	-	12,05,620.00

Particulars	0 to 180 days past due	More than 180 days past due	Total
Gross carrying amount	3,05,23,120.44	31,01,390.56	3,36,24,511.00
Expected loss rate	-	67%	6%
Expected credit losses	-	20,63,073.00	20,63,073.00
Carrying amount of trade receivables	**3,05,23,120.44**	**10,38,317.56**	**3,15,61,438.00**

(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 31-03-2022	As at 31-03-2021
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	2,87,14,923.62	-
- Expiring beyond one year (bank loans)	-	-

(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.

Notes forming part of the financial statements - *(continued)*

Rupees

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	83,072.00	84,797.00	1,74,913.00	5,03,166.00	-	8,45,948.00
Lease Liabilities	8,66,700.00	8,66,700.00	15,01,518.83	34,20,253.00	-	66,55,171.83
Trade payables	3,46,03,675.72	19,34,638.21	35,825.00	13,53,801.00	-	3,79,27,939.93
Other financial liabilities	4,17,02,086.58	-	-	-	-	4,17,02,086.58
Derivatives	-	-	-	-	-	-

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) Interest Rate risk

	As at 31st March, 2022	As at 31st March, 2021
Variable rate borrowings	8.30%	-
Fixed rate borrowings	8.25%	8.25%

for **Raghavan, Chaudhuri & Narayanan**
Chartered Accountants
FRN: 007761S

for **and on behalf of the Board of Directors**

V. Sathyanarayanan
Partner
Membership No.: 027716
Date: 27th April 2022
Place: Bangalore
UDIN :21027716AAAAIG7415

Manu Saxena
Director
DIN: 08456330
Date: 27th April 2022
Place: Singapore

Harne Vinay Chandrakant
Director
DIN: 09012669
Date: 27th April 2022
Place: Bangalore

Directors' Report to the Shareholders

The directors are pleased to present the First annual report and the audited financial statements for the year ended 31st March 2022.

Financial Highlights

The Company is incorporated on 13th December 2021 as a wholly-owned subsidiary of TVS Motor Company Limited to undertake Electric Mobility business.

The Company is yet to commence business.

Preparation of financial statements under Indian Accounting Standards

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

In terms of Rule 4(1)(ii) of the aforesaid rules, the holding, subsidiary, joint venture and associate companies are required to comply with Ind AS from financial year 2016-17 onwards. Accordingly, the financial statements of the Company for the period ended 31st March 2022 have been prepared in compliance with the said rules.

Dividend

The Directors of the Company do not recommend any dividend for the period ended 31st March 2022.

Internal control systems

The Company has adequate internal control systems to ensure operational efficiency, accuracy and promptness in financial report and compliance of applicable laws and regulations, to the extent required and commensurate with its size and activities.

Risk management

The Company has in place a mechanism to identify, assess, monitor and minimize various risks to key business objectives. Major risks identified would be systematically addressed through mitigating actions on a continuous basis.

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 -

i. in the preparation of the annual accounts for the financial year ended 31st March 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

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 profit/ 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 the Act 2013 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 ended31st March 2022 on a "going concern basis"; and

v. 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.

Changes in the Board of Directors

During the period under review, Prof. Sir Ralf Dieter Speth was appointed as Additional Director to hold office till the conclusion of the first Annual General Meeting. His appointment as a director is subject to the approval of the shareholders, liable to retire by rotation.

Mr Kuok Meng Xiong was appointed as an Additional Director – Independent Director in the Board Meeting held on 17th December 2021 till the ensuing Annual General Meeting, and appointment as Independent Director for a period of five consecutive years effective 17th December 2021 is subject to the approval of the shareholders, not liable to retire by rotation.

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

Mr R Raja Prakash, Director has resigned from the Directorship on 17th December 2021.

As on 31st March 2022, Mr Venu Srinivasan, Mr Sudarshan Venu, Prof. Sir Ralf Dieter Speth and Mr Kuok Meng Xiong are the Directors of the Company.

Board Meetings

During the period under review, the Board met 2 times on 17th December 2021 and 14th March 2022. The gap between two meetings did not exceed one hundred and twenty days.

Statutory Auditors

The Company, in terms of Section 139(1) of the Companies Act, 2013 (the Act, 2013) is required to appoint a statutory auditor for a term of five consecutive years i.e., till the conclusion of sixth annual general meeting a by way of passing of an ordinary resolution.

In that regard, the Board has proposed the appointment of M/s V. Sankar Aiyar & Co., Chartered Accountants, having Firm Registration No. 109208W allotted by The Institute of Chartered Accountants of India, as the Statutory Auditors for the approval of Members at the ensuing AGM.

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 for being statutory auditors of the Company for the year 2022-23.

The Auditors' Report for the financial year 2021-22 does not contain any qualification, reservation or adverse remark and the same is attached as part of the annual financial statements.

Disclosures

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.

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.

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 period ended 31st March 2022 and hence the question of furnishing any details relating to deposits covered under Chapter V of the Act 2013 does not arise.

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 2021-22, the Company has not extended any guarantee or has given loans to other companies or made any investment during the year under review.

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo etc.,

The information do not apply to the Company, as the Company is not a manufacturing Company. During the period under review, there were no foreign exchange earnings or expenditure in the Company.

Related Party Transactions

All contracts / arrangements entered by the Company during the period ended 31st March 2022 with related parties were in the ordinary course of business and at arm's length price in terms of section 188 read with the Companies (Meetings of board and its powers) Rules, 2014.

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

Related Party disclosures as per the Indian Accounting Standards have been provided in Notes to the financial statements.

Maintenance of cost records

Pursuant to Section 148(1) of the Companies Act, 2013 cost records are required to be maintained by specified class of Companies whose turnover exceeds 35 Crores during the immediately preceding financial year.

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

Reporting of fraud

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

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

The Company was not required to constitute an Internal Complaints Committee as required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 since there are no employees in the Company.

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

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.

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 : 05th May 2022

VENU SRINIVASAN
Chairman
DIN: 00051523

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2022

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 31st March 2022, 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 thefinancial 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, 2022, 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 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

a. The Company 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 --), 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 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.

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

In our opinion and according to the information and explanations given to us, the Company has not paid remuneration to its directors during the current year and hence, applicability of the provisions of 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	22023116AKBOWE3216

S. VENKATARAMAN
Partner
Membership No. 023116

Place : Chennai
Date : 05th May, 2022

Annexure A to Independent Auditor's Report - 31 March 2022

(Referred to in our report of even date)

The Company was incorporated on 13th December 2021 and has not commenced its operation as on 31 March 2022. 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 requirement under these clauses does 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 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) The Company has incurred cash losses of Rs.10,000/- in the current year. The Company has been registered for a period of less than one year i.e., incorporated on 13th December 2021 and hence, reporting on immediately preceding financial year does not arise.

(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.

UDIN	22023116AKBOWE3216

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

S. VENKATARAMAN
Partner
Membership No. 023116

Place : Chennai
Date : 05th May, 2022

Annexure "B" to Independent Auditors' Report 31st March 2022

(Referred to in our report of even date)

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

1. We have audited the internal financial controls over financial reporting of TVS Electric Mobility Limited ("the Company") as of March 31, 2022 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, 2022, 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 Regd. No.109208W

UDIN	22023116AKBOWE3216

S. VENKATARAMAN
Partner
Membership No. 023116

Place : Chennai
Date : 05th May, 2022

Balance Sheet as at 31st March 2022

(in Rs.)

Particulars	Note No	As at 31st March 2022
ASSETS		
Current Assets		
Financial Assets		
Cash and Cash Equivalents	1	1,00,00,000
TOTAL ASSETS		**1,00,00,000**
EQUITY AND LIABILITIES		
Equity		
Equity Share Capital	2	1,00,00,000
Other Equity	3	(10,000)
TOTAL EQUITY		**99,90,000**
LIABILITIES		
Current Liabilities		
Financial Liabilities		
Trade Payables		
a. Total outstanding dues of micro and small enterprises		-
b. Total outstanding dues of other than (a) above	4	10,000
TOTAL LIABILITIES		**10,000**
TOTAL EQUITY AND LIABILITIES		**1,00,00,000**
Significant Accounting Policies forming part of financial statements	1	

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

S.VENKATARAMAN
Partner
Membership No.: 023116

Chennai
Dated: 05th May, 2022

For and on behalf of the Board of Directors

VENU SRINIVASAN
Chairman

Statement of Profit and Loss for the period ended 31st March 2022

(In Rs.)

Particulars	Note No	For the period 13th Dec 2021 to 31st Mar 2022
REVENUE		
Revenue from operations		-
TOTAL INCOME		-
EXPENSES		
Other expenses	6	10,000
TOTAL EXPENSE		10,000
Loss before tax		**(10,000)**
Tax expense		-
Loss after tax for the year		**(10,000)**
Other Comprehensive Income		-
Total Comprehensive Income		**(10,000)**
Earning per equity share:		
Basic & Diluted earnings per share	7	(0.00)

See the accompanying notes to the financial statements

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

For and on behalf of the Board of Directors

S.VENKATARAMAN
Partner
Membership No.: 023116

VENU SRINIVASAN
Chairman

Chennai
Dated: 05th May, 2022

Cash Flow Statement

(In Rs.)

		As at 31st March 2022
A.	**Cash Flow from Operating Activities**	
	Loss Before Tax	(10,000)
B.	Operating loss before Working Capital Changes	(10,000)
C.	Adjustments for changes in Working Capital	
	Trade payables	10,000
D.	Cash generated from Operations (B+C)	-
E.	**Net Cash from Operating Activities**	-
F.	**Net Cash from Investing Activities**	-
G.	**Net Cash Flow from Financing Activities**	
	Proceeds from Issue of Equity Shares	10,000,000
	Net Cash from Financing Activities	10,000,000
H.	**Net change in Cash and Cash Equivalents (E+F)**	**10,000,000**
I.	Cash and Cash Equivalents as at End	1,00,00,000
J.	Less: Cash and Cash Equivalents as at Beginning	-
	NET CHANGE IN CASH & CASH EQUIVALENTS (H-I)	**10,000,000**

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

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

S.VENKATARAMAN
Partner
Membership No.: 023116

Chennai
Dated: 05th May, 2022

For and on behalf of the Board of Directors

VENU SRINIVASAN
Chairman

Statement of Changes in Equity

A Equity Share Capital

	Rs. In Crores
As at 31-03-2021	-
Changes in equity share capital due to prior period errors	-
	-
Change in equity share capital during the year	10,000,000
As at 31-03-2022	10,000,000

B Other equity

Particulars	Retained earnings	Other reserves	Total
Balance as at 01-04-2021	**-**	**-**	**-**
Add : Profit for the year 2021-22	(10,000)	-	(10,000)
Add : Other comprehensive income for the year 2021-22	-	-	-
Balance as at 31-03-2022	**(10,000)**	**-**	**(10,000)**

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

S.VENKATARAMAN
Partner
Membership No.: 023116

Chennai
Dated: 05th May, 2022

For and on behalf of the Board of Directors

VENU SRINIVASAN
Chairman

1. SIGNIFICANT ACCOUNTING POLICIES

a) Brief description of the Company

TVS Electric Mobility Limited ('the Company') is a public limited company incorporated on 13th 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 financials statements have been approved for issue by the Board of Directors at its meeting held on 5th May 2022.

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

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 singing 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.

Notes to Balance Sheet

		Amount as at 31 March 2022
2	**CASH AND CASH EQUIVALENTS**	
	Balances with banks	10,000,000
	Total	10,000,000

3 EQUITY SHARE CAPITAL

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

Particulars	As at 31-03-2022	
	Number	Rupees in crores
Authorised:		
Equity shares of Re.1/- each	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

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

Particulars	As at 31-03-2022	
	Number	Rupees in crores
Shares outstanding at the beginning of the year	10,000,000	1.00
Shares issued during the year	-	-
Shares outstanding at the end of the year	10,000,000	1.00

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

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

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

(d) Shares held by Holding Company at the end of the year

Name of shareholder	As at 31-03-2022	
	No. of shares held	% of holding
TVS Motor Company Limited (Holding Company)	10,000,000	100.00

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

Name of shareholder	As at 31-03-2022	
	No. of shares held	% of holding
Nil		

Notes to the Financial Statements - *(Continued)*

(In Rs.)

(f) Shares held by promoters at the end of the year 31.03.2022

Promoter name	As at 31-03-2022	
	No. of shares held	% of holding
TVS Motor Company Limited (Holding Company)	10,000,000	100.00

4 **OTHER EQUITY**

Particulars	As at 31-03-2022
Retained earnings	(10,000)
Other Reserves	-
	(10,000)

5 **TRADE PAYABLES**

Dues to Micro and Small Enterprises **	-
Dues to enterprises other than Micro and Small Enterprises	10,000
	10,000

** There are no transactions with Micro Small and Medium enterprises during the year

Notes to Statement of Profit & Loss

	For the period 13st December 2021 to 31st March 2022
6. Other Expenses	
Payment to statutory auditors	10,000
Total Other Expenses	10,000
7. Earnings per share (Basic and Diluted)	
Earnings attributable to equity share holders	(10,000)
Number of Shares	10,000,000
Earnings per Share	(0.00)

8 Fair Value Measurements

Particulars	As at 31-03-2022		
	FVTPL$	FVOCI *	Amortised cost
Financial assets			
Cash and cash equivalents	-	-	10,000,000
	-	-	-
	-	-	10,000,000
Financial liabilities			
Trade payables	-	-	10,000
	-		
	-	-	10,000

* FVOCI - Fair Valued Through Other Comprehensive Income $ FVTPL- Fair Value Through Profit or Loss

9 The Company was incorporated on 13th December 2021. This is the first period of operation and the Financial Statements are not prepared for more than twelve months (from 13th December 2021 to 31st March 2022) and furnishing previous year comparitive figures does not arise.

10 Financial Risk Management - The company is yet to commence the activity. Note relating to market risk, liquidity risk and credit risk along with mitigation parameters will be given on the commencement of operations.

11 Capital Management - Detailed note will be provided on commencement of operations

12 Key financial ratios - Not applicable for the current reporting period

13 Employee obligations - The company is yet to commence the obligations. Detailed note will be provided on commencement of operations

14 Related party disclosures

(i) Related parties and their relationship where control exists :

Holding company - TVS Motor Company Limited

Ultimate holding company - TVS Holdings Private Limited

(ii) Key Management Personnel:

Mr. Venu Srinivasan , Director

Mr. Sudarshan Venu, Director

Prof. Sir Ralf Dieter Speth, Director

(iii) Transactions with related parties:

Infusion of share capital - TVS Motor Company Limited - Rs. 1,00,00,000

15 Disclosure under Micro, Small and Medium Enterprises Development Act,2006 - Not applicable

16 Payment to Auditors:

For Statutory audit, taxation and certification matters - Rs. 10,000

17 Contingent liabilities, Contingent assets and other commitments - Not applicable

The Directors have the pleasure in presenting the Fourteenth Annual Report and the audited accounts of the Company for the year ended on 31st March, 2022.

1. BUSINESS AND FINANCIAL PERFORMANCE

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

₹ in Crore

Particulars	Year ended	
	31st March, 2022	31st March, 2021
Revenue from Operations	2,746.45	2,237.82
Other Income	8.97	3.11
Total	**2,755.42**	**2,240.93**
Finance Costs	782.13	729.44
Fees & Commission, Employee Benefit, Administrative & Other Operating Expenses	1,243.81	919.38
Impairment of Financial Instruments	554.15	466.79
Depreciation and Amortisation Expenses	19.12	19.92
Total Expenses	**2,599.21**	**2,135.53**
Profit / (Loss) before Tax & Exceptional Item	**156.21**	**105.40**
Less : Exceptional item	5.00	-
Profit / (Loss) before tax	**151.21**	**105.40**
Less: Tax expense		
- Current Tax	64.84	46.52
- Deferred Tax	(34.36)	(38.10)
Profit / (Loss) after tax	**120.73**	**96.98**
Other Comprehensive Income	29.21	(5.28)
Total Comprehensive Income	**149.94**	**91.70**
Balance brought forward from Previous Year	508.98	436.68
Transfer to Statutory Reserve	(24.15)	(19.40)
Surplus / (Deficit) carried to Balance Sheet	**634.77**	**508.98**

Company's Performance

The Company ended the year with assets under management (AUM) of ₹13,911 Cr as against ₹11,202 Cr during the previous year, registering a growth of 24%. AUM of the Company is adequately diversified, with Two-Wheeler Loans, Used Car Loans, Tractor Loans, Used Commercial Vehicle Loans, Business Loans, Consumer Durable Loans and Personal Loans constituting 31%, 10%, 27%, 10%, 3%, 10% and 9% of the total loans as of March 2022 respectively. The Company has registered a growth of 45% in disbursements with disbursals of ₹12,533 Cr as against ₹8,627 Cr during the previous year.

Total income during the financial year 2021-22 increased to ₹2,755 Cr from ₹2,241 Cr, an increase of 23% over the previous year. The profit before tax and before exceptional items for the year stood at ₹156 Cr as against ₹105 Cr during the previous year, an expansion of 48%.

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

Key Product-Wise Performance during the Financial Year

The Company disbursed ₹3,365 Cr of Two-Wheeler Loans as against ₹2,901 Cr in the previous year, registering a growth of 16%. The Company continues to be the leading financier for TVS Motor Company Ltd, the holding Company.

The Company expanded its Used Car Loans business in southern states and disbursed ₹826 Cr as against ₹366 Cr in the previous year, registering a growth of 126%.

The Company disbursed ₹2,344 Cr in the Tractor Loans segment, which consists of both New and Used Tractor Loans, as against ₹1,958 Cr in the previous year, registering a growth of 20%.

The Company scaled up its Used Commercial Vehicle Loans business and disbursed ₹980 Cr during the current year as against ₹623 Cr in the previous year, registering a growth of 57%.

The Company also scaled up its Business Loans segment and disbursed ₹1,662 Cr during the current year as against ₹898 Cr in the previous year, registering a growth of 85%.

In Consumer Durable Loans, the Company disbursed ₹2,556 Cr to 12.38 lakh customers as against ₹1,338 Cr to 6.7 lakh customers in the previous year, registering a growth of 91% with customer base expanding by 85%.

The Company also did Cross Selling to its existing customers to the tune of ₹801 Cr as against ₹536 Cr during the previous year, registering a growth of 49%.

2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The year was marked by the severe second wave of the pandemic, supply chain disruptions and the onset of a super cycle of commodity price increases. The last quarter also witnessed the outbreak of geopolitical unrest and strife, which though localised to some extent, affected the entire globe.

However, 2021-22 will be remembered for the unparalleled resilience of human spirit across the world, even more so in the Indian populace, the Indian economy, industry, and the Company. In response to the pandemic 11.4 billion and 1.86 billion doses of vaccine were delivered globally and in India, respectively.

Robust Growth of Indian economy in Fiscal 2022 as Activities Return to pre-COVID Levels

The Indian economy bounced back after the COVID-induced shock in fiscal 2021. It withstood the second wave of the COVID pandemic that hit India in April-June 2021 and the third wave in January 2022 as vaccination levels increased and the people and the Government learned to adapt their responses through experiences gained during the first wave. Increased vaccination coverage, reduction in mortality rates and ease of restrictions gave a fillip to private consumption and supported recovery of aggregate demand. The recovery was also supported by increased spending by the Government, strong pick up in export demand, and the RBI continuing to support the incipient recovery by maintaining a low interest rate regime. The Indian economy regained its tag of being one of the fastest growing economies in the world.

As per the second advance of the National Statistical Office, the economy was estimated to have grown by 8.9% during fiscal 2022. Real GDP growth returned to pre-pandemic levels, though capacity utilisation and consumer confidence are yet to reach pre-pandemic levels, signalling further growth potential.

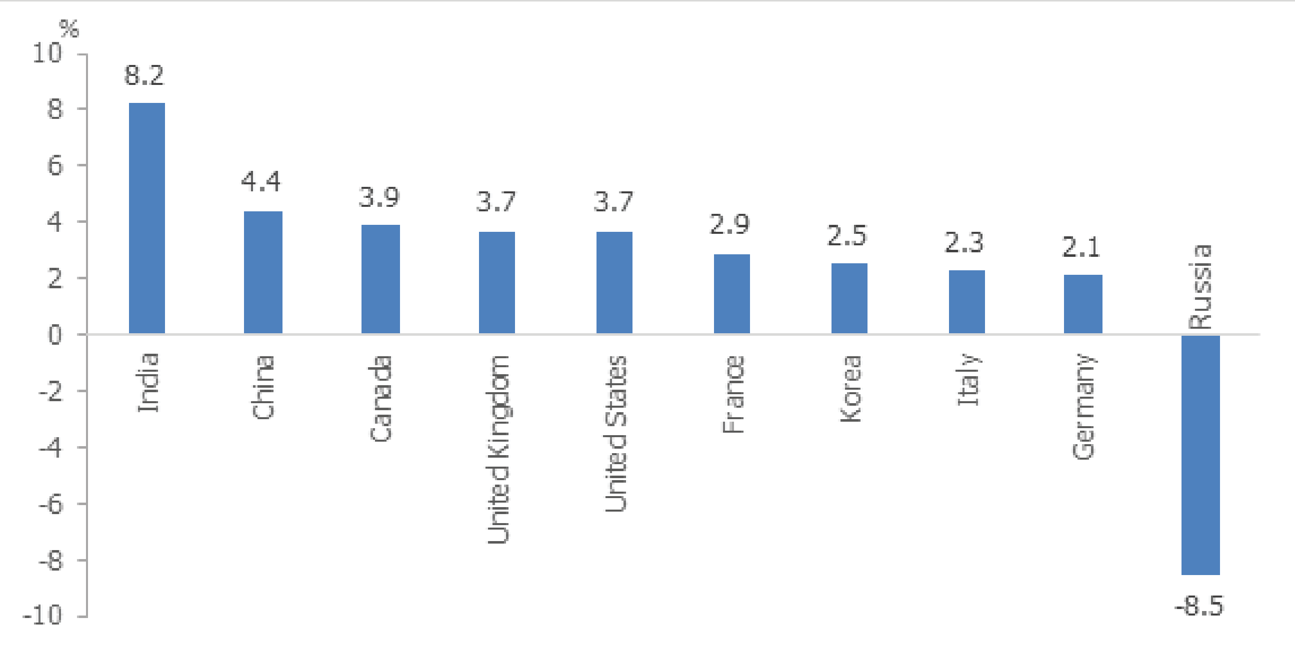
Economic Growth to continue to remain Robust in Fiscal 2023

As we step into fiscal 2023, the Company remains sanguine about the prospects for its business. The RBI, in its April 2022 monetary policy announcement, has projected GDP growth for fiscal 2023 at 7.2%. Further, 19 of the 22 high frequency indicators including railway freight, e-way bill volumes and coal production have returned to pre-pandemic levels and point towards a strong continuing recovery in the broader economy. This gathering momentum is expected to drive the remaining 3 indicators (automotive sales, steel consumption and air passenger traffic) also to positive territory. Growth in fiscal 2023 is expected to be holistic, supported by following factors:

- Strong rural demand supported by favorable rabi output and increase in crop prices.
- A pickup in urban consumption demand due to increasing vaccination coverage, ease of restrictions and an increase in contact-intensive services that bore the brunt of the pandemic.
- Improving consumer sentiment as also indicated by RBI's Consumer Confidence survey (April 2022) and a return to pre-pandemic levels.
- Normal monsoon as per the initial forecast of the India Meteorological Department.
- Uptick in CapEX spends by the Central and State Governments as also private corporates.

The focus of the Union Budget for fiscal 2023 on increasing Capital Expenditure (CapEx) despite walking a fiscal tightrope is extremely heartening as it creates a platform for higher growth. The Government's thrust on CapEx coupled with initiatives such as the Production Linked Incentive (PLI) Scheme is expected to give a push for improvement in investment activity. The lift in the consumption cycle is tied to broad based pick-up in economic activity, which the Indian Government is trying to engineer through focus on investments. This is expected to enhance the growth potential of the Indian economy and, it is hoped, will bring endurance to growth in the medium term. The International Monetary Fund (IMF) projects India to remain the fastest growing major economy in the world in calendar year 2022.

GDP Growth (constant prices) for major global economies (CY 2022)



Source: IMF, CRISIL Research

Longer term, the Indian economy is expected to increase by ~2.5x to $6.5 trillion by 2030 with a real GDP growth rate in the range of 6-6.5%. Per capita income and vehicle ownership is expected to double by 2030 led by formalisation, digitisation and urbanisation.

The two greatest risks for the economy at this stage stems from inflationary pressures and supply side concerns. The super cycle of commodity prices that began in fiscal 2022 was further fueled due to the war between Russia and Ukraine. It led to a significant spike in oil and commodity prices, thereby further exerting significant upward pressure on inflation. Taking cognisance of the spike in prices, the Government pro-actively increased subsidy on fertilizers in-order to absorb shocks on farm input prices due to rise in commodity prices. Supply chain challenges and increasing logistics costs due to the war and COVID-19 induced lockdowns in China are key areas of concern and will need to be monitored carefully.

Rural India Remained Resilient in Fiscal 2022; Structural Foundation Becoming Stronger

Rural demand remained strong in fiscal 2022 due to continued resilience from the agricultural sector and allied activities and rise in farm-based employment. Agriculture sector was least affected by the second wave of the pandemic. As per the second advance estimates of GVA at basic prices by economic activities (at current prices) provided by the National Statistical Office (NSO), agriculture sector witnessed growth of 9.8% in fiscal 2022 as agricultural activities continued unhindered with support from normal monsoons, reduced spread of COVID-19 due to lower population density in the rural areas, increased financial support by Government through Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) and PM-Kisan Scheme, and other Government policies that led to timely supply of seeds and fertilizers during disruptions caused by the pandemic.

The structural foundation of the rural economy has become stronger due to increased spends under MNREGA and irrigation programmes, Direct Benefit Transfer (DBT) to the bank accounts of the targeted population, the PM-Kisan Scheme, PM Ujwala Yojana for cooking gas, PM Awas Yojana for housing, and Ayushman Bharat Scheme for healthcare. To supplement this, there has been a continuous improvement in rural infrastructure such as electricity and roads. Due to the Government initiatives, higher incomes in the hands of the rural populace have resulted in enhancing their ability and willingness to spend on discretionary products and services.

The RBI has also increased its thrust on digital payments in the rural economy by undertaking a number of steps such as giving a fillip to offline digital payments, enabling digital payments through feature phones, setting up of Payment Infrastructure Development Fund (PIDF) to enhance setting up of supporting infrastructure, and enhancing the functionality of e-wallets to bring them almost on par with bank accounts.

These structural changes will create more growth opportunities for the Company as it strives to expand its presence deeper into the semi-urban and rural areas.

Rising Middle India Population to Propel Economic Growth

Proportion of Middle India (defined as households with annual income of between ₹0.2 to 1 million) has been on a rise over the last decade and is expected to grow further with continuous increase in the GDP and household incomes, improvement in the literacy levels, increasing access to information and awareness and increase in the availability of necessities.

As per CRISIL Research estimates, there were 41 million households in India in this category as of fiscal 2012, and by fiscal 2022, this number touched 103 million. By fiscal 2030, the number of Middle India households is projected to increase to 181 million households. This growth in the number of middle-income households is expected to lead to enhanced opportunities for the Company, given that the Company's products are closely linked to consumption demand.

A large number of the households, which have entered the Middle-Income bracket in the last few years, are likely to be from semi-urban and rural areas, which are the key focus areas for the Company. Other indicators such as bank deposits, proportion of sales of e-retailers coming from small cities and towns, smartphone ownership, internet users and the proportion of users accessing social media portend a similar trend.

NBFCs Showed Strong Recovery in Credit in Fiscal 2022

Over the past decade, NBFCs have witnessed exceptional credit growth. The NBFCs suffered a blow after the IL&FS default in September 2018, which heightened risk perceptions amongst lenders. The outbreak of COVID-19 pandemic intensified challenges further as several NBFCs slowed down the loan book growth. But in the second half of fiscal 2021, the Indian economy showed signs of improvement, the effect of which was seen in the credit growth.

In fiscal 2022, the second wave of the COVID-19 pandemic led to weak demand for credit in the first quarter of the year. However, the pace of credit recovered afterwards. At the end of fiscal 2022, NBFC's retail credit is estimated to have grown by ~8.5% on-year. The pace of growth is expected to strengthen further in fiscal 2023 with economic growth expected to remain strong.

More importantly, many NBFCs have taken advantage of the pandemic to rethink their business strategies and enhance their structural resilience to both capitalise on growth opportunities and control risks. Increasingly, the focus is on enhancing digitalisation across the value chain, leveraging Big Data and analytics in business applications, partnerships and alliances with FinTechs and aggregators, and upping the ante on collections. Certain NBFCs have also enhanced focus on co-lending partnerships with banks. The pandemic put NBFCs to the test, but the sector has emerged stronger as a result of decent balance sheet expansion, raising additional capital, enhanced focus on collections and expanding liquidity buffers.

Large NBFCs with Strong Parentage and Access to Funding are Likely to Outperform

Nevertheless, the challenges being faced by NBFCs over the last 3-4 years are expected to hasten the pace of consolidation. Large players with a better credit profile, strong parentage and access to funding are likely to outperform the industry and grow at a much higher pace. The industry will, however, continue to witness the emergence of newer equity-funded NBFCs catering to specific customer segments. The COVID-19 pandemic and consequent acceleration in both adoption of technology and change in consumer habits is also increasing availability of data for credit decision-making and it also has made it possible to build an NBFC lending business without investing large sums in having a brick-and-mortar presence on the ground.

The Company, given its strong parentage and access to funding, views the changes in the NBFC business landscape, as an opportunity to cultivate a stronger presence in focus areas through strategic interventions and partnerships with other firms.

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

Company's Disbursements Grew at a Healthy Pace of 45% on Year in Fiscal 2022

Despite operations being disrupted for part of the year due to the pandemic, the Company registered an extremely strong 45% growth in disbursements with disbursals of ₹12,533 Cr as against ₹8,627 Cr last fiscal year.

The Company scaled up its Consumer vertical, comprising of Consumer Durable Loans and Personal Loans significantly through tie-ups with more OEMs, penetrating deeper in existing geographies, and increase in cross sell of Personal Loans to existing customers. In aggregate, the Consumer vertical registered disbursement growth of 78% on-year in fiscal 2022.

Disbursement for Retail vertical comprises of Two-wheeler Loans & Used Car Loans and Commercial vertical, which comprises of Tractor Loans, Used Commercial Vehicle Loans & Business Loans, witnessed a growth of 28% and 43% on-year respectively in fiscal 2022. In the Two-Wheeler Loan segment, the Company was able to increase disbursements despite lackluster two-wheeler sales through increased focus on enhancing penetration within sub-dealers and multi-brand outlets. In the Used Car Loans space, the strong presence was further fortified in the south through proactive moves towards channel management. Within Tractor Loans, the presence was expanded to multiple brands and also enhanced focus on Used Tractor Loans, which drove growth. In the Used Commercial Vehicle Loan space, the focus on ecosystem financing stood in good stead. In the Business Loans segment, while expanding the presence in focus segments, the Company also initiated a pilot in lending to small retail stores.

Geographically also, the Company has expanded its presence to 26 states, which has resulted in the portfolio becoming quite well diversified. The Southern states of Tamil Nadu, Kerala, Karnataka, Andhra Pradesh and Telangana accounted for 38% of the Company's AUM as of March 2022. No single state accounted for more than 15% of the portfolio as of March 2022.

With the aim to maintain well diversified mix of retail, consumer, and commercial business, the company will be focussing on building a long term profitable commercial vertical and cross selling of products to the existing customers. The Company's target population will continue to be mid income self-employed from semi-urban and rural areas. The Company is also scaling up its digital initiatives across the value chain and leveraging its existing physical presence to reduce overall costs and improve profitability.

Focus on Collections, Technology and Distribution aided the Company

The Company's sharp focus on collections, increasing distribution reach and investing in appropriate technology tools stood in good stead in this fiscal.

There has been seen a significant uptick in collections across all the business verticals. The Company has categorised the borrowers into multiple risk brackets based on their origination characteristics and repayment patterns to focus on accounts that are likely to show higher propensity for delays. Further, requisite actions at relatively earlier stages were undertaken when an account is overdue so as to enhance collections and recovery. The Company tied-up with various UPI and payment wallets in order to increase digital collections. In few asset classes such as Consumer Durable Loans, Personal Loans, Used Car Loans the share of digital collections has significantly improved.

On the distribution side, there has been a deeper penetration into the hinterland in focus geographies, and augmented focus on partnerships and tie-ups to enhance reach and business in a cost-effective manner.

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 acquisition side, technology has helped the Company to focus on right set of customers at the right time. For example, in Two-Wheeler Loan, Company has implemented the AD-Diya App, which enables self on-boarding of customers by its associate dealer partners, which has helped to grow the network in lower penetrated areas. There was a significant surge in digital leads especially across Used Car Loans, Personal Loans and Consumer Durable Loans. The Company also leveraged technology to improve engagement and penetration with the channel partners and also customers. On the underwriting and collections side as well, machine learning, artificial intelligence and analytics are increasingly being leveraged across various products with the objective of enhancing customer lifetime value.

Over fiscal 2023 as well, these efforts are expected to continue, thereby leading to more positive business outcomes for the Company.

Recovery Management

The Company brought in innovative solutions through technology and analytics to improve the effectiveness and efficiency of the collections process.

Collections Strategies Based on Analytics

The Company has put in place analytics to ascertain which customers are likely to miss payments, send reminders to customers, and drive payments from those who missed payments. Analytics induced collections for delinquent accounts has helped control forward flow across various buckets. The Company also started AI-driven actions for reducing net credit losses. Segmentation of customers and collection agents, and optimisation of collections allocation based on such segments and local geographies is also being done in an effective manner. Data analytics is being used for allocation of collection cases to the field staff, resulting in cost optimisation and improved productivity.

Push for Digital Repayments

The Company tied up with some FinTech companies to push the growth of digital collections. The Company is continuously investing in encouraging customers to make cashless payments through payment gateways and is tying up with digital platforms for this purpose. This will continue to be a key focus area for the Company in coming fiscals.

Data & Analytics

The Company aimed at leveraging analytical tools effectively and increased its focus on data and analytics by introducing a number of initiatives in this area.

Credit Underwriting Based on Machine Learning

The Company expanded the use of Machine Learning (ML) based decisions across its products and functions. In fiscal 2022, the Company leveraged ML-based credit underwriting for both New Tractor and Used Tractor Loans along with Two-Wheeler and Consumer Durable Loans. These automated, algorithmic models have improved credit performance and efficiencies. The Company has effectively deployed ML-enabled cross-sell strategy, which helps in identifying the eligible customers for cross-sell and also suggests the right product to be pitched to these customers.

Fraud Detection and Prevention

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

Employee and Sales Force Management

The Company leveraged ML engines to predict attrition, frame retention strategies and design experiments to determine appropriate interventions in case of field personnel incentives. Moreover, the Company undertook analytics-based sales and collections initiatives to bring in right sales executives and collections agents to improve efficiencies.

Information Technology

The Company continues to focus on and invest in data privacy and information security, given their critical importance in enhancing the trust of customers on the Company. The Company strengthened its security landscape by implementing prioritised cyber security projects focussing on access management, network security, data protection and secured development. The technology assessments are being conducted for external technology partners. The Company successfully performed business continuity and disaster recovery drills at a regular frequency. The Company has implemented web-based controls to secure business critical applications and started performing continuous brand monitoring to avoid brand infringement and reputational risks. The Company has put in place additional system controls to enable work from home environment. Applicable regulatory and compliance standards have been adhered.

The Company has put in place a strong framework for data governance and management. Data privacy is also accorded the highest level of importance.

Marketing and Branding Initiatives

The Company continues to strive to create best-in-class user experience for its customers and channel partners and build greater brand awareness and salience amongst the target audience. Towards this end, the focus has been to enhance customer experience, to increase digital penetration in business acquisition and run targeted campaigns to enhance the positioning of the brand. The Company also implemented innovative ambient branding across dealerships in order to increase brand visibility and saliency.

Increasing Digital Penetration in Business Acquisition

Improvement in leads generated through digital channels and digital marketing was one of the major focus areas of the Company during the fiscal. With continued focus and efforts, the Company has witnessed over three times growth in digital sourcing. The Company also tied up with various inventory and aggregator platforms for sourcing business.

Focus on Digitalisation for improving customer experience

Improving customer experience by adopting digital means was the other focus area for the Company during fiscal. On same lines, the Company has launched Smart IVR to assist customers for making payments without any manual interventions. The Company has also enhanced the purview of self-services and digitalisation to enable higher percentage of services availability.

New Products Offerings and Branding Initiatives

With a focus to increase brand awareness, the Company has taken numerous steps such as deployment of innovative collaterals across 2,700+ consumer durable dealerships, 3,900+ Two-wheeler dealerships and 200+ tractor dealerships in India, usage of vernacular collaterals, BTL activation for Retailer Loans across 13 cities etc. The Company has also launched an engagement initiative for Two-Wheeler Loans, Tractor Loans and Used Car Loans channel partners to improve their experience at each stage right from empanelment. In terms of newer products, the Company launched a go-to market communication plan for Implement Loans by creating awareness at 60+ implement dealerships in Andhra Pradesh and 200+ dealerships in Tamil Nadu, distribution of vernacular collaterals etc.

Annual Campus Engagement Programme

The Company regularly engages with college campuses in order to enhance the visibility of the brand amongst the employees of tomorrow and also encourage the talented youth to come up with breakthrough ideas to solve business challenges. E.P.I.C Season 3, the annual campus engagement programme, witnessed 34,000 student registrations from across 2100+ top colleges.

Recognition

Over the last year, the Company has won several marketing awards including 7 awards under various categories at the 11th PRCI Excellence Awards and Summit and Dare2Compete Awards wherein the Company's Campus Challenge – E.P.I.C was listed amongst the Top 20 Prestigious B-School Competitions and Top 20 Prestigious E-School Competitions.

Human Resources

People remain the most valuable asset of the Company. The Company has developed a robust human resource management framework to maximise employee performance. The Company is professionally managed with the senior management team having a rich experience and a long tenure with the Company. The Company has created a succession roadmap to build a leadership pipeline and has also undertaken many initiatives to develop organisational leadership and culture. As on 31st March, 2022, the Company had 17,158 employees on its rolls.

During the year the Human Resources team undertook several initiatives under three major pillars – Technology, Analytics, and People.

Technology Based Initiatives

The Company uses contemporary technology and automation for recruitment process, training, and performance monitoring to improve productivity. The Company has a portal named Bandhan, a DIY web application for timely management of all the employee-related aspects. The Company also leveraged voice bots (My Buddy) in 6 different vernacular languages for resolving employee queries in local languages. The Company has launched a platform based on artificial intelligence, which has aided in hastening the recruitment process.

During these challenging times, the Company also started mandatory day offs, virtual fun session, and psychological counselling programmes (YourDost) in order to support the employees and ensure their well-being. The Company has also introduced a change management process programme named "Last Mile Connectivity" with the objective that the final employee desired to be benefitted from the required action understands the initiative and responds accordingly.

Analytics Based Initiatives

The Company undertook several initiatives in order to improve and strengthen the internal process. With the help of complex data and analytics, initiatives for strategic allocation of critical accounts to field collection executives based on their performance on field were launched. The Company has successfully implemented attrition prediction model in order to retain critical talent in the organisation.

Initiatives for Rewarding and Upskilling the Employee

The Company has launched employee recognition and training programmes to develop a talented workforce to meet day to day business challenges. The Company has launched a Career Accelerator Programme (CAP) named Aspire in order to up skill the employee base. A programme named New to Analytics has been launched in order to guide those employees who do not have much exposure in analytics.

Awards and Recognition

The Company has seen several recognitions come its way in fiscal 2022. Some of the key awards include "India's Leading BFSI & FinTech Companies 2022" organised by Dun & Bradstreet, "L&D Strategy of the year award at HR L&D Excellence Summit" organised by Business World and CII - Kaizen Award for Process Improvement at 5th CII National Kaizen Circle Competition 2022.

The Company duly complied with all the statutory compliances related to employment and labour laws.

Quality

In the journey towards excellence, the Company continues to focus on quality. The Company carries out periodic assessment of gaps and takes immediate actions to address such identified gaps, which have resulted in strengthening the process across the Company. The Company obtained ISO Quality ISO9001/2008 and ISO/IEC 27001:2013 recertification for Management systems from Bureau Veritas for all processing hubs and central operations.

Community Support Initiatives

As part of the community support initiative-Saksham, the Company partnered with Yuva Parivartan to upskill 110 students in the states of Maharashtra (Chandrapur, Gondia, Nagpur, Bhandara and Thane) and Karnataka (Bangalore). The objective of this initiative was to upskill youth especially school dropouts from low income communities by providing them vocational training in subjects such as nursing, tailoring, tally etc. and ensuring meaningful employment opportunities that would give them a sustained source of income. The Company has successfully trained and placed over 750 students since the inception of this programme.

Funding

Over the last few years, there has been enhanced focus on diversification of borrowings across various sources, by looking at not only the banking channel but also capital markets and external commercial borrowings. The Company managed to achieve significant success towards this endeavor in fiscal 2022.

During the year, the Company has raised fresh borrowings to the tune of ₹5,350 Cr (including long & short-term borrowings) to meet its business requirement. Out of above, the Company raised subordinated debt (Tier 2) to the extent of ₹449 Cr with maiden investment by leading Mutual funds and External Commercial Borrowings (ECB) to the tune of ₹752 Cr on fully hedged basis at competitive rates.

With Equity infusion, participation from NBFCs, Banks, financial institutions and Mutual Funds in the form of Tier 1 (Perpetual Debt Instrument) and Tier 2 capital (Subordinated Debt), the Company has an adequate Capital Adequacy Ratio (CAR). The CAR as on 31st March, 2022 stood at 18.64%.

The borrowing strategy of the Company has always been in tandem with assets composition with appropriate consideration for mitigation of interest rate and liquidity risk. Prudent Asset Liability Mix (ALM) aided the Company to have cumulative ALM mismatch (within 1 year bucket) of positive 12.6% as on 31st March, 2022 as against accepted mismatch of negative 15.0% as per RBI Guidelines.

Besides, the Company focussed on increasing composition of fixed rate instruments with higher tenure in order to maximise the benefits from the low interest environment in fiscal 2022. There was also strong focus on maintaining adequate liquidity buffers. As on 31st March, 2022, Liquid Coverage Ratio (LCR) of the Company stood at 133%, which is more than stipulated limit of 60% set by the regulator. The Liquidity ratios of the company are within the approved tolerance limits set by the Asset Liability Committee of Board.

More importantly, the Company have been able to raise funds at much more competitive rates than the benchmark rates commensurate with the rating category. During fiscal 2022, CRISIL Ratings upgraded the Company's long-term rating Outlook to "Positive" from "Stable", while Brickwork Ratings India upgraded the long-term credit rating to BWR AA. The Company continues to engage with the credit rating agencies with a view to improve the credit rating and lower the cost of funds.

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

Credit Ratings

Facility	Rating
Commercial Paper	CRISIL / ICRA A1+
Working Capital Demand Loans	CRISIL AA- / BWR AA
Cash Credit	CRISIL AA- / BWR AA
Long Term Loans	CRISIL AA- / BWR AA
Non-Convertible Debentures – Long term	CRISIL AA-
Subordinated Debt (Tier 2)	CRISIL AA- / BWR AA
Perpetual Debt (Tier 1)	CRISIL A+ / BWR AA-

Share Capital

During the year under review, the Company issued and allotted 92,59,200 equity shares at a face value of ₹10 per share with premium of ₹152 per share.

The paid-up capital of the Company accordingly stood increased from ₹191.93 Cr (19,19,37,700 equity shares of ₹10/- each) to ₹201.19 Cr (20,11,96,900 equity shares of ₹10/- each) as on 31st March, 2022.

Non-Convertible Debentures

During the year under review, the Company had issued Non-Convertible Debentures (NCDs) of ₹449 Cr on private placement basis. The NCDs have been listed on Wholesale Debt Market segment of National Stock Exchange of India Ltd (NSE). These NCDs have been rated as AA- by CRISIL as of 31st March, 2022.

Dividend

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

Transfer to Statutory Reserves

During the year, ₹24.15 Cr were transferred to the Statutory Reserve created as required under Section 45-IC of the Reserve Bank of India Act, 1934.

Public Deposits

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

Consolidated Financial Statements

As per SEBI circular dated: 22nd October, 2019, Companies which have listed Commercial Papers, are required to prepare and submit financial results in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, (Listing Regulations).

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

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

The consolidated Profit Before Tax of the Company and its subsidiaries amounted to ₹151.85 Cr for the financial year 2021-22 as compared to ₹106.17 Cr in the previous year.

Subsidiary Companies

The following companies are the subsidiaries of the Company as on 31st March, 2022, and these subsidiaries have not commenced operations yet.

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

During the year, the Company has divested its entire stake in Harita Collection Services Private Limited, TVS Micro Finance Private Limited and TVS Commodity Financial Solutions Private Limited.

Performance of Subsidiaries

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

All the subsidiaries are yet to commence its operations.

Holding Company

TVS Motor Company Limited is the holding Company and holds 83.70% equity shares as on the date of this report.

Corporate Governance

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 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 endeavors 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 Committees of the Board.

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

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

Directors

Directors' appointment / re-appointment / cessation

During the year under review, Ms Sasikala Varadachari, ceased as a Director on expiry of her term as an Independent Director effective 28th July, 2021.

Mr T.K Balaji resigned from the Board effective 4th February, 2022 and thereby he also ceased as a member of Committees where ever he holds membership.

The Board of Directors in their meeting held on 28th July, 2021, had appointed Ms.Kalpana Unadkat, as an Additional Director and also as an Independent Director effective 28th July, 2021, on the recommendation of the Nomination and Remuneration Committee (NRC).

The Board noted the evaluation carried out by the Nomination and Remuneration Committee (NRC) of Ms Kalpana Unadkat on various parameters viz., integrity, qualification, expertise, experience and it has satisfied itself with the positive attributes of Ms Kalpana Unadkat in accordance with the Nomination and Remuneration (NR) Policy read with the provisions of Section 178 of the Act, 2013 and the Listing Regulations.

The Company is seeking approval of shareholders for the appointment of Ms Kalpana Unadkat, as Independent Director for a term of five consecutive years effective 28th July 2021, at the ensuing AGM.

The Board in the meeting held on 4th May, 2022 has appointed Mr.G Venkatraman, as an Additional Director and also as Director and Chief Executive Officer, in the rank of Whole-Time Director effective 4th May, 2022, on the recommendation of the Nomination and Remuneration Committee (NRC).

NRC has carried out evaluation of Mr G Venkatraman on various parameters viz., integrity, qualification, expertise, experience and it has satisfied itself with the positive attributes of Mr G Venkatraman in accordance with the Nomination and Remuneration (NR) Policy read with the provisions of Section 178 of the Act, 2013 and the Listing Regulations.

The Company is seeking approval of shareholders for the appointment of Mr G Venkatraman, as a Director and also as Director and Chief Executive Officer, in the rank of Whole-Time Director effective 4th May 2022 upto 2nd December 2025, at the ensuing AGM.

Directors Liable to Retire by Rotation

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

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

The NRC at their meeting held on 29th April, 2022 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 Independent Directors 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 Independent Directors are disclosed on the Company's website in the following link www.tvscredit.com. All the Independent Directors 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 Act, 2013 and obtained Independent Director registration certificate.

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 Independent Directors

During the year under review, a separate meeting of Independent Directors was held on 24th March, 2022. All Independent Directors were present and they were enlightened about the objectives and process involved in evaluating the performance of the Board, Non- Independent Directors, 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 Independent Directors to facilitate their review / evaluation.

Non-Independent Directors

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

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

Independent Directors were satisfied fully with the performance of all Non-Independent Directors.

Chairman

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

The Independent Directors also placed on record, their appreciation of Chairman's high level of integrity, trust, confidentiality, impartial & 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 economy and clear initiatives for staying ahead of competition.

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

Board

The Independent Directors also evaluated the 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 evaluation process focussed on Board dynamics. 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 from diverse fields particularly from finance field. The Board upon evaluation concluded that it is well balanced in terms of diversity of experience with expert in each domain viz., Automotive, Leadership / Strategy, Finance, Banking, Legal & Regulatory and Governance. The Company endeavours to have a diverse Board representing a range of experience at policy-making levels in business and technology.

Independent Directors 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 discussion and decisions were maintained.

The Independent Directors 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 in all fronts and finally concluded that the Board operates with best practices.

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

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

The information provided for the meetings 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.

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 performance of the Directors individually (including Independent Directors).

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

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 Directors were taken into consideration by the Board. The Directors have expressed their satisfaction with the evaluation process.

Policy on Appointment and Remuneration of Directors, Key Managerial Personnel

In accordance with Section 178 of the Act, 2013 the NRC has formulated a Nomination & 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, criteria of making payments to Non-Executive Directors have been disclosed as part of Corporate Governance Report attached herewith.

Key Managerial Personnel

Mr.G Venkatraman, Director & Chief Executive Officer and Mr.V Gopalakrishnan, Chief Financial Officer are the Key Managerial Personnel of the Company as on the date of this Report.

During the year, Mr. Ashwin, Company Secretary resigned from the post of Company Secretary and Compliance Officer.

Statutory Auditors

During the year, M/s. Raghavan, Chaudhuri & Narayanan, Chartered Accountants have tendered their resignation from the position of Statutory Auditors since they do not meet the eligibility criteria as per the RBI Circular. In view of this, on the recommendation of the Board of Directors of the Company, members of the Company in their meeting held on 12th November 2021, appointed M/s. Sundaram & Srinivasan Chartered Accountants, Chennai having Firm Registration No. 004207S allotted by the Institute of Chartered Accountants of India as Statutory Auditors of the Company at the Extraordinary General Meeting 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, 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 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 2022-23.

The Auditors' Reports for the financial year 2021-22 do not contain any qualifications, reservations and adverse remarks and the same is attached with the annual financial statements.

Secretarial Auditors

Mr.T N Sridharan, Practicing Company Secretary, Chennai, was appointed as Secretarial Auditor for carrying out the secretarial audit for the financial year 2021-22.

As required under Section 204 of the Act, 2013 the Secretarial Audit Report for the year 2021-22, given by him is attached as Annexure VI to this report. The Secretarial Audit Report does not contain any qualifications, reservations or other remarks.

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

Secretarial Standards

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

3. DIRECTORS' RESPONSIBILITY STATEMENT

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

a. In the preparation of the annual accounts for the year ended 31st March, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

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

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

d. The Directors had prepared the accounts for the financial year ended 31st March, 2022 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

4. Extract of Annual Return

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

www.tvscredit.com.

5. Number of Meetings of the Board

The Board met 5 (five) times during the financial year, the details of which are given in the Corporate Governance Report.

6. Corporate Governance

Board Meetings

During the year under review, the Board met five times on 26th April 2021, 2nd June 2021, 28th July 2021, 19th October 2021, and 4th February 2022 and the gap between two meetings did not exceed one hundred and twenty days.

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

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

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

Nomination and Remuneration Policy

Directors:

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

The Board has approved the payment of remuneration by way of profit related commission to the Non-Executive Independent Directors, for the financial year 2021-22, based on the recommendation of the Nomination and Remuneration Committee. The approval of the Shareholders by way of a special resolution was obtained at the twelfth Annual General Meeting held on 27th July, 2020, in terms of Sections 197 and 198 and any other applicable provisions of the Act, 2013.

Commission:

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

As approved by the Shareholders at the Annual General Meeting of the Company held on 27th July, 2020, Non-Executive and Independent Directors are being paid commission, subject to a maximum, as determined by the Board, for each such Director from the financial year 2021-22. Non-Executive Directors (NEDs) 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.

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.

Criteria for Board Membership

Directors:

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

Independent Directors:

Independent Director is a Director who has no direct or indirect pecuniary relationship with the Company and or any of its officers. They should meet all criteria specified in Section 149(7) of the Act, 2013 and rules made thereunder.

Related Party Transactions:

All contracts / arrangements entered by the Company during the period ended 31st March, 2022 with related parties were in the ordinary course of business and at arm's length price in terms of Section 188 of the Act, 2013 read with the Companies (Meetings of Board and its powers) Rules, 2014.

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

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

Risk Management

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

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

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

7. Internal Control Systems

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

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

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

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

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

8. Internal Audit

As part of the effort to evaluate the effectiveness of the internal control systems, the Company's internal audit function reviews all the control measures on a periodic basis 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 control system is commensurate with its size, nature and operations.

9. Corporate Social Responsibility Initiatives

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

Over 26 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 Rs. 3.50 Cr for undertaking similar programmes / projects constituting more than 2% of the average net profits of the Company, made during the three immediately preceding financial years, towards CSR spending for the financial year 2021-22 and the Company has met the CSR spending through the Srinivasan Services trust registered with the Ministry of Corporate Affairs.

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

SST is working in thousands of villages spread across Tamil Nadu, Karnataka, Maharashtra, Himachal Pradesh, and Andhra Pradesh. SST has focused on the areas of economic development, health care, education, environment, social, infrastructure and water conservation actively in many villages. So far in the last 26 years, across SST, more than 60,000 women have been organized into Self-Help Group (SHGs), 2,500 village government infrastructures have been repaired and renovated, more than 290 water bodies have been desilted, to name a few of the activities.

SST has won the 'Outstanding Social Innovation' award at the CK Prahalad Awards 2021 under 'Bottom of the Pyramid' category. The award is a testament to the efforts SST has put in the last 26 years working in 2500 villages in and around Southern India bringing about holistic development.

All of the projects undertaken through SST, for its CSR obligations, are within the limit and do not require impact assessment.

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 2021-22 are given by way of Annexure III attached to this Report.

It may also be noted that the CSR Committee has approved the projects or programmes to be undertaken by the SST and other eligible trusts for the year 2022-23, preferably in local areas including the manner of execution, modalities of utilisation of funds and implementation schedules and also monitoring and reporting mechanism for the projects or programmes, as required under the Companies Amendment Act, 2020.

10. Policy on Vigil Mechanism

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

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

11. Sexual Harassment Policy

The Company has in place a Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) (POSH) Act, 2013. The Company has an Internal Complaints Committee as required under POSH. During the year, 4 complaints were received and all of them were disposed off.

12. Significant and Material Orders

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.

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

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

Foreign currency expenditure in FY22 is ₹35.19 Cr (previous year ₹22.87 Cr). The Company did not have any foreign exchange earnings.

14. Material Changes and Commitments:

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

15. Employees' Remuneration:

Details of Employees receiving 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-II. 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 Chief Executive Officer at the Registered Office of the Company.

16. Details of Loans / Guarantees / Investments Made

Furnishing the details of investments under Section 186 of the Act, 2013 for the financial year 2021-22 does not arise, since the Company has not made any investment during the year under review.

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

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

17. Reporting of Fraud

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

18. Maintenance of Cost Records

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

19. Adherence to RBI norms and standards

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 18.64%, which is well above the prescribed minimum of 15% by RBI.

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

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

20. Acknowledgement

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

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

For and on behalf of the Board of Directors

Place : Chennai
Date : 4th May, 2022

Venu Srinivasan
Chairman

Annexure-III 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 programmes for the transformation and sustainable development of the rural communities at large.

2. Composition of CSR Committee:

S.No.	Name of the Director	Designation	Status
1.	Mr.Venu Srinivasan	Non-Independent Director	Chairman
2.	Mr.R Gopalan	Independent Director	Member
3.	Mr.K N Radhakrishnan	Non-Independent Director	Member

<table>
<tr><td>3.</td><td>Web-link where Composition of CSR Committee, Policy and Projects approved by the Board are disclosed on the website of the Company</td><td>https://www.tvscredit.com/investors</td></tr>
<tr><td>4.</td><td>Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).</td><td>Not Applicable</td></tr>
<tr><td>5.</td><td>Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any</td><td><table><tr><th>S. No.</th><th>Financial Year</th><th>Amount available for set-off from preceding Financial Years (₹ in Cr)</th><th>Amount required to be set-off for the Financial Year, if any (₹ in Cr)</th></tr><tr><td>1</td><td>2020-21</td><td>0.15</td><td>Nil</td></tr></table></td></tr>
<tr><td>6.</td><td>Average net profit of the Company as per Section 135(5).</td><td>₹171.07 Cr</td></tr>
<tr><td>7.</td><td>a. Two percent of average net profit of the Company as per section 135(5))</td><td>₹3.42 Cr</td></tr>
<tr><td></td><td>b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years</td><td>NIL</td></tr>
<tr><td></td><td>c. Amount required to be set-off for the financial year, if any</td><td>NIL</td></tr>
<tr><td></td><td>d. Total CSR obligation for the financial year (7a+7b- 7c).</td><td>₹3.42 Cr</td></tr>
</table>

8 (a)	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)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹3.50 Cr	NA	NA	NA	NA	NA

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

8 (c)	Details of CSR amount **spent against other than ongoing projects** for the financial year:		
	Name of the Project	Activities Undertaken	Item from the list of activities in Schedule VII to the Companies Act, 2013
	Livestock	• Conducting veterinary camps • Conducting awareness program to upgrade new technologies on livestock management • Demo on feed management and training on proper cattle management	Rural development projects
	Youth Development	• Training on vocational skills • Creating job opportunities	Promotion of Education, including special education and employment, enhancing vocation skills.
	Health	• Awareness program for Women & Children • Supply of Nutritious food to tribal people and providing medicines free of cost • Conducting general health camp including anemia awareness program	Eradicate poverty, promoting preventive healthcare and sanitation and making available safe drinking water.
	Education	• Renovation and maintenance of Anganwadi and primary & Middle School & Hr. Sec School • Conducting Mother volunteers meeting • Providing smart class and conducting competitions	Promotion of Education, including special education and employment, enhancing vocation skills.
	Water Conservation	• De-silting of Minor Irrigation ponds and water channels • Strengthening of bunds • Construction of check dams and creation of rainwater harvesting structures	Rural development projects
	Local area (Yes / No)	Yes	

	Location of the Project (State / District)	- Tamil Nadu: Tiruchirapalli, Tiruvannamalai, Nilgiras, Chennai and Dindigul - Karnataka: Chamaraja Nagar - Maharashtra: Pune district
	Amount spent for the Project (in ₹)	₹3.50 Cr
	Mode of Implementation – Direct (Yes / No)	No
	Name of the Implementing Agency	**Srinivasan Services Trust** Jayalakshmi Estates, No. 29, Haddows Road, Chennai - 600 006 Tamil Nadu Phone No.: 044-28332115 Mail ID: swaran@tvssst.org
	CSR Registration No.	CSR00001508

8 (d)	Amount spent on Impact Assessment, if applicable	Not Applicable
8 (e)	Amount spent on Impact Assessment, if applicable	
8 (f)	Total amount spent for the Financial Year (8b+8c+8d+8e)	₹3.50 Cr

8 (g)	Excess amount for set-off, if any

S.No.	Particulars	Amount (in ₹)
i.	Two percent of average net profit of the Company as per section 135(5)	₹3.42 Cr
ii.	Total amount spent for the Financial Year	₹3.50 Cr
iii.	Excess amount spent for the financial year [(ii)-(i)]	₹0.08 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)]	₹0.08 Cr

9 (a)	Details of unspent CSR amount for the preceding three Financial Years						(In ₹)
S. No.	Preceding Financial Year	Amount transferred to unspent CSR Account under Section 135(6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding Financial Years
				Name of the Fund	Amount	Date of Transfer	
Not Applicable							

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

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

Place : Chennai
Date : 4th May, 2022

Venu Srinivasan
Chairman & Chairman of CSR Committee

Annexure-IV to Directors' Report to the Shareholders

Form AOC-I

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

Part "A"

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

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

S.No.	Particulars	Name of the Company		
1.	Name of the subsidiary	TVS Two Wheeler Mall Private Limited	Harita ARC Private Limited	TVS Housing Finance Private Limited
2.	Reporting Period for the Subsidiary concerned, if different from the Holding Company's Reporting Period	01.04.2021 to 31.03.2022	01.04.2021 to 31.03.2022	01.04.2021 to 31.03.2022
3.	Reporting Currency and Exchange Rate as on the last date of the relevant Financial Year in the case of Foreign Subsidiaries	INR	INR	INR
4.	Share Capital / Contribution	0.25	0.25	1,200.00
5.	Reserves & Surplus	(1.23)	(1.25)	221.89
6.	Total Assets	0.24	0.24	1,438.95
7.	Total Liabilities	0.24	0.24	1,438.95
8.	Investments	-	-	-
9.	Turnover	-	-	-
10.	Profit/(Loss) before taxation	(0.29)	(0.29)	66.95
11.	Provision for taxation	-	-	16.94
12.	Profit/(Loss) after taxation	(0.29)	(0.29)	50.01
13.	Proposed Dividend	-	-	-
14.	% of shareholding	100%	100%	100%

As per our report annexed

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

S. Usha
Partner
Membership No.: 211785
4th May, 2022

For and on behalf of the Board

Venu Srinivasan
Chairman

G Venkatraman
Chief Executive Officer

V Gopalakrishnan
Chief Financial Officer

Place : Chennai
Date : 4th May, 2022

Annexure-V to Directors' Report to the Shareholders

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

The Company believes in ensuring corporate fairness, transparency, professionalism, accountability and propriety in 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.

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

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

ii) The size of the Board is commensurate with the size and business of the Company. As on 31st March, 2022, the Board comprises of Seven Directors, viz.,

S.No.	Name of the Director	Designation
1.	Mr.Venu Srinivasan	Non-Executive Chairman
2.	Mr.Sudarshan Venu	Non-Executive Director
3.	Mr.K N Radhakrishnan	Non-Executive Director
4.	Mr.V Srinivasa Rangan	Non-Executive Independent Director
5.	Mr.R Gopalan	Non-Executive Independent Director
6.	Mr.B Sriram	Non-Executive Independent Director
7.	Ms.Kalpana Unadkat*	Non-Executive Independent Director

Appointed w.e.f. 28th July, 2021

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 5 (Five) times on the following dates;

FY 2021-22		Meeting Date
April – June	(Q1)	26th April, 2021 2nd June, 2021
July – September	(Q2)	28th July, 2021
October – December	(Q3)	19th October, 2021
January – March	(Q4)	4th February, 2022

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 or other audio-visual mode except in respect of such meetings / items, which are not permitted to be transacted through video conferencing as notified under the Act.

S.No.	Name of Director	Board Meetings		Whether present at previous AGM held on 28th July, 2021
		Held	Attended	
1.	Mr.Venu Srinivasan	5	5	Yes
2.	Mr.Sudarshan Venu	5	5	No
3.	Mr.V Srinivasa Rangan	5	5	No
4.	Mr.K N Radhakrishnan	5	5	No
5.	Mr.R Gopalan	5	5	No
6.	Mr.B Sriram	5	5	Yes
7.	Ms.Kalpana Unadkat	2	2	NA

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.

a. Audit Committee:

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

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

Brief description of terms of reference:

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal control and financial reporting process and interalia 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 Cr 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, focusing primarily on the following as may be applicable.
    - i. Accounting policies and practices followed and any deviations or changes with reference to the earlier policies and practices.
    - ii. Major accounting entries based on exercise of judgment by management.
    - iii. Qualifications in 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 the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.
- Reviewing with the management, reports of external and internal auditors, and the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit, plan and scope of internal audit.
- Discussion with internal auditors of any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud, irregularity, or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with external auditors before the audit commences, nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- Review of the Company's asset position, realisability and other related matters in respect of collateral securities, sale of properties etc.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of dividends declared if any) and creditors.
- To review the quarterly and annual financial statements before submission to the Board and ensure compliance of internal control systems.
- Authority to investigate into any matter referred to it by the Board.

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

During the year under review, the Committee met four times on 26th April 2021, 28th July 2021, 19th October 2021, and 4th February 2022.

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

Date of the Meeting	Members Present		
	Mr.R Gopalan	Mr.V S Rangan	Mr. K N Radhakrishnan
26th April, 2021	✔	✔	✔
28th July, 2021	✔	✔	✔
19th October, 2021	✔	✔	✔
4th February, 2022	✔	✔	✔

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 the effectiveness of the compliance programme, including compliance with the Code of Conduct;
- To review reports of CSR progress and audits of CSR performance against key performance indicators across programme areas;
- To review an annual budget for CSR activities approved by the Board, as part of the overall budget;
- To ensure that the Company's website communicates and reports its CSR approach and performance in a timely, complete and coherent manner; and
- To perform such other function related or incidental to the CSR Policy of the Company, at the request of the Board.
- To identify CSR activities to be undertaken in terms of the provisions of the Act and Rules thereunder, provided such activities are indicated in the CSR Policy;
- Subject to the provisions of the Act, recommend the locations for carrying out CSR activities
- To recommend the expenditure to be incurred & monitor the CSR Policy from time to time.

Based on the recommendation of the CSR Committee, the Board has approved the projects / programmes to be carried out as CSR activities by Srinivasan Services Trust (SST) by undertaking these programmes / projects, in compliance with the CSR policy of the Company and contributed ₹3.50 Cr. constituting more than 2% of average net profits, for the immediate past three financial years, towards CSR spending for the financial year 2021-22.

SST, over 26 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.

During the year under review, the Committee met on 26th April, 2021 and attendance by the members of the Committee, during the year under review, are given in the table below:

Date of the Meeting	Members Present		
	Mr.Venu Srinivasan	Mr.R Gopalan	Mr.K N Radakrishnan
26th April, 2021	✔	✔	✔

c. Nomination and Remuneration Committee:

The Company has in place the Nomination & Remuneration Committee (NRC). It was constituted to formulate and recommend to the Board of Directors, the Company's policies relating to 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).

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.

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 TVS Credit ("Board") to lay down the terms and conditions in relation to appointment and removal 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 TVS Credit based on (i) TVS Credit'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 long term sustainability of talented SMP by 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.

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

Date of the Meeting	Members present		
	Mr.R Gopalan	Mr.V S Rangan	Mr.K N Radhakrishnan
26th April, 2021	✔	✔	✔
16th July, 2021	✔	✔	✔

During the year, the Nomination and Remuneration Committee was reconstituted with Ms. Kalpan Unadkat as Chairperson and Mr.Sudarshan Venu and Mr.B Sriram as members of the Committee.

Remuneration criteria 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 a member.

In addition to the sitting fees, the Non - Executive Independent Director(s) shall be entitled to a 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.

d. Risk Management Committee:

The Company has laid down procedures to inform the 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) 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.

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

Date of the Meeting	Members Present		
	Ms.Kalpana Unadkat	Mr.K N Radhakrishnan	Mr.V S Rangan
26th April, 2021	-	LOA	✔
4th October, 2021	✔	✔	✔
24th December, 2021	✔	✔	✔
28th March, 2022	✔	✔	✔

During the year, the Risk Management Committee was reconstituted with Mr.K N Radhakrishnan as Chairman and Mr.V S Rangan and Ms.Kalapana Unadkat as members of the Committee.

e. Asset Liability Management Committee (ALCO):

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

During the year under review, the Committee met four times on 29th June, 2021, 4th October, 2021, 19th November, 2021 and 31st March, 2022.

Composition of ALCO and attendance of members are as below:

Name of the Members	Position	Meeting Details	
		Held	Attended
Mr.B Sriram	Chairman	4	4
Mr.Sudarshan Venu	Member	4	1
Mr.G Venkatraman	Member	3	3

During the year, the Asset Liability Management Committee was reconstituted with Mr.B Sriram as Chairman and Mr.Sudarshan Venu and Mr.G Venkatraman as members of the Committee.

f. Information Technology (IT) Strategy Committee:

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

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

During the year under review, the Committee met two times on 29th June, 2021 and 14th December, 2021.

The Information Technology Strategy Committee was reconstituted with the below-mentioned members.

Composition of IT Strategy Committee and attendance of members are as below:

Name of the Members	Position	Meeting Details	
		Held	Attended
Mr.B Sriram	Chairman	2	1
Mr.Sudarshan Venu	Member	2	-
Mr.K N Radhakrishnan	Member	2	2
Mr.G Venkatraman	Member	2	2
Mr.V Gopalakrishnan	Member	2	2
Mr.C Arulanandam	Member	2	2

g. Credit Sanction Committee:

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

During the year under review, the Committee met one time on 14th December, 2021.

The Committee consists of the following Directors and officials:

S.No.	Name	Status
1.	Mr.B Sriram	Chairman
2.	Mr.Sudarshan Venu	Member
3.	Mr.G Venkatraman	Chief Executive Officer
4.	Mr.V Gopalakrishnan	Chief Financial Officer
5.	Mr.K Gopala Desikan	Special Officer

h. Senior Management Committee:

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

During the year under review, the Committee met four times on 29th June, 2021, 30th September, 2021, 24th December, 2021 and 7th March, 2022.

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 are as follows:

Name of the Director	Position
Mr.K N Radhakrishnan	Chairman
Mr.R Gopalan	Member
Ms.Kalpana Unadkat	Member

<u>Related Party Transactions Policy</u>

i) The Company has formulated a policy on related party transactions (RPTs). The Audit Committee reviews and approves the said transactions between the Company and related parties, as defined under the Companies Act, 2013, to ensure that the terms of such RPTs would reasonably be expected of transactions negotiated on an arm's length basis. The Committee meets prior to each scheduled Board meeting to review all RPTs of the Company.

ii) Copy of the said policy is available in the Company's website with the following link - https://www.tvscredit.com/.

iii) 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 also a regular review on the implementation of the same is conducted by the Committee members.

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

v) 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.

vi) 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.

vii) The Company proposes to pay commission to the Non-Executive Directors (NEDs) of the Company for the year ended 31st March, 2022. None of the NEDs holds equity shares of the Company.

viii) Sitting fees for attending the meetings of the Board and Committees of are paid to NEDs within the maximum prescribed limits.

ix) Sitting fees paid to NEDs for the meetings held during 2021-22 are as follows:

S.No.	Name of the Directors	Sitting Fees (Amount in ₹)	Commission (Amount in ₹)
1.	Mr.Venu Srinivasan	54,000	-
2.	Mr.Sudarshan Venu	54,000	-
3.	Mr. K N Radhakrishnan	1,53,000	-
4.	Mr. V Srinivasa Rangan	1,44,000	12,00,000
5.	Mr. R Gopalan	1,17,000	12,00,000
6.	Mr. B Sriram	1,08,000	12,00,000
7.	Ms. Kalpana Unadkat*	63,000	8,12,055
8.	Ms.Sasikala Varadachari**	45,000	3,87,945
9.	Mr. T K Balaji***	36,000	-

* Appointed as Director from 28th July, 2021
** Ceased to be Director on 28th July, 2021
*** Resigned as Director on 4th February, 2022

x) The certification from Mr.G Venkatraman, Chief Executive Officer and Mr.V Gopalakrishnan, Chief Financial Officer on the financial statements has been obtained.

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

SECRETARIAL AUDIT REPORT OF TVS CREDIT SERVICES LIMITED

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

[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]

CIN: U65920TN2008PLC069758

Authorised Capital: ₹250,00,00,000/-

Paid-up Capital: ₹201,19,69,000/-

To

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by TVS CREDIT SERVICES LIMITED, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliance and expressing my opinion thereon.

Based on my verification of the company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 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) During the year under review, the Company has received External Commercial Borrowings of USD 100 Million from State Bank of India, London Branch in compliance with the provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment is not applicable;

v) The Company being a subsidiary company of a listed company, viz. TVS Motor Company Ltd., whose income or net worth exceeds 20% of the consolidated income or net-worth respectively of the listed entity, in the immediately preceding accounting year, it will be treated as a material subsidiary of the listed entity and hence the Company has to comply with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent applicable which it is observed the Company has complied during the year under review.

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

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) Regulations, 2014, which was replaced by the Securities and Exchange Benefits and Sweat Equity) Regulations, 2021 (with effect from 13th August 2021;

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

(e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

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

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

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

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

3) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

4) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021

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

6) Contract Labour (Regulations & Abolition) Act, 1970

7) Compliance with the requirements of Foreign Exchange Management Act and Non Banking Finance Companies (Reserve Bank) Directions 2016 with regard to non-acceptance of Deposits from Public;

8) 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.

9) Motor Vehicles Act, 1938;

10) Income Tax Act, 1961 and the Income Tax Rules, 1962 and Finance Act;

11) Profession Tax, 1992;

12) Labour laws like Equal Remuneration Act, 1976 and rules made thereunder; Employees Provident Fund and Miscellaneous Provisions Act, 1952 & Employees Provident Fund Scheme, 1952; Apprentice Act, 1961; Employees' State Insurance Act, 1948; Payment of Wages Act, 1936; Payment of Gratuity Act, 1972 & the Payment of Gratuity (Central) Rules, 1972.; Payment of Bonus Act, 1965 & the Payment of Bonus Rules, 1975 and other applicable employee welfare or labour legislations covering the Company and its establishments;

13) Goods and Services Tax & Rules made thereunder;

14) Indian & State Stamp Act and Rules;

15) Competition Act, 2002;

16) Trade & Merchandise Marks Act, 1958;

17) Patents Act, 1970

18) Copyright Act, 1957 or any licences issued thereunder.

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

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

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

iii) 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 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 in case where meeting was held on shorter notice, consent for shorter notice was obtained from all the Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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 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. The Company has:

i) 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 thereunder;

ii) Constituted the Audit Committee of Directors in terms of Section 177 of the Companies Act, 2013;

iii) Constituted Corporate Social Responsibility Committee of Directors (CSR) and has formulated CSR Policy and the projects/programmes, to be undertaken for CSR spending in terms of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014;

It was observed on verification of records and based on the information furnished to me that an amount of ₹3.50 Cr, constituting more than 2% of average net profits for the immediate past three financial years, has been spent for the financial year 2021-22 on the projects/programmes that have been identified to be undertaken for this purpose through Srinivasan Services Trust (SST),/other CSR compliant institutions in line with CSR Policy of the Company.

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) Constituted Asset Liability Management Committee as required to be formed as per RBI directions for Non-Banking Finance Companies as part of their overall system for effective risk management in their various portfolios;

vii) Has appointed a Woman Director 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.

viii) Has provided a Vigil Mechanism and approved Whistle Blower Policy in terms of Section 177(9) of Companies Act, 2013.

ix) Has complied with the provisions of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

I further report that from the information and explanations furnished to me, during the audit period under review, the Company has:

i. Made following Preferential allotment of 92,59,200 equity shares of ₹10/- each at a premium of ₹152/- per equity share total aggregating to ₹149,99,90,400/- on private placement basis, during the year, comprised in three allotments on the following dates to the allottees as given below and has complied with the provisions of the Companies Act, 2013 and the rules made thereunder.

Date of Allotment	Name of the Allottee	No. of Equity Shares Allotted	Nominal Value of Shares @ ₹10/- per Share (₹)	Premium @ ₹152/- per Equity Share (₹)	Total Amount of Preferential Allotment (₹)
28/07/2021	TVS Motor Company Limited	30,86,400	3,08,64,000/-	46,91,32,800/-	49,99,96,800/-
04/10/2021	TVS Motor Company Limited	30,86,400	3,08,64,000/-	46,91,32,800/-	49,99,96,800/-
31/03/2022	VS Investments Private Limited	30,86,400	3,08,64,000/-	46,91,32,800/-	49,99,96,800/-
Total		92,59,200	9,25,92,000/-	140,73,98,400/-	149,99,90,400/-

ii) Issued and allotted 449 Nos 8.85% listed unsecured redeemable non-convertible debentures of Nominal amount per NCD of ₹1,00,00,000/- aggregating to 449,00,00,000/- (Rupees four hundred and forty nine crores only) on private placement basis, during the year, comprised in two allotments on the following dates to the allottees as given below and has complied with the provisions of the Companies Act, 2013 and the rules made there under.

Date of Allotment	Name of the Allottee	No. of NCDs Allotted	Nominal Value of 1 NCD	Total Amount of Preferential Allotment (₹)
01/12/2021	ICICI Prudential Credit Risk Fund	99	1,00,00,000/-	99,00,00,000/-
10/12/2021	ICICI Prudential Credit Risk Fund	35	1,00,00,000/-	35,00,00,000/-
10/12/2021	ICICI Prudential Balanced Advantage Fund	35	1,00,00,000/-	35,00,00,000/-
10/12/2021	ICICI Prudential All Seasons Bond Fund	30	1,00,00,000/-	30,00,00,000/-
10/12/2021	HDFC Credit Risk Debt Fund	200	1,00,00,000/-	200,00,00,000/-
10/12/2021	HDFC Medium Term Debt Fund	50	1,00,00,000/-	50,00,00,000/-
Total		449		449,00,00,000/-

iii) Not done any Redemption/ buyback of securities;

iv) No major decisions were taken by the members in pursuance to section 180 of the Companies Act 2013.

v) No Merger/ amalgamation/ reconstruction etc. took place during the year under review.

vi) Not entered into any Foreign technical collaborations during the year under review.

Name of the Company Secretary: T N Sridharan
Membership No. FCS 3797
Certificate of Practice No. 4191
UDIN: F003797D000225546

Place : Chennai
Date : 28th April, 2022

CIN: U65920TN2008PLC069758

Authorised Capital: ₹250,00,00,000/-

Paid-up Capital: ₹201,19,69,000/-

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.

Name of the Company Secretary: T N Sridharan
Membership No. FCS 3797
Certificate of Practice No. 4191
UDIN: F003797D000225546

Place : Chennai
Date : 28th April, 2022

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 on 31st March, 2022, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("The Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015 as amended ("IND-AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as on 31st March, 2022 and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

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

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

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially mis-stated.

If, based on the work we have performed, we conclude that there is a material mis-statement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material mis-statement, 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 mis-statement, 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 mis-statement when it exists. Mis-statements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material mis-statement 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 mis-statement 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, we give in "Annexure A" to this Report, a statement on the matters specified in para 3 and 4 of the said Order.

2. As required by Section 143 (3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;

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

   e. On the basis of the written representations received from the Directors as on 31st March, 2022 taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March, 2022 from being appointed as a Director in terms of Section 164 (2) of the Act;

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

   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

      In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.

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

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

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

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

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

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

c. Based on the audit procedures that 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 mis-statement.

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

For **Sundaram and Srinivasan**
Chartered Accountants
FRN: 004207S

S. Usha
Partner
Membership Number: 211785
UDIN: 22211785AIJAKR5746

Date : 4th May, 2022
Place : Chennai

With reference to the Annexure A referred to in paragraph 1 under the heading “Report on other Legal and Regulatory Requirements” of the Independent Auditor’s report to the members of TVS Credit Services Limited on the Financial Statements for the year ended 31st March, 2022, 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 has 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 Rupees five 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 ₹2874.59 crore for which repayment of principal and payments of interest are not regular.

Bucket	Amount
1-90 DPD	₹2345.60 Cr
More than 90 DPD	₹528.99 Cr

d) The amounts overdue for more than 90 days aggregating principal repayment and interest payments is ₹528.99 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 185 and 186 of the Act in respect of loans granted, investments made, guarantees given and securities provided, wherever applicable.

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

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

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

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

Description	Amount in Cr
Disputed Service Tax Demand inclusive of Penalty – Commissioner order / Additional Commissioner appealed against by Company during previous years (Pre-deposit of ₹0.36 Cr)	₹7.70

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

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

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

c) Based on our examination of the Books of Accounts and other records of the Company and based on the information and explanation provided by the management, Term Loans obtained were applied for the purposes 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 62 of the Companies Act have been duly complied with by the Company. The Company has not made any private placement during the year. Based on our examination of Books of Records and other Records of the according to the information and explanations provided by the management, the funds raised have been used for the purposes for which the funds were raised.

xi) a) To the best of our knowledge and belief and according to the information and explanations given to us, during the year, no fraud by the Company or fraud on the Company were noticed or reported during the course of our audit except as disclosed in the Clause "e" in Disclosure pursuant to Reserve Bank of India Notification RBI/2014-15/299 DNBR (PD) CC.No.002/03/10/001/2014-15 dated 10th November, 2014 .

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

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

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

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

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

b) We have considered the reports of internal auditors for the financial year ended 31st March, 2022.

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 any Core Investment Companies as a part of the group.

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

xviii) There was resignation of statutory auditors during the year in pursuance of the circular issued by the RBI. We have considered the issues, objections or concerns raised by the outgoing auditors.

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 and Srinivasan**
Chartered Accountants
Firm Registration Number: 004207S

S. Usha
Partner
Membership Number: 211785
UDIN: 22211785AIJAKR5746

Place : Chennai
Date : 04th May, 2022

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

We have audited the internal financial controls over financial reporting of **TVS Credit Services Limited** ("the Company") as of 31st March, 2022 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance

with generally accepted accounting principles.

A Company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and may not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022 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 and Srinivasan**
Chartered Accountants
Firm Registration No.: 004207S

S. Usha
Partner
Membership Number: 211785
UDIN: 22211785AIJAKR5746

Place : Chennai
Date : 4th May, 2022

STANDALONE BALANCE SHEET
AS ON 31ST MARCH, 2022

(All amounts in ₹ Crore unless otherwise stated)

S.No.	Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
	ASSETS			
1	**Financial Assets**			
(a)	Cash and Cash Equivalents	2	956.23	653.14
(b)	Bank Balances other than (a) above	3	6.00	0.87
(c)	Derivative Financial Instruments	4	64.06	-
(d)	Receivables			
	i) Trade Receivables	5	37.90	25.87
(e)	Loans	6	14,014.30	11,154.95
(f)	Investments	7	12.01	12.01
(g)	Other Financial Assets	8	57.63	95.68
	Total		**15,148.13**	**11,942.52**
2	**Non-Financial Assets**			
(a)	Current Tax Assets (Net)	9	7.10	17.26
(b)	Deferred Tax Assets (Net)	10	140.23	115.69
(c)	Investment Property	11	85.16	85.16
(d)	Property, Plant and Equipment	12	20.22	16.53
(e)	Right-to-use Asset	12	18.12	18.68
(f)	Other Intangible Assets	12	1.36	4.04
(g)	Other Non-Financial Assets	13	39.81	26.97
	Total		**312.00**	**284.33**
	Total Assets		**15,460.13**	**12,226.85**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial Liabilities**			
(a)	Derivative Financial Instruments	4	-	14.57
(b)	Payables			
	I. Trade Payables			
	i) Total outstanding dues of micro enterprises and small enterprises	14	3.55	-
	ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	14	330.23	229.35
(c)	Debt Securities	15	2,213.68	1,170.85
(d)	Borrowings other than debt securities	16	9,457.10	8,041.11
(e)	Subordinated Liabilities	17	1,293.34	942.79
(f)	Other Financial Liabilities	18	230.68	207.09
	Total		**13,528.58**	**10,605.76**
2	**Non-Financial Liabilities**			
(a)	Provisions	19	38.34	33.75
(b)	Other Non-Financial Liabilities	20	29.57	23.64
	Total		**67.91**	**57.39**
3	**Equity**			
(a)	Equity Share Capital	21	201.20	191.94
(b)	Other Equity	22	1,662.44	1,371.76
	Total		**1,863.64**	**1,563.70**
	Total Liabilities and Equity		**15,460.13**	**12,226.85**
Significant Accounting Policies forming part of financial statements		**1**		
Additional Notes forming part of financial statements		**38**		

As per our report of even date

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

S. Usha
Partner
Membership No. 211785

Place : Chennai
Date : 4th May, 2022

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

Venu Srinivasan
Chairman

G Venkatraman
Chief Executive Officer

V Gopalakrishnan
Chief Financial Officer

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ Crore unless otherwise stated)

S.No.	Particulars	Note No.	Year ended 31st March, 2022	Year ended 31st March, 2021
	Revenue from Operations			
i)	Interest Income	23	2,445.93	2,041.06
ii)	Fee and Commission Income	24	300.52	196.76
I)	**Total Revenue from Operations**		**2,746.45**	**2,237.82**
II)	Other Income	25	8.97	3.11
III)	**Total Income (I + II)**		**2,755.42**	**2,240.93**
	Expenses			
i)	Finance Costs	26	782.13	729.44
ii)	Fees and Commission Expenses		208.52	135.17
iii)	Impairment of Financial instruments	27	554.15	466.79
iv)	Employee Benefit Expenses	28	711.78	584.81
v)	Depreciation, Amortisation and Impairment		19.12	19.92
vi)	Other Expenses	29	323.51	199.40
IV)	**Total Expenses**		**2,599.21**	**2,135.53**
V)	Profit / (Loss) before exceptional items and tax		**156.21**	**105.40**
VI)	Exceptional items		5.00	-
VII)	**Profit / (Loss) before tax**		**151.21**	**105.40**
VIII)	Tax Expenses	30		
	Current Tax		64.84	46.52
	Deferred Tax		(34.36)	(38.10)
IX)	**Profit/(Loss) for the year**		**120.73**	**96.98**
X)	Other Comprehensive Income	31		
A.	Items that will not be reclassified to Profit or Loss - Itemwise			
	Remeasurement of the defined benefit plans		(1.67)	(3.50)
	Income Tax relating to these items		0.42	0.88
B.	Items that will be reclassified to Profit or Loss - Itemwise			
	Fair value change on cash flow hedge		40.71	(3.55)
	Income Tax relating to these items		(10.25)	0.89
	Other Comprehensive Income (A+B)		**29.21**	**(5.28)**
XI)	**Total Comprehensive Income for the year (Comprising Profit / (Loss) and Other Comprehensive Income for the Year)**		**149.94**	**91.70**
XII)	Earnings Per Share	32		
	Basic (₹)		6.17	5.19
	Diluted (₹)		6.17	5.19
Significant Accounting Policies forming part of financial statements		**1**		
Additional Notes forming part of financial statements		**38**		

As per our report of even date

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

S. Usha
Partner
Membership No. 211785

Place : Chennai
Date : 4th May, 2022

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

Venu Srinivasan
Chairman

G Venkatraman
Chief Executive Officer

V Gopalakrishnan
Chief Financial Officer

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ Crore unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Cash Flow From Operating Activities		
Profit Before Income Tax	151.21	105.40
Adjustment For:		
Depreciation and Amortisation Expenses	19.12	19.92
Impairment of Financial Assets	106.83	106.57
(Profit) / Loss on disposal of Property, Plant and Equipment	(0.02)	(0.33)
Finance Charges	782.13	729.43
Unwinding of Discount on Security Deposits	(6.80)	(2.68)
Remeasurement of defined Benefit Plans	(1.67)	(3.50)
Employee Benefit Obligations	4.60	5.77
Cash generated from operations before working capital changes	**904.19**	**855.18**
Change in operating assets and liabilities		
(Increase) / Decrease in Trade Receivables	(13.43)	22.00
(Increase) / Decrease in Loans	(2,958.34)	(1,796.96)
(Increase) / Decrease in Other Financial Assets	38.40	13.16
(Increase) / Decrease in Other Non-Financial Assets	(12.84)	1.82
Increase / (Decrease) in Trade Payables	104.44	60.72
Increase / (Decrease) in Other Financial Liabilities	30.39	41.70
Increase / (Decrease) in Other Non-Financial Liabilities	5.93	6.24
Financing Charges paid	(767.76)	(688.59)
Cash used in operations	**(2,517.81)**	**(1,379.32)**
Income taxes paid	(54.68)	(48.91)
Net cash out flow from operating activities	**(2,572.49)**	**(1,428.23)**
Cash flows from investing activities		
Payments for Property, Plant and Equipment and Investment Property	(13.10)	(8.00)
Proceeds from sale of Property, Plant and Equipment and Investment Property	0.05	0.36
Decrease in Deposits with Bank	(5.13)	10.75
Net cash inflow / (outflow) from investing activities	**(18.18)**	**3.11**
Cash flows from financing activities		
Proceeds from Issue of Shares	150.00	99.98
Proceeds from Issue / (Repayment) of Debt Securities (net)	1,042.83	674.66
Proceeds / (Repayment) of Borrowings (net)	1,507.21	887.64
Proceeds / (Repayment) of Subordinated Liabilities (net)	350.55	330.02
Payments of Lease Liabilities	(8.55)	(8.94)
Net cash inflow from financing activities	**3,042.04**	**1,983.36**
Net Increse or (Decrease) in Cash & Cash equivalents	**451.37**	**558.24**
Cash and Cash equivalents at the beginning of the year	**496.24**	**(62.00)**
Cash and Cash equivalents at the end of the year	**947.61**	**496.24**

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 : 4th May, 2022

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Chief Executive Officer

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Chief Financial Officer

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ Crore unless otherwise stated)

I) Equity Share Capital

	Notes	Amounts
Balance as at 1st April, 2020		**185.18**
Changes in equity share capital during the year	21	6.76
Balance as at 31st March, 2021		**191.94**
Changes in equity share capital during the year	21	9.26
Balance as at 31st March, 2022		**201.20**

II) Other Equity

		Reserves and Surplus				
	Notes	Securities Premium Account	Statutory Reserve	Retained earnings	Other Reserves - Hedge Reserve	Total
Balance as at 1st April, 2020		**629.41**	**120.75**	**451.69**	**(15.00)**	**1,186.85**
Change in accounting Policy		-	-	-	-	-
Profit for the year	22	-	-	96.98	-	96.98
Other comprehensive income	22	-	-	(2.62)	(2.67)	(5.29)
Transaction in the capacity as owners						-
Transfer to Statutory reserve	22	-	19.40	(19.40)	-	-
Issuance of equity shares	22	93.22	-	-	-	93.22
Balance as at 31st March, 2021		**722.63**	**140.15**	**526.65**	**(17.67)**	**1,371.76**
Profit for the year	22	-	-	120.73	-	120.73
Other comprehensive income	22	-	-	(1.25)	30.46	29.21
Transaction in the capacity as owners						
Transfer to statutory reserve	22	-	24.15	(24.15)	-	-
Issuance of equity shares	22	140.74	-	-	-	140.74
Balance as at 31st March, 2022		**863.37**	**164.29**	**621.98**	**12.79**	**1,662.44**

As per our report of even date

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

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Partner
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1 Significant Accounting Policies forming part of Financial Statements

COMPANY BACKGROUND

TVS Credit Services Limited ('the Company') (CIN U65920TN2008PLC069758) is a public limited company incorporated and domiciled in India. The registered office is located at "Chaitanya", No. 12 Khader Nawaz Khan Road, Nungambakkam, Chennai – 600 006, Tamil Nadu, India. The Company is a subsidiary of TVS Motor Company Limited.

The Company received Certificate of Registration (No. N-07-00783) dated 13th April, 2010 from Reserve Bank of India (RBI) and commenced Non-Banking Financial activity there on. The Company is a Systemically Important Non-Deposit taking Non-Banking Finance Company, as defined under Section 45-IA of Reserve Bank of India (RBI) Act, 1934. The Company is engaged in providing Automobile Finance, Consumer Loans and Small Business Loans. The Company is categorised as "NBFC - Investment and Credit Company (NBFC-ICC)" vide RBI circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated 22nd February, 2019.

SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of accounts

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

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

b. Historical cost convention

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

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

ii. Defined benefit plans – plan assets measured at fair value.

c. Use of estimates

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

The areas involving critical estimates are:

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

ii. Estimation of defined benefit obligation - (Refer Note 33)

The areas involving critical judgements are:

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

ii. Derecognition of financial assets and securitisation.

iii. Categorisation of loan portfolios

e. 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.

f. Depreciation

Depreciation is provided on straight-line basis over the estimated useful lives of the assets. 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, based on the technical evaluation wherein the useful life is considered as 2 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.

g. Investment property

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

h. Intangible Assets

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

i. Financial assets and financial liabilities

1. Classification

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

i. Amortised cost,

ii. Fair value through Other Comprehensive Income (FVOCI), and

iii. Fair value through Profit or Loss (FVTPL)

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

<u>Business Model Assessment</u>

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

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

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

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

Reclassifications

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

Financial Liabilities

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

2. Measurement

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

Debt Instruments:

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

i. Amortised Cost:

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

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

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

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

iv. Investment in Subsidiaries:

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

3. Revenue Recognition

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

A. Interest Income:

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

2. For credit-impaired financial assets, interest income is calculated by applying the effective interest rate to their amortised cost of credit impaired assets. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

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

B. Dividend Income:

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

C. Fees and Commission Income:

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

2. 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 customers. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

D. Other Income:

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

4. Impairment of financial assets

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

i. Loans and Other receivables

ii. Trade receivables

i. Loans and Other receivables

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

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

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

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

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

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

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

Measurement of ECL

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

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

ii. Trade Receivables

For trade receivables only, the Company applies the simplified approach which requires life-time ECL to be recognised from initial recognition of the receivables.

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 sell the asset repossessed to recover the underlaying loan and does not use for internal operation. As per the Company's accounting policy, collateral repossessed are not recorded on the balance sheet.

Write-off:

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

5. Derecognition of financial assets and financial liabilities

A financial asset is derecognised only when:

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

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

6. Derivatives

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

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

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

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

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

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

7. Offsetting financial instruments

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

j. Trade and other payables

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

k. Cash and Cash equivalents

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

l. Taxation

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

i. Deferred income tax 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 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.

m. Employee Benefits

(a) Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

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

n. Functional Currency

a. Functional and presentation currencies:

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

b. Transactions and balances:

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

o. Borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of the borrowings, using the effective interest rate method. Fees paid on the established loan facilities are recognised as 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).

p. Borrowings cost

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

q. Cash Flow Statement

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

r. Earnings Per Share

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

s. Impairment of non-financial assets

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

t. Lease

The Company evaluates each contract or arrangement, 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.

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

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

u. Segment reporting

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

v. Provisions

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

w. Contingent liabilities

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

x. Equity

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

(All amounts in ₹ Crore unless otherwise stated)

NOTE 2 Cash and Cash equivalents

S.No.	Description	As at 31st March, 2022	As at 31st March, 2021
a)	Cash on hand*	5.69	15.42
b)	Balance with banks		
	- Current accounts	950.54	637.72
	Total	**956.23**	**653.14**

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

Cash and Cash equivalents considered in the cash flow statement

S.No.	Description	As at 31st March, 2022	As at 31st March, 2021
a)	Cash and Cash equivalents as shown above	956.23	653.13
b)	Less: Overdrafts utilised	8.62	156.89
	(Grouped under Borrowings (other than debt securities) - Note 16)		
	Total	**947.61**	**496.24**

NOTE 3 Bank Balance other than Cash and Cash equivalents*

S.No.	Description	As at 31st March, 2022	As at 31st March, 2021
a)	Bank Balance other than Cash and Cash equivalents	6.00	0.87
	Total	**6.00**	**0.87**

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

NOTE 4 Derivative Financial Instruments

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

S.No.	Description	As at 31st March, 2021		
		Notional amounts	Fair Value - Assets	Fair Value - Liabilities
a)	Other Derivatives - Cross Currency Swap Derivatives designated as cash flow hedges	1,356.55	-	14.57
	Total		**-**	**14.57**

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

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

(All amounts in ₹ Crore unless otherwise stated)

NOTE 5 Trade Receivables

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

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31st March, 2021					
		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	24.24	0.03	0.21	0.02	-	24.49
ii.	Undisputed Trade Receivables – which have significant increase in credit risk	1.38	-	-	-	-	1.38
iii.	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
iv.	Disputed Trade Receivables–considered good	-	-	-	-	-	-
v.	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
vi.	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	Total	**25.61**	**0.03**	**0.21**	**0.02**	**-**	**25.87**

NOTE 6 Loans

S.No.	Description	As at 31st March, 2022	As at 31st March, 2021
		Amortised Cost	
a)	Term Loans		
	i) Automobile Financing	11,143.53	9,442.57
	ii) Consumer Lending	2,519.56	1,532.76
	iii) Small Business Lending	739.87	469.29
	Total Loans - Gross	**14,402.96**	**11,444.62**
b)	Less: Impairment Loss Allowance	388.66	289.67
c)	**Total Loans - Net (a) - (b)**	**14,014.30**	**11,154.95**
	Nature		
a)	Secured by Tangible Assets	11,212.15	9,509.84
b)	Unsecured Loans	3,190.81	1,934.78
c)	**Total Gross (a) + (b)**	**14,402.96**	**11,444.62**
d)	Less: Impairment Loss Allowance	388.66	289.67
e)	**Total - Net (c) - (d)**	**14,014.30**	**11,154.95**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 6 Loans (Contd.)

S.No.	Description	As at 31st March, 2022	As at 31st March, 2021
i)	Loans in India		
	Public Sector	-	-
	Others	14,402.96	11,444.62
	Total Gross	**14,402.96**	**11,444.62**
	Less: Impairment Loss Allowance	388.66	289.67
	Total - Net	**14,014.30**	**11,154.95**
ii)	Loans Outside India	-	-
iii)	**Total Loans (i) +(ii)**	**14,014.30**	**11,154.95**

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

b. The stock of loan (automobile finance) includes 11,926 nos repossessed vehicles as at Balance Sheet date. (31st March, 2021: 13,292 nos).

c. The term loans include loans given to related parties (refer note 38(8) 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.

NOTE 7 Investments

S.No.	Description	As at 31st March,2022	As at 31st March,2021
a)	**Investment in equity instruments of Subsidiaries***		
i)	TVS Housing Finance Private Limited (1,20,00,000 (31st March, 2021: 1,20,00,000) shares of ₹10 each fully paid up)	12.00	12.00
ii)	TVS Two Wheeler Mall Private Ltd (2,500 (31st March, 2021: 2,500) shares of ₹10 each fully paid up)	0.00	0.00
iii)	TVS Commodity Financial Solutions Private Limited (Nil (31st March, 2021: 2,500) shares of ₹10 each fully paid up)	-	0.00
iv)	Harita ARC Private Limited (2,500 (31st March, 2021: 2,500) shares of ₹10 each fully paid up)	0.00	0.00
v)	TVS Micro Finance Private Limited (Nil (31st March, 2021: 2,500) shares of ₹10 each fully paid up)	-	0.00
vi)	Harita Collection Services Private Limited (Nil (31st March, 2021: 2,500) shares of ₹10 each fully paid up)	-	0.00
	Total – Gross (A)	**12.01**	**12.01**
	(i) Investments outside India	-	-
	(ii) Investments in India	12.01	12.01
	Total (B)	12.01	12.01
	Total	12.01	12.01
	Less: Allowance for Impairment Loss (C)	-	-
	Total - Net (D) = (A) -(C)	**12.01**	**12.01**

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

(All amounts in ₹ Crore unless otherwise stated)

NOTE 8 Other Financial Assets

S.No.	Description	As at 31st March, 2022	As at 31st March, 2021
a)	Employees related Receivables	4.85	4.13
b)	Security Deposit for Leased Premises	8.27	7.49
c)	Advances to Related Parties	38.10	73.21
d)	Other Financial Assets - Related Parties	0.02	0.04
e)	Other Financial Assets - Non-Related Parties	9.41	9.41
f)	Deposit with Service Providers	6.39	4.39
	Total Gross (A)	**67.04**	**98.67**
	Less: Allowance for Impairment Loss (B)	9.41	2.99
	Total (A)-(B)	**57.63**	**95.68**

NOTE 9 Current Tax Assets (net)

S.No.	Description	As at 31st March, 2022	As at 31st March, 2021
a)	Opening Balance	17.26	14.88
b)	Add: Taxes paid	54.68	48.90
c)	Less: Taxes Payable	(64.84)	(46.52)
	Total	**7.10**	**17.26**

NOTE 10 Deferred Tax Assets/(Liabilities)

The balance comprises temporary differences attributable to:

S.No.	Description	As at 1st April, 2020	Charge/ (credit) to profit and loss	Charge/ (credit) to OCI	As at 31st March, 2021	Charge/ (credit) to profit and loss	Charge/ (credit) to OCI	As at 31st March, 2022
	Deferred tax assets/(liabilities) on account of :							
a)	Impairment allowance for financial instruments	46.77	31.54	-	78.31	22.81	-	101.12
b)	Difference between depreciation as per Books of Account and the Income Tax Act, 1961	4.60	0.47	-	5.07	0.17	-	5.24
c)	Provision for Compensated Absences and Gratuity	4.22	0.40	0.94	5.55	1.50	0.15	7.20
d)	Provision for Pension	2.82	0.17	(0.06)	2.93	0.26	0.28	3.47
e)	Expenses Disallowed under Section 40 (a) (ia)	4.22	1.88	-	6.10	4.47	-	10.57
f)	Impact of effective interest rate adjustment on Financial Assets	4.59	3.97	-	8.56	9.12	-	17.68
g)	Impact of unwinding the advances to related parties	2.73	(0.35)	-	2.38	(1.57)	-	0.81
h)	Mark to market on derivatives	5.05	-	0.89	5.94	-	(10.25)	(4.30)
i)	Impact of effective interest rate adjustment on Financial Liabilities	-	-	-	-	(2.52)	-	(2.52)
j)	Impact of Lease Accouting as per IND-AS 116	0.82	0.02	-	0.84	0.12	-	0.96
	Total deferred tax Assets/(liabilities)	**75.82**	**38.10**	**1.77**	**115.69**	**34.36**	**(9.82)**	**140.23**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 11 Investment Property

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

Description	Land	Building	Total
Year ended 31st March, 2021			
Gross carrying amount as of 1st April, 2020	85.16	-	85.16
Additions	-	-	-
Sub-total	**85.16**	**-**	**85.16**
Disposals	-	-	-
Closing gross carrying amount (A)	**85.16**	**-**	**85.16**
Depreciation and amortisation	-	-	-
Opening accumulated depreciation	-	-	-
Depreciation/amortisation charge during the year	-	-	-
Sub-total	-	-	-
Disposals	-	-	-
Closing accumulated depreciation and amortisation(B)	-	-	-
Net Carrying value as at 31st March, 2021 (A)-(B)	**85.16**	-	**85.16**

(i) Fair value

	As at 31st March, 2022	As at 31st March, 2021
Investment properties	411.15	414.90

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

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

(All amounts in ₹ Crore unless otherwise stated)

NOTE 12 Property, Plant and Equipment, Right-to-use Asset and Intangible assets

Description	Property, Plant and Equipment					Right-to-use Asset	Intangible Assets (Computer Software)
	Computer	Furniture & fixtures	Office equipment	Vehicles	Total		
Year ended 31st March, 2022							
Gross Carrying Amount as on 31st March, 2021	23.41	11.87	13.08	0.02	48.38	33.08	16.08
Additions	9.38	0.83	1.64	1.15	13.00	6.49	0.10
Adjustment due to revaluation and acquisitions through business combinations	-	-	-	-	-	-	-
Sub-total	**32.79**	**12.70**	**14.72**	**1.17**	**61.38**	**39.57**	**16.18**
Disposals	0.05	0.14	0.13	-	0.32	-	-
Closing Gross Carrying Amount (A)	**32.74**	**12.56**	**14.59**	**1.17**	**61.06**	**39.57**	**16.18**
Depreciation and Amortisation							
Opening Accumulated Depreciation	16.85	7.30	7.69	0.01	31.85	14.40	12.04
Depreciation/Amortisation charge during the year	5.54	1.38	2.21	0.15	9.28	7.05	2.78
Sub-Total	**22.39**	**8.68**	**9.90**	**0.16**	**41.13**	**21.45**	**14.82**
Disposals	0.04	0.12	0.13	-	0.29	-	-
Closing accumulated depreciation and amortisation (B)	**22.35**	**8.56**	**9.77**	**0.16**	**40.84**	**21.45**	**14.82**
Net Carrying value as at 31st March, 2022 (A)-(B)	**10.39**	**4.00**	**4.82**	**1.01**	**20.22**	**18.12**	**1.36**
Net Carrying value as at 31st March, 2021	**6.56**	**4.57**	**5.39**	**0.01**	**16.53**	**18.68**	**4.04**

Description	Property, Plant and Equipment					Right-to-use Asset	Intangible Assets (Computer Software)
	Computer	Furniture & fixtures	Office equipment	Vehicles	Total		
Year ended 31st March, 2021							
Gross Carrying Amount as on 31st March, 2020	20.44	11.29	11.17	0.02	42.92	32.90	14.26
Additions	3.35	0.63	2.20	-	6.18	0.18	1.82
Adjustment due to revaluation and acquisitions through business combinations	-	-	-	-	-	-	-
Sub-total	**23.79**	**11.92**	**13.37**	**0.02**	**49.10**	**33.08**	**16.08**
Disposals	0.38	0.05	0.29	-	0.72	-	-
Closing Gross Carrying Amount (A)	**23.41**	**11.87**	**13.08**	**0.02**	**48.38**	**33.08**	**16.08**
Depreciation and Amortisation							
Opening Accumulated Depreciation	11.96	5.85	6.02	0.00	23.83	7.12	8.09
Depreciation/Amortisation charge during the year	5.25	1.49	1.95	0.01	8.70	7.28	3.95
Sub-Total	**17.21**	**7.34**	**7.97**	**0.01**	**32.53**	**14.40**	**12.04**
Disposals	0.36	0.04	0.28	-	0.68	-	-
Closing Accumulated Depreciation and Amortisation(B)	**16.85**	**7.30**	**7.69**	**0.01**	**31.85**	**14.40**	**12.04**
Net Carrying value as at 31st March, 2021 (A)-(B)	**6.56**	**4.57**	**5.39**	**0.01**	**16.53**	**18.68**	**4.04**

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

(All amounts in ₹ Crore unless otherwise stated)

NOTE 13 Other Non-Financial Assets

S.No.	Description	As at 31st March, 2022	As at 31st March, 2021
a)	Dealer Commission Advance	0.17	0.21
b)	Prepaid Expenses	24.11	17.65
c)	Vendor Advance	9.30	5.60
d)	Balances with Government authorities	3.42	3.51
e)	Gratuity	2.81	-
	Total	**39.81**	**26.97**

NOTE 14 Trade Payables

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31st March, 2022				
		<1 Year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed dues - MSME*	3.55	-	-	-	3.55
(ii)	Undisputed dues - Others	324.26	1.15	0.03	4.79	330.23
(iii)	Disputed dues – MSME*	-	-	-	-	-
(iv)	Disputed dues – Others	-	-	-	-	-
	Total	**327.81**	**1.15**	**0.03**	**4.79**	**333.78**

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31st March, 2021				
		<1 Year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed dues - MSME*	-	-	-	-	-
(ii)	Undisputed dues - Others	221.65	0.16	1.62	5.92	229.35
(iii)	Disputed dues – MSME*	-	-	-	-	-
(iv)	Disputed dues – Others	-	-	-	-	-
	Total	**221.65**	**0.16**	**1.62**	**5.92**	**229.35**

* 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 15 Debt Securities

Description	As at 31st March, 2022	As at 31st March, 2021
At Amortised Cost		
Commercial Paper (Unsecured)	1,788.69	746.11
Non-Convertible Debentures (Secured)	424.99	424.74
Total (A)	**2,213.68**	**1,170.85**
Debt Securities in India	2,213.68	1,170.85
Debt Securities outside India	-	-
Total (B)	**2,213.68**	**1,170.85**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 16 Borrowings (Other Than Debt Securities)

Description	As at 31st March, 2022	As at 31st March, 2021
At Amortised Cost		
(a) Term Loans (Secured)		
i) From Banks	6,069.73	4,590.31
ii) From Other Parties	4.93	24.59
iii) External Commercial Borrowings	2,169.82	1,364.32
(b) Loans Repayable on Demand		
i) Cash Credit from Banks (Secured)	8.62	156.89
ii) Working Capital Demand Loans (Secured)	1,189.00	1,565.00
iii) Working Capital Demand Loans (Unsecured)	15.00	340.00
Total (A)	**9,457.10**	**8,041.11**
Borrowings in India	7,287.28	6,676.79
Borrowings outside India	2,169.82	1,364.32
Total (B)	**9,457.10**	**8,041.11**

NOTE 17 Subordinated Liabilities

Description	As at 31st March, 2022	As at 31st March, 2021
At Amortised Cost - Unsecured		
(a) Perpetual Debt Instruments to the extent that do not qualify as equity	99.86	99.84
(b) Other Subordinated Liabilities		
From Banks	199.98	199.93
From Others	993.50	643.02
Total (A)	**1,293.34**	**942.79**
Subordinated Liabilities in India	1,293.34	942.79
Subordinated Liabilities outside India	-	-
Total (B)	**1,293.34**	**942.79**

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

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

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

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

(All amounts in ₹ Crore unless otherwise stated)

Annexure

Institution	As on 31st March, 2022	Type of Security	Interest Rate	Total Instalment	No. of Instalments Remaining	Frequency	Repayable From	Repayable To
Debt Securities								
Commercial Paper	299.28	Unsecured	4.41%	1	1	Bullet	21/04/2022	21/04/2022
Commercial Paper	199.43	Unsecured	4.41%	1	1	Bullet	22/04/2022	22/04/2022
Commercial Paper	199.40	Unsecured	4.41%	1	1	Bullet	23/04/2022	23/04/2022
Commercial Paper	49.85	Unsecured	4.41%	1	1	Bullet	24/04/2022	24/04/2022
Commercial Paper	298.15	Unsecured	4.65%	1	1	Bullet	25/04/2022	25/04/2022
Commercial Paper	148.98	Unsecured	4.65%	1	1	Bullet	26/04/2022	26/04/2022
Commercial Paper	247.48	Unsecured	4.90%	1	1	Bullet	27/04/2022	27/04/2022
Commercial Paper	148.37	Unsecured	4.90%	1	1	Bullet	28/04/2022	28/04/2022
Commercial Paper	98.91	Unsecured	4.90%	1	1	Bullet	29/04/2022	29/04/2022
Commercial Paper	49.42	Unsecured	4.90%	1	1	Bullet	30/04/2022	30/04/2022
Commercial Paper	49.42	Unsecured	4.90%	1	1	Bullet	01/05/2022	01/05/2022
Non-Convertible Debentures	300.00	Secured	8.35%	1	1	Bullet	02/05/2022	02/05/2022
Non-Convertible Debentures	25.00	Secured	8.35%	1	1	Bullet	03/05/2022	03/05/2022
Non-Convertible Debentures	99.99	Secured	7.40%	1	1	Bullet	04/05/2022	04/05/2022
	2,213.68							
Loan repayable on demand	1,197.62	Secured	5.80% - 7.85%	Repayable on demand				
	15.00	Unsecured						
	1,212.62							
Term Loan								
Bank	199.98	Secured	7.35%	1.00	1.00	Bullet	19/11/2022	19/11/2022
Bank	97.50	Secured	6.30%	8.00	6.00	Quarterly	24/12/2021	24/09/2023
Bank	174.98	Secured	5.90%	8.00	7.00	Quarterly	18/02/2022	18/11/2023
Bank	299.96	Secured	5.60%	8.00	8.00	Quarterly	29/06/2022	29/03/2024
Bank	249.96	Secured	6.30%	8.00	8.00	Quarterly	21/12/2022	21/09/2024
Bank	250.00	Secured	6.30%	8.00	8.00	Quarterly	31/05/2023	28/02/2025
Bank	83.32	Secured	7.40%	11.00	4.00	Quarterly	06/08/2020	06/02/2023
Bank	249.95	Secured	7.45%	12.00	10.00	Quarterly	31/12/2021	24/09/2024
Bank	22.50	Secured	6.90%	10.00	3.00	Quarterly	15/07/2020	15/10/2022
Bank	79.98	Secured	6.90%	10.00	4.00	Quarterly	24/11/2020	24/02/2023
Bank	50.00	Secured	7.90%	4.00	2.00	Half yearly	18/06/2021	18/12/2022
Bank	41.66	Secured	5.17%	36.00	5.00	Monthly	30/09/2019	30/08/2022
Bank	33.33	Secured	6.28%	36.00	6.00	Monthly	30/10/2019	29/09/2022
Bank	166.67	Secured	5.85%	36.00	12.00	Monthly	19/04/2020	19/03/2023
Bank	141.67	Secured	5.90%	36.00	17.00	Monthly	21/09/2020	21/08/2023
Bank	116.67	Secured	5.29%	36.00	21.00	Monthly	31/01/2021	31/12/2023
Bank	374.96	Secured	5.25%	36.00	27.00	Monthly	25/07/2021	24/06/2024
Bank	416.67	Secured	5.00%	36.00	30.00	Monthly	28/10/2021	28/09/2024
Bank	229.17	Secured	5.29%	36.00	33.00	Monthly	31/01/2022	31/12/2024
Bank	499.89	Secured	5.60%	37.00	37.00	Monthly	30/04/2022	30/04/2025
Bank	249.78	Secured	6.10%	8.00	8.00	Quarterly	28/06/2023	28/03/2025
Bank	150.00	Secured	6.95%	1.00	1.00	Bullet	25/10/2024	25/10/2024
Bank	100.00	Secured	7.40%	6.00	4.00	Half yearly	12/08/2021	01/02/2024
Bank	249.77	Secured	6.80%	12.00	12.00	Quarterly	25/06/2022	25/03/2025
Bank	99.93	Secured	7.35%	10.00	4.00	Quarterly	20/12/2020	20/03/2023

(All amounts in ₹ Crore unless otherwise stated)

Institution	As on 31st March, 2022	Type of Security	Interest Rate	Total Instalment	No. of Instalments Remaining	Frequency	Repayable From	Repayable To
Bank	124.94	Secured	7.25%	10.00	5.00	Quarterly	04/02/2021	04/05/2023
Bank	39.99	Secured	7.25%	10.00	4.00	Quarterly	31/12/2020	30/03/2023
Bank	199.96	Secured	7.30%	10.00	8.00	Quarterly	19/12/2021	19/03/2024
Bank	66.63	Secured	7.40%	36.00	24.00	Monthly	30/04/2021	30/03/2024
Bank	200.00	Secured	6.95%	10.00	10.00	Quarterly	29/04/2022	29/07/2024
Bank	200.00	Secured	6.95%	10.00	10.00	Quarterly	13/05/2022	13/08/2024
Bank	59.99	Secured	7.35%	10.00	2.00	Quarterly	20/05/2020	20/08/2022
Bank	200.00	Secured	7.00%	1.00	1.00	Bullet	27/10/2024	27/10/2024
Bank	199.94	Secured	6.45%	1.00	1.00	Bullet	24/05/2024	24/05/2024
Bank	150.00	Secured	6.10%	1.00	1.00	Bullet	23/09/2022	23/09/2022
Others	4.93	Secured	6.43%	10.00	1.00	Quarterly	10/03/2020	10/06/2022
Bank-ECB	189.38	Secured	8.57%	1.00	1.00	Bullet	31/05/2022	31/05/2022
Bank-ECB	189.38	Secured	8.57%	1.00	1.00	Bullet	10/06/2022	10/06/2022
Bank-ECB	151.51	Secured	8.06%	1.00	1.00	Bullet	26/08/2022	26/08/2022
Bank-ECB	151.51	Secured	8.06%	1.00	1.00	Bullet	16/09/2022	16/09/2022
Bank-ECB	378.07	Secured	6.94%	1.00	1.00	Bullet	13/07/2023	13/07/2023
Bank-ECB	356.04	Secured	6.94%	1.00	1.00	Bullet	19/10/2023	19/10/2023
Bank-ECB	753.93	Secured	6.92%	1.00	1.00	Bullet	02/12/2024	02/12/2024
	8,244.50							
Subordinated Liabilities								
Perpertual Debt	99.86	Unsecured	11.50%	1	1	Bullet	25/11/2027	25/11/2027
Other Subordinated Liabilities:								
Bank	49.99	Unsecured	8.60%	1	1	Bullet	29/05/2023	29/05/2023
Bank	50.00	Unsecured	8.94%	1	1	Bullet	24/07/2023	24/07/2023
Bank	25.00	Unsecured	9.70%	1	1	Bullet	01/09/2022	01/09/2022
Bank	24.99	Unsecured	9.70%	1	1	Bullet	01/09/2022	01/09/2022
Others	99.30	Unsecured	10.90%	1	1	Bullet	07/08/2024	07/08/2024
Others	112.91	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	34.36	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	99.00	Unsecured	8.85%	1	1	Bullet	02/06/2027	02/06/2027
Others	35.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	35.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	30.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	200.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	50.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	50.00	Unsecured	10.02%	1	1	Bullet	28/04/2022	28/04/2022
Others	147.93	Unsecured	9.40%	1	1	Bullet	26/08/2026	26/08/2026
Others	50.00	Unsecured	11.25%	1	1	Bullet	01/05/2022	01/05/2022
Others	100.00	Unsecured	10.00%	1	1	Bullet	01/07/2026	01/07/2026
Total	**1,193.45**							
Subordinated Liabilities Total	**1,293.31**							

(All amounts in ₹ Crore unless otherwise stated)

Institution	Amount Outstanding as on 31st March, 2021	Type of Security	Interest Rate	Total Instalment	No. of Instalments Remaining	Frequency	Repayable From	Repayable To
Debt Securities								
Commercial Paper	249.10	Unsecured	4.75%	1	1	Bullet	29/04/2021	29/04/2021
Commercial Paper	248.54	Unsecured	4.60%	1	1	Bullet	18/05/2021	18/05/2021
Commercial Paper	248.47	Unsecured	4.60%	1	1	Bullet	20/05/2021	20/05/2021
Non Convertible Debentures	99.74	Secured	7.40%	1	1	Bullet	08/04/2022	08/04/2022
Non Convertible Debentures	300.00	Secured	8.35%	1	1	Bullet	22/03/2023	22/03/2023
Non Convertible Debentures	25.00	Secured	8.35%	1	1	Bullet	22/03/2023	22/03/2023
	1,170.85							
Loan repayable on demand	1,721.89	Secured	6.25% - 7.50%	Repayable on demand				
	340.00	Unsecured						
	2,061.89							
Term Loan								
Bank	100.00	Secured	8.00%	1.00	1.00	Bullet	06/05/2021	06/05/2021
Bank	25.00	Secured	6.62%	1.00	1.00	Bullet	25/05/2021	25/05/2021
Bank	37.50	Secured	7.90%	4.00	1.00	Half Yearly	17/03/2020	17/09/2021
Bank	41.67	Secured	7.50%	36.00	6.00	Monthly	26/10/2018	26/09/2021
Bank	123.98	Secured	7.50%	12.00	3.00	Quarterly	28/03/2019	27/12/2021
Bank	33.33	Secured	8.00%	6.00	2.00	Half Yearly	28/06/2019	28/12/2021
Bank	59.89	Secured	7.35%	10.00	3.00	Quarterly	30/09/2019	30/12/2021
Bank	16.67	Secured	8.00%	6.00	2.00	Half Yearly	28/07/2019	28/01/2022
Bank	238.90	Secured	7.85%	10.00	4.00	Quarterly	04/11/2019	04/02/2022
Bank	39.97	Secured	7.90%	10.00	4.00	Quarterly	15/11/2019	15/02/2022
Bank	199.97	Secured	7.35%	10.00	4.00	Quarterly	27/11/2019	27/02/2022
Bank	179.97	Secured	7.35%	10.00	6.00	Quarterly	20/05/2020	20/08/2022
Bank	141.64	Secured	5.10%	36.00	17.00	Monthly	30/09/2019	30/08/2022
Bank	100.00	Secured	5.50%	36.00	18.00	Monthly	30/10/2019	30/09/2022
Bank	52.50	Secured	6.90%	10.00	7.00	Quarterly	15/07/2020	15/10/2022
Bank	199.96	Secured	7.45%	1.00	1.00	Bullet	19/11/2022	19/11/2022
Bank	100.00	Secured	7.90%	4.00	4.00	Half Yearly	18/06/2021	18/12/2022
Bank	166.63	Secured	7.50%	12.00	8.00	Quarterly	06/05/2020	06/02/2023
Bank	159.97	Secured	6.90%	10.00	8.00	Quarterly	24/11/2020	24/02/2023
Bank	333.33	Secured	5.85%	36.00	24.00	Monthly	19/04/2020	19/03/2023
Bank	199.86	Secured	7.35%	10.00	8.00	Quarterly	20/12/2020	20/03/2023
Bank	79.99	Secured	7.25%	10.00	8.00	Quarterly	31/12/2020	31/03/2023
Bank	224.89	Secured	8.00%	10.00	9.00	Quarterly	04/02/2021	04/05/2023
Bank	179.87	Secured	7.80%	10.00	9.00	Quarterly	30/03/2021	30/06/2023
Bank	241.67	Secured	5.90%	36.00	29.00	Monthly	21/09/2020	21/08/2023
Bank	130.00	Secured	6.30%	8.00	8.00	Quarterly	24/12/2020	24/09/2023
Bank	199.96	Secured	5.90%	8.00	8.00	Quarterly	18/02/2022	18/11/2023
Bank	183.33	Secured	5.00%	36.00	33.00	Monthly	31/01/2021	31/12/2023
Bank	150.00	Secured	7.40%	6.00	6.00	Half Yearly	12/08/2021	12/02/2024
Bank	250.00	Secured	7.30%	10.00	10.00	Quarterly	19/12/2021	19/03/2024
Bank	299.93	Secured	5.60%	8.00	8.00	Quarterly	29/06/2022	29/03/2024
Bank	99.95	Secured	7.40%	36.00	36.00	Monthly	30/04/2021	30/03/2024

(All amounts in ₹ Crore unless otherwise stated)

Institution	Amount Outstanding as on 31st March, 2021	Type of Security	Interest Rate	Total Instalment	No. of Instalments Remaining	Frequency	Repayable From	Repayable To
Others	24.59	Secured	6.43%	10.00	5.00	Quarterly	10/03/2020	10/06/2022
Bank-ECB	182.56	Secured	8.57%	1.00	1.00	Bullet	29/05/2022	29/05/2022
Bank-ECB	182.56	Secured	8.57%	1.00	1.00	Bullet	10/06/2022	10/06/2022
Bank-ECB	146.05	Secured	8.06%	1.00	1.00	Bullet	26/08/2022	26/08/2022
Bank-ECB	146.05	Secured	8.06%	1.00	1.00	Bullet	16/09/2022	16/09/2022
Bank-ECB	363.87	Secured	6.94%	1.00	1.00	Bullet	13/07/2023	13/07/2023
Bank-ECB	343.22	Secured	6.94%	1.00	1.00	Bullet	19/10/2023	19/10/2023
	5,979.22							
Subordinated Liabilities								
Perpertual Debt	99.84	Unsecured	11.50%	1	1	Bullet	25/11/2027	25/11/2027
Other Subordinated Liabilities								
Bank	49.99	Unsecured	10.02%	1	1	Bullet	28/04/2022	28/04/2022
Bank	25.00	Unsecured	9.70%	1	1	Bullet	29/09/2022	29/09/2022
Bank	24.97	Unsecured	9.70%	1	1	Bullet	29/09/2022	29/09/2022
Bank	49.98	Unsecured	8.70%	1	1	Bullet	29/05/2023	29/05/2023
Bank	50.00	Unsecured	9.76%	1	1	Bullet	24/07/2023	24/07/2023
Others	49.98	Unsecured	11.25%	1	1	Bullet	01/05/2022	01/05/2022
Others	50.00	Unsecured	11.75%	1	1	Bullet	01/07/2021	01/07/2021
Others	49.96	Unsecured	11.30%	1	1	Bullet	27/09/2021	27/09/2021
Others	99.00	Unsecured	10.90%	1	1	Bullet	07/08/2024	07/08/2024
Others	146.62	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	100.00	Unsecured	10.00%	1	1	Bullet	01/07/2026	01/07/2026
Others	122.46	Unsecured	9.40%	1	1	Bullet	26/08/2026	26/08/2026
Others	25.00	Unsecured	9.40%	1	1	Bullet	26/08/2026	26/08/2026
Total	**842.96**							
Subordinated Liabilities Total	**942.79**							

Details of Security

i. Non-Convertible Debentures of ₹424.99 inclusive of Current and Non-Current Dues (Previous Year: ₹424.74 as on 31st March, 2021) 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 ₹8,244.50 inclusive of Current and Non-Current Dues (Previous Year: ₹5,979.22 as on 31st March, 2021) 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 ₹1,197.62 (Previous Year: ₹1,721.88 as at 31st March, 2021) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Company.

External Commercial Borrowings

During the 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 ECB directions issued by the RBI.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 18 Other Financial Liabilities

S.No.	Description	As at 31st March, 2022	As at 31st March, 2021
a)	Interest Accrued But Not Due	69.69	76.43
b)	Employee Related Liabilities	57.66	55.18
c)	Security Deposit	81.37	53.46
d)	Lease liability (refer note 37)	21.96	22.02
	Total	**230.68**	**207.09**

NOTE 19 Provisions

S.No.	Description	As at 31st March, 2022	As at 31st March, 2021
a)	Pension	13.80	11.68
b)	Gratuity	-	1.80
c)	Compensated absences	24.54	20.27
	Total	**38.34**	**33.75**

NOTE 20 Other Non-Financial Liabilities

S.No.	Description	As at 31st March, 2022	As at 31st March, 2021
a)	Statutory Dues	29.57	23.64
	Total	**29.57**	**23.64**

NOTE 21 Equity Share Capital

	Description	As at 31st March, 2022	As at 31st March, 2021
a)	**Authorised Share Capital:**		
	250,000,000 Equity Shares of ₹10 each	250.00	200.00
	(Previous Year 200,000,000 Equity Shares)		
		250.00	**200.00**
b)	**Issued, Subscribed and Fully Paid-up Share Capital:**		
	201,196,900 number of equity shares of ₹10 each	201.20	191.94
	(Previous year 191,937,700 equity shares of ₹10 each)		
c)	**Par Value per Share**	₹10 each	₹10 each
d)	**Number of equity shares at the beginning of the year**	191,937,700	185,182,300
	Changes in equity share capital due to prior period errors	-	-
	Restated number of equity shares at the beginning of the year	191,937,700	185,182,300
	Add: Preferential Allotment made during the year	9,259,200	6,755,400
	Number of equity shares at the end of the year	201,196,900	191,937,700
e)	**Equity Shares held by Holding Companies**		
	Particulars	**No. of Shares**	**No. of Shares**
	Holding Company - TVS Motor Company Limited	168,397,728	162,224,928
	Sundaram-Clayton Limited (Holding Company of TVS Motor Company Limited)	2,180,250	2,180,250

(All amounts in ₹ Crore unless otherwise stated)

NOTE 21 Equity Share Capital (Contd.)

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

Name of the Shareholders	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
TVS Motor Company Limited	168,397,728	83.70%	162,224,928	84.52%
Lucas-TVS Limited	11,337,297	5.63%	11,337,297	5.91%

g) Shares held by Promoters at the the End of Year

S.No.	Promotor Name	No. of Shares	% of Total Shares	% change during the year
1	TVS Motor Company Limited	168,397,728	83.70%	(0.82%)
2	Sundaram Clayton Limited	2,180,250	1.08%	(0.06%)
3	TVS Motor Services Limited	1,090,125	0.54%	(0.03%)

NOTE 22 Other Equity

Description	As at 31st March, 2022	As at 31st March, 2021
a) Securities Premium Reserves	863.37	722.63
b) Statutory Reserve	164.29	140.15
c) Retained Earnings	621.98	526.65
d) Other Reserves	12.79	(17.67)
Total reserves and surplus	**1,662.44**	**1,371.76**

a) Securities Premium Reserves	As at 31st March, 2022	As at 31st March, 2021
Opening balance	722.63	629.41
Additions during the year	140.74	93.22
Deductions/Adjustments during the year	-	-
Closing balance	**863.37**	**722.63**

b) Statutory Reserve	As at 31st March, 2022	As at 31st March, 2021
Opening balance	140.15	120.75
Transfer from retained earnings	24.15	19.40
Deductions/Adjustments during the year	-	-
Closing balance	**164.29**	**140.15**

c) Retained earnings	As at 31st March, 2022	As at 31st March, 2021
Opening balance	526.65	451.69
Net profit for the year	120.73	96.98
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation net off tax	(1.25)	(2.62)
Transfer to Statutory Reserve	(24.15)	(19.40)
Closing balance	**621.98**	**526.65**

d) Other Reserves - Hedge Reserve	As at 31st March, 2022	As at 31st March, 2021
Opening balance	(17.67)	(15.00)
Add: Change in fair value of hedging instruments, net of tax for the year	30.46	(2.67)
Closing balance	**12.79**	**(17.67)**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 22 Other Equity (Contd.)

Securities Premium

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

Statutory Reserves:

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

Retained Earnings:

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

NOTE 23 Interest Income

Description	Year ended 31st March, 2022	Year ended 31st March, 2021
On Financial assets measured at amortised cost:		
Interest on Loans	2,444.16	2,039.16
Interest on Deposits with Bank	1.77	1.90
Total	**2,445.93**	**2,041.06**

NOTE 24 Fees and Commission Income

Description	Year ended 31st March, 2022	Year ended 31st March, 2021
Fee based Income	255.95	146.68
Commission Income	-	2.64
Service Income	44.57	47.44
Total	**300.52**	**196.76**

NOTE 25 Other Income

Description	Year ended 31st March, 2022	Year ended 31st March, 2021
Unwinding of discount on security deposits and receivable for investments	6.80	2.68
Other Non-Operating Income	0.26	0.43
Interest on Income tax refund	1.91	-
Total	**8.97**	**3.11**

NOTE 26 Finance Costs

Description	Year ended 31st March, 2022	Year ended 31st March, 2021
On Financial liabilities measured at amortised cost		
Interest Cost		
- Interest on Borrowings (other than Debt Securities)	547.34	544.45
- Interest on Debt Securities	85.47	77.85
- Interest on Subordinated Liabilities	102.12	66.83
- Interest on Lease Liabilities	1.99	2.02
Other Finance Charges	45.21	38.29
Total	**782.13**	**729.44**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 27 Impairment of Financial Instruments

Description	Year ended 31st March, 2022	Year ended 31st March, 2021
On Financial Insturments measured at Amortised Cost		
Bad Debts Written-off (net)	231.29	252.00
Net Loss on Sale of Repossessed Assets	216.03	108.23
Impairment Provision on Loans	98.98	89.11
Impairment Provision on Trade Receivables and Other Financial Assets	7.85	17.45
Total	**554.15**	**466.79**

NOTE 28 Employee Benefit Expenses

Description	Year ended 31st March, 2022	Year ended 31st March, 2021
Salaries and Wages	638.95	537.00
Contribution to Provident and other funds	40.92	31.43
Staff Welfare	31.91	16.38
Total	**711.78**	**584.81**

NOTE 29 Other Expenses

Description	Year ended 31st March, 2022	Year ended 31st March, 2021
Travelling and Conveyance	91.45	38.18
Communication Costs	91.45	62.51
Rent, Taxes and Energy Costs (Refer note 37c)	25.48	21.54
Repairs & Maintenance	3.44	2.46
Insurance Expenses	0.51	1.37
Legal and Prof Charges	81.81	50.73
Auditors Fees and Expenses*	0.53	0.53
Directors Sitting Fees & Commission Expenses	0.73	0.57
Corporate Social Responsibility **	3.50	4.00
Donation	-	0.03
Printing and Stationery	5.81	3.78
Others	18.80	13.70
Total	**323.51**	**199.40**

***Auditors Fees and Expenses**

Description	Year ended 31st March, 2022	Year ended 31st March, 2021
Statutory Audit	0.24	0.24
Tax Audit	0.07	0.07
Certification	0.15	0.15
Reimbursement of Expenses	0.07	0.07
Auditors Fees and Expenses#	**0.53**	**0.53**

Includes audit fee of ₹0.23 Cr paid to previous auditor

(All amounts in ₹ Crore unless otherwise stated)

NOTE 29 Other Expenses (Contd.)

**** Expenditure incurred on Corporate Social Responsibility activities:**

Particulars	Year ended 31st March,2022	Year ended 31st March,2021
(i) Amount required to be spent by the Company during the year	3.42	3.98
(ii) Amount of expenditure incurred	3.50	4.00
(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	3.50	4.00
Total	**3.50**	**4.00**

NOTE 30 Income Tax Expenses

Description	Year ended 31st March, 2022	Year ended 31st March, 2021
(a) Income tax expense:		
Current tax on profits for the year	64.84	47.05
Tax profits relating to prior period	-	(0.53)
Total current tax expense	**64.84**	**46.52**
Deferred tax		
Decrease/(increase) in deferred tax assets	(34.36)	(38.10)
(Decrease)/increase in deferred tax liabilities	-	-
Total deferred tax expense/(benefit)	**(34.36)**	**(38.10)**
Income tax expense for the year	**30.48**	**8.42**
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	151.21	105.40
Tax at the Indian tax rate of 25.168% (previous year – 25.168%)	38.06	26.53
Tax effect of amounts which are permanent differences in nature in calculation of taxable income	(7.57)	(18.11)
Income tax expense	**30.48**	**8.42**

NOTE 31 Other Comprehensive Income

Description	Year ended 31st March, 2022	Year ended 31st March, 2021
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans	(1.67)	(3.50)
Income tax relating to these items	0.42	0.88
Items that will be reclassified to profit or loss		
Fair value change on cash flow hedge	40.71	(3.55)
Income tax relating to these items	(10.25)	0.89
Other Comprehensive Income	**29.21**	**(5.28)**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 32 Earnings Per Share

	Year ended 31st March, 2022	Year ended 31st March, 2021
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Company	6.17	5.19
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the Company	6.17	5.19
(c) Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Profit attributable to equity holders of the Company used in calculating basis earnings per share	120.73	96.98
Diluted earnings per share		
Profit attributable to equity holders of the Company - used in calculating basis earnings per share	120.73	96.98
(d) Weighted average number of equity shares used as the denominator in calculating basic earnings per share	195,548,365	186,986,825
(e) Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	195,548,365	186,986,825

NOTE 33 Employee Benefit Obligations

Defined Benefit Obligation

The Company provides for gratuity employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised fund in India.

The Company operates defined benefit pension plan, which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

Particulars	Gratuity			Pension			Compensated Absences		
	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total
As on 1st April, 2020	**16.11**	**(15.38)**	**0.73**	**11.22**	**-**	**11.22**	**16.02**	**-**	**16.02**
Current service cost	2.68	**-**	2.68	-	**-**	-	-	-	-
Interest expense/(income)	0.90	(0.84)	0.06	0.69	**-**	0.69	0.79	-	0.79
Total amount recognised in profit or loss	**3.58**	**(0.84)**	**2.74**	**0.69**	**-**	**0.69**	**0.79**	**-**	**0.79**
Remeasurements									
Return on plan assets, excluding amounts included in interest expense/(income)	-	(0.03)	(0.03)	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	0.19	-	0.19	0.01	-	0.01	0.14	-	0.14
Experience (gains)/losses	3.58	-	3.58	(0.24)	-	(0.24)	7.48	-	7.48
Total amount recognised in other comprehensive (income)/Losses	**3.77**	**(0.03)**	**3.74**	**(0.23)**	**-**	**(0.23)**	**7.63**	**-**	**7.63**
Employer contributions	-	(5.41)	(5.41)	-	-	-		-	-
Benefit payments	(1.33)	1.33	0.00	-	-	-	(4.17)	-	(4.17)
As on 31st March, 2021	**22.13**	**(20.33)**	**1.80**	**11.68**	**-**	**11.68**	**20.27**	**-**	**20.27**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 33 Employee Benefit Obligations (Contd.)

Particulars	Gratuity			Pension			Compensated Absences		
	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total
As on 1st Apr, 2021	**22.13**	**(20.33)**	**1.80**	**11.68**	**-**	**11.68**	**20.27**	**-**	**20.27**
Current service cost	3.66	-	3.66	-	-	-	-	-	-
Interest expense/(income)	1.25	(1.32)	(0.06)	0.76	-	0.76	1.04	-	1.04
Total amount recognised in profit or loss	**4.92**	**(1.32)**	**3.60**	**0.76**	**-**	**0.76**	**1.04**	**-**	**1.04**
Remeasurements									
Return on plan assets, excluding amounts included in interest expense/(income)	-	(0.79)	(0.79)	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	(0.26)	-	(0.26)	(0.29)	-	(0.29)	(0.18)	-	(0.18)
Experience (gains)/losses	1.36	-	1.36	1.65	-	1.65	5.55	-	5.55
Total amount recognised in other comprehensive (income)/Losses	**1.10**	**(0.79)**	**0.31**	**1.36**	**-**	**1.36**	**5.37**	**-**	**5.37**
Employer contributions	-	(8.52)	(8.52)	-	-	-	(2.14)	-	(2.14)
Benefit payments	(0.40)	0.40	(0.00)	-	-	-	-	-	-
As on 31st March, 2022	**27.74**	**(30.56)**	**(2.81)**	**13.80**	**-**	**13.80**	**24.54**	**-**	**24.54**

Details	Gratuity		Pension		Compensated Absences	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Discount Rate	5.36%	4.99%	6.13%	5.98%	5.17%	4.82%
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 2021-22

Particulars	Gratuity			Pension			Compensated Absences		
	Change in Assump-tion	Due to increase in assump-tion	Due to decrease in assump-tion	Change in Assump-tion	Due to increase in assump-tion	Due to decrease in assump-tion	Change in Assump-tion	Due to increase in assump-tion	Due to decrease in assump-tion
Discount Rate	0.50%	27.41	28.09	1.00%	12.05	15.91	0.50%	24.28	24.81
Salary Growth Rate	0.50%	28.08	27.41	1.00%	15.99	11.97	0.50%	24.81	24.28
Mortality	5.00%	27.74	27.74	5.00%	13.69	13.91	5.00%	24.54	24.54

FY 2020-21

Particulars	Gratuity 2019-20			Pension 2019-20			Compensated Absences 2019-20		
	Change in Assump-tion	Due to increase in assump-tion	Due to decrease in assump-tion	Change in Assump-tion	Due to increase in assump-tion	Due to decrease in assump-tion	Change in Assump-tion	Due to increase in assump-tion	Due to decrease in assump-tion
Discount Rate	0.50%	21.85	22.40	1.00%	10.11	13.59	0.50%	20.05	20.50
Salary Growth Rate	0.50%	22.39	21.86	1.00%	13.66	10.04	0.50%	20.49	20.05
Mortality	5.00%	22.12	22.12	5.00%	11.58	11.78	5.00%	20.27	20.27

(All amounts in ₹ Crore unless otherwise stated)

NOTE 33 Employee Benefit Obligations (Contd.)

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

Particulars	
Within the next 12 months (next annual reporting period)	8.42
Between 2 and 5 years	18.20
Beyond 5 years	4.64
Total	**31.26**

(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 ₹25.99 (31st March, 2021: ₹18.75) has been recognised in the Statement of Profit and Loss. There are numerous interpretative issues relating to the Supreme Court (SC) judgment dated 28th February, 2019 on components / allowances paid to employees that need to be taken into account while computing an employer's contribution to provident fund under the EPF Act. The Company is in the process of evaluating the method of computation of its PF contribution in relation to above judgement and would record any further effect in its financial statements, on receiving further clarification on the subject.

NOTE 34 Fair Value Measurements

Financial assets and financial liabilities measured at amortised cost, including their levels in the fair value hierarchy:

Particulars	Carrying Amount		Fair Value Hierarchy	Fair Value	
	31st March, 2022	31st March, 2021		31st March, 2022	31st March, 2021
Financial assets:					
Cash and Cash equivalents	956.23	653.14	Level 3	956.23	653.14
Other Bank Balances	6.00	0.87	Level 3	6.00	0.87
Trade Receivables	37.90	25.87	Level 3	37.90	25.87
Loans	14,014.30	11,154.95	Level 3	14,014.30	11,154.95
Investments	12.01	12.01	Level 3	12.01	12.01
Other Financial Assets					
Employees Related Receivables	4.85	4.14	Level 3	4.85	4.14
Security Deposit for Leased Premises	8.27	7.49	Level 3	8.27	7.49
Advances to Related Parties	38.10	73.21	Level 3	38.75	59.39
Other Financial Assets - Related Parties	0.02	0.04	Level 3	0.02	0.04
Other Financial Assets - Non-Related Parties	0.00	6.42	Level 3	0.00	6.42
Deposit with Service Providers	6.39	4.39	Level 3	6.39	4.39
Total	**15,084.07**	**11,942.53**		**15,084.72**	**11,928.71**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 34 Fair Value Measurements (Contd.)

Particulars	Carrying Amount		Fair Value Hierarchy	Fair Value	
	31st March, 2022	31st March, 2021		31st March, 2022	31st March, 2021
Financial liabilities:					
Trade Payables	333.78	229.35	Level 3	333.78	229.35
Debt Securities	2,213.68	1,170.85	Level 3	2,213.68	1,170.85
Borrowings other than debt securities	9,457.10	8,041.11	Level 3	9,457.10	8,041.11
Subordinated Liabilities	1,293.34	942.79	Level 3	1,293.34	942.79
Other financial liabilities	230.68	207.09	Level 3	230.68	207.09
Total	**13,528.58**	**10,591.19**		**13,528.58**	**10,591.19**

Financial assets and liabilities measured at fair value (Level 2)

Particulars	31st March, 2022	31st March, 2021
Financial assets		
Derivative Financial Instruments	64.06	-
Total financial assets	**64.06**	**-**
Financial liabilities		
Derivative Financial Instruments	-	14.57
Total financial assets	**-**	**14.57**

There were no transfers between any levels during the year.

(i) Fair value hierarchy

IND-AS 113, 'Fair Value Measurement' requires classification of the valuation method of financial instruments measured at fair value in the Statement of Balance sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 reasurements). Fair value of derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. The three levels of the fair-value-hierarchy under IND-AS 113 are described below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes publicly traded derivatives and mutual funds that have a quoted price. The quoted market price used for financial assets held by the Company is the current bid price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii. Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- The Management assessed that Cash and Cash equivalents, bank balance other than Cash and Cash equivalents, receivable, other financial assets, payables and other financial liabilities 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 35 Financial Risk Management

The Company's financial assets include loan and advances, investments and cash and cash equivalents that derive directly from its operations. The Company's financial liabilities comprise mainly borrowings from banks, commercial papers and debentures.

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 when a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored to determine significant increase in credit risk. The Company monitors the credit assessment on a portfolio basis, assesses all credit exposures in excess of designated limits. The Company does a risk grading based upon the credit worthiness of the borrowers. All these factors are taken into consideration for computation of Expected Credit Loss (ECL).

Loans

The following table sets out information about credit quality of retail loan assets measured at amortised cost based on number of days past due information. The amount represents the gross carrying value of assets as on each reporting date.

Particulars	31st March, 2022	31st March, 2021
Gross Carrying value of Loans		
Stage-1 (Less than 30 Days)	12,776.83	9,539.60
Stage-2 (30-90 Days)#	1,097.14	1,481.27
Stage-3 (More than 90 Days)*	528.99	423.75
Total Gross carrying value as of year end	**14,402.96**	**11,444.62**

Includes restructured contracts under one time resolution framework vide RBI circular dated 6th August, 2020 and RBI/2 021- 22/31/ DOR.STR.REC.11 /21.04.048/2021-22 dated 5th May, 2021 irespective of days past due on the reporting date.

* Includes restructured contracts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR. No.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019 irespective of days past due on the reporting date.

Other financial assets

Credit risk with respect to other financial assets 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 loan assets under ECL model, the loan assets have been segmented into three stages.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 35 Financial Risk Management (Contd.)

The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages relate to the recognition of expected credit losses and the calculation and presentation of interest revenue.

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

— Stage 1: 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 tenure.

— Loss given default is calculated based on discounted actual cash flow on past portfolio in default along with reversals.

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 macro-economic factors on the Company's ECL estimates. The internal estimates of PD, LGD rates used in the ECL model may not always capture all the characteristics of the market/external environment as at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

Assessment of significant increase in credit risk

When determining whether the risk of default has increased significantly since initial recognition, the Company considers both quantitative and qualitative information and analysis based on the business historical experience, including forward-looking information. The Company considers reasonable and supportable information that is relevant and available without undue cost and effort.

The Company uses the number of days past due to classify a financial instrument in low credit risk category and to determine significant increase in credit risk in retail. As a backstop, the Company considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due.

In accordance with the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated 27th March, 2020 and 17th April, 2020 relating to 'COVID-19 – Regulatory Package', the Company has offered moratorium upto six months on the payment of instalments falling due between 1st March, 2020 and 31st August, 2020 to all eligible borrowers. The Company has extended One-Time Resolution framework as for COVID-19-related Stress to eligible customers as per applicable RBI guidelines and as per the policy of the Company. The Company has classified all restructured accounts done under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019 in Stage 3 and with regard to restructured contracts done under one time resolution framework vide RBI circular dated 6th August, 2020 and RBI/2021- 22/31/DOR.STR.REC.11 / 21.04.048/2021-22 dated 5th May, 2021 in Stage 2 irrespective of days past due status on the reporting date.

COVID-19 has severe impact on global as well as domestic macro and micro economies, businesses and consumers. Due to this uncertainty, Company's assessments of impairment loss allowance on its loans are subject to a number of management judgements and estimates. Since the Company's impairment loss allowance estimates are inherently uncertain, actual results may differ from these estimates.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 35 Financial Risk Management (Contd.)

Definition of default

The Company considers a financial instrument is in defaulted when the borrower becomes 90 days past due on its contractual payments. The Company considers loans under default as 'credit impaired' and classified as Stage-3 except for restructured contracts as disclosed above.

Impairment loss

The expected credit loss allowance provision is determined as follows:

	Stage 1	Stage 2	Stage 3	Grand Total
Gross Balance as at 31st March, 2022	**12,776.83**	**1,097.14**	**528.99**	**14,402.96**
Expected Credit Loss	87.80	33.25	267.61	388.66
Expected Credit Loss Rate	0.69%	3.03%	50.59%	2.70%
Net of Impairment Provision	12,689.03	1,063.89	261.38	14,014.30

	Stage 1	Stage 2	Stage 3	Grand Total
Gross Balance as at 31st March, 2021	**9,539.60**	**1,481.27**	**423.75**	**11,444.62**
Expected Credit Loss	81.90	42.34	165.43	289.67
Expected Credit Loss Rate	0.86%	2.86%	39.04%	2.53%
Net of Impairment Provision	9,457.70	1,438.93	258.32	11,154.95

Reconciliation of Expected Credit Loss

Particulars	Stage-1	Stage-2	Stage-3	Grand Total
Balance as at 1st April, 2020	**39.23**	**9.50**	**143.38**	192.11
Transfer from Stage 1	(9.66)	7.54	2.11	-
Transfer from Stage 2	2.44	(4.61)	2.17	-
Transfer from Stage 3	0.99	0.45	(1.43)	-
Loans that have derecognised during the period	(8.35)	(1.43)	(41.06)	(50.85)
New Loans originated during the year	33.56	4.26	14.78	52.61
Net Remeasurement of Loss Allowance	23.70	26.62	45.49	95.80
Balance as at 31st March, 2021	**81.90**	**42.34**	**165.43**	**289.67**
Transfer from Stage 1	(29.74)	18.52	11.22	-
Transfer from Stage 2	2.12	(12.60)	10.48	-
Transfer from Stage 3	4.64	2.41	(7.05)	-
Loan that have derecognised during the period	(21.70)	(19.63)	(90.95)	(132.28)
New Loans originated during the year	60.76	2.65	17.14	80.55
Net Remeasurement of Loss Allowance	(10.17)	(0.44)	161.34	150.73
Balance as at 31st March, 2022	**87.81**	**33.25**	**267.61**	**388.67**

Concentration of Credit Risk

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

	31st March, 2022	31st March, 2021
Carrying value		
Concentration by geographical region in India		
South	5,619.30	4,426.79
West	3,870.72	3,123.68
East	2,517.92	2,042.22
North	2,395.02	1,851.93
Total Loans as at reporting period	**14,402.96**	**11,444.62**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 35 Financial Risk Management (Contd.)

(B) Liquidity Risk

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

As per Company's policy, management ensures availability of sufficient fund either through instalment receivables/ sourcing through debts at each point of time.The fund requirement ascertained at the begining of the period by taking into consideration instalment receivable, likely disbursement, loan instalment payment & other operational expenses. The Company is continuously getting good support from Bankers & Financial Institutions at the time of need.

i. Financing arrangements

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

	31st March, 2022	31st March, 2021
Floating rate		
Expiring within one year (bank overdraft and other facilities)	1,215	1,428
Expiring beyond one year (bank loans)	-	-
	1,215	1,428

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

ii. Maturities of financial liabilities

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

a. All non-derivative financial liabilities, and

b. Net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The table below summarises the maturity profile of the Company's non derivative financial liabilities based on contractual undiscounted payments as at the balance sheet date. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Particulars	Contractual Cashflows					
	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total Carrying Amount
As at 31st March, 2022						
Borrowings	3,003.33	975.61	3,061.07	5,375.24	548.86	12,964.11
Security Deposit	43.70	29.13	5.26	3.28	-	81.37
Trade payables	146.85	68.12	108.65	10.16	-	333.77
Other Financial Liabilities	72.35	2.32	57.53	19.23	0.37	151.81
Total Non-Derivative Liabilities	**3,266.23**	**1,075.18**	**3,232.51**	**5,407.92**	**549.23**	**13,531.07**

Particulars	Contractual Cashflows					
	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total Carrying Amount
As at 31st March, 2021						
Borrowings	1,386.89	694.91	3,161.99	4,417.06	493.90	10,154.75
Security Deposit	29.41	19.61	4.44	-	-	53.46
Trade Payables	94.40	70.13	55.54	7.80	-	227.87
Other Financial Liabilities	79.14	2.10	56.76	17.10	2.27	157.37
Total Non-Derivative Liabilities	**1,589.84**	**786.75**	**3,278.73**	**4,441.96**	**496.17**	**10,593.45**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 35 Financial Risk Management (Contd.)

(C) 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.

	31st March, 2022	31st March, 2021
Financial liabilities		
Variable Foreign Currency Borrowings (USD 287 million) (Previous Year USD 187 million)	2,108.05	1,356.55
Derivative liabilities		
Hedged through forward contracts and CCS	2,108.05	1,356.55
Net exposure to foreign currency risk (Liabilities)	-	-

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 Currenct Swap are to buy USD for Hedging Foreign Currency Loan.

Impact on Profit After Tax		
USD sensitivity	**31st March, 2022**	**31st March, 2021**
INR/USD Increases by 5%	-	-
INR/USD Decreases by 5%	-	-

(D) Fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31st March, 2022 and 31st March, 2021, the Company's borrowings at variable rate were mainly denominated in ₹.

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. The Company has increased the component of fixed rate borrowings compared to last year by 22%.

(a) Interest rate risk exposure

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

	31st March, 2022	31st March, 2021
Variable rate borrowings	6,232.48	7,126.66
Total borrowings	**12,964.11**	**10,154.75**

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

	31st March, 2022		
	Weighted average interest rate	Balance	% of total loans
Cash credits, bank loans etc.	6.53%	6,232.48	48.07%

	31st March, 2021		
	Weighted average interest rate	Balance	% of total loans
Cash credits, bank loans etc.	7.04%	7,126.66	70.18%

An analysis by maturities is provided in note 35 B (ii) above.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 35 Financial Risk Management (Contd.)

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

Impact on Profit After Tax		
Particulars	**31st March, 2022**	**31st March, 2021**
Interest rates – increase by 50 basis points (50 bps) *	31.16	38.00
Interest rates – decrease by 50 basis points (50 bps) *	(31.16)	(38.00)

* Holding all other variables constant

NOTE 36 Capital Management

(a) Risk management

The Risk Management policy includes identification of element of risks, including those which in the opinion of Board may lead to Company not meeting its financial objectives.The risk management process has been established across the Company and design to identify, access and frame a response to threat that affect the achievement of its objecticves.Further it is embedded across all the major functions and revolve around the goals and objectives of the Company.

Maintaining optimal capital to debt is one such measure to ensure healthy returns to the shareholders. Company envisages maintaining gearing ratio of maximum 7 times to the total equity, the Company monitors the ratio as below:

	31st March, 2022	31st March, 2021
Net debt (total borrowings, less cash and cash equivalents)	12,007.88	9,501.62
Total Equity (as shown in the balance sheet)	1,863.64	1,563.70
Net debt to equity ratio	**6.44**	**6.08**

(b) Externally imposed capital restrictions

1. As per RBI requirements Capital Adequacy Ratio should be minimum 15%, not meeting RBI requirements will lead cancellation of NBFC licenses issued by RBI.
2. As per various lending arrangements with banks, TOL (Total Outside Liability) to TNW (Total Net Worth) ratio should be less than 8%, not meeting the said requirements may lead to higher interest rates.

The Company has complied with these covenants throughout the reporting period.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 37 Leases

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

Particulars	31st March, 2022	31st March, 2021
Building		
Gross Block		
Opening/(On transition to IND-AS 116)	18.68	25.78
Revaluation due to change in future lease rentals	-	(3.70)
Additions during the year	6.49	3.88
(Deletions during the year)	-	-
Closing Balance during the year	25.17	25.96
Amortisation		
Additions	-	-
Amortisation for the year	7.05	7.28
Closing Balance during the year	**18.12**	**18.68**

b) The Company has offices across the country with varied lease period. The lease term considered for arriving at the Right to use Asset and Lease Liabities are based on the non-cancellable period of the respective agreements.

c) The Company has excercised the option of short term leases and low value asset exemption.

Lease Disclosures pertaining to Statement of Profit & Loss

Particulars	31st March, 2022	31st March, 2021
Finance charges		
Interest expense	1.99	2.02
Depreciation		
Amortisation of Right to use asset	7.05	7.28
Other expenses		
Rent expenses		
Expense relating to short-term leases (included in other expenses)	11.65	10.77
Expense relating to leases of low-value assets that are not short-term leases (included in other expenses)	-	-
Expense relating to variable lease payments not included in the measurement of lease liabilities	-	-
Total	**20.69**	**20.07**

d) Additional disclosures in cash flow statement

Particulars	31st March, 2022	31st March, 2021
Cash flow financing activities		
Principal repayments related to lease liabilities	6.56	6.92
Interest payments related to lease liabilities	1.99	2.02

(All amounts in ₹ Crore unless otherwise stated)

38. Additional Notes forming part of Financial Statements for the year ended 31st March, 2022

1. Capital Commitments

Description	31st March, 2022	31st March, 2021
Estimated amount of contracts remaining to be executed on Capital Account not provided for	0.78	2.52

2. Other Commitments

Description	31st March, 2022	31st March, 2021
Undrawn Loans sanctioned to borrowers	48.33	22.89

3. Contingent Liabilities not provided for

Claims against the Company not acknowledged as debts.

Description	31st March, 2022	31st March, 2021
Disputed Service Tax Demand inclusive of Penalty – Commissioner order/Additional Commissioner appealed against by Company during previous years (Pre-deposit of ₹0.36 Cr)	7.70	7.70
Legal cases filed by borrowers against the Company	1.48	1.23

The Company's pending litigations comprise of claims against the Company and proceedings pending with Statutory Authorities. The future cash flows on the above items are determinable only on receipt of decisions/judgments that are pending at various forums/authorities. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

4. The Code on Social Security, 2020 ('The Code') relating to employee benefits during employment and post-employment benefits, received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Ministry of Labour and Employment has also released draft rules thereunder on 13th November, 2020 and has invited suggestions from stakeholders, which are under consideration by the Ministry. The Company will evaluate the rules, assess the impact, if any, and account for the same once the rules are notified and become effective.

5. Pursuant to a Business Transfer Agreement (BTA) entered into with TVS Finance and Services Limited (TVSFS) on 21st April, 2010, the Company acquired the retail finance business of TVSFS as a going concern along with the related assets (comprising of fixed assets, receivables, loans and advances and Bank balances) of ₹50.75 crores and liabilities (comprising of borrowings from Banks and Institution, current liabilities and provisions) of ₹298.75 crores. TVSFS issued Unsecured Redeemable Bonds to the Company, for the excess of liabilities over assets of ₹248 crores.The bonds are redeemable between 7th and 12th year from the date of allotment. The said bonds have been purchased by TVS Motor Services Limited (TVSMS), the Holding Company, during 2010-11 at book value and the same is repayable by TVSMS in 6 years. The advance from TVSMS to the Company pertaining to this transaction stands at ₹38.10 crores as at 31st March, 2022 as per IND-AS fair valuation and advance is fully secured.

6. 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.

7. Exceptional items of ₹5 crore represents the contribution made by the Company towards COVID related expenses for the year ended 31st March, 2022.

(All amounts in ₹ Crore unless otherwise stated)

38. Additional Notes forming part of Financial Statements for the year ended 31st March, 2022 (Contd.)

8. Related Party Disclosure

Disclosure in respect of Related Parties and their relationship where transaction exists:

Nature of Relationship	Parties Name
Reporting Enterprise	TVS Credit Services Limited
Holding Company	TVS Motor Company Limited Sundaram-Clayton Limited (holding company of TVS Motor Company Limited)
Ultimate Holding Company	TV Sundram Iyengar & Sons Private Limited
Subsidiaries	TVS Housing Finance Private Limited Harita ARC Private Limited TVS Two Wheeler Mall Private Limited TVS Micro Finance Private Limited (upto 3rd September, 2021) Harita Collection Services Private Limited (upto 3rd September, 2021) TVS Commodity Financial Solutions Private Limited (upto 9th February, 2022)
Fellow Subsidiary	TVS Motor Services Limited Sundaram Auto Components Limited TVS Automobile Solutions Private Limited
Associate of Holding Company	Emerald Haven Realty Limited

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

S.No.	Name of the Related Party	Nature of Transactions	31st March, 2022	31st March, 2021
1	TVS Motor Services Limited	Advance received	41.33	6.37
		Unwinding of advance	6.23	1.38
		Balance outstanding [Dr/(Cr)]	38.10	73.21
2	TVS Motor Company Limited	Contribution towards Equity Share Capital	6.17	6.78
		Contribution towards Security Premium	93.83	93.22
		Services Rendered	9.03	21.55
		Availing of Services	8.34	6.96
		Balance outstanding [Dr/(Cr)]	(2.80)	8.49
3	Sundaram-Clayton Limited	EMI Payment	0.11	0.10
		Availing of Services	3.92	3.08
		Balance outstanding [Dr/(Cr)]	(0.48)	0.03
4	Sundaram Auto Components Limited	EMI Payment	0.11	0.11
		Balance outstanding [Dr/(Cr)]	0.04	0.15

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.

9. Segment Reporting

There is no separate reportable segment as per IND-AS 108 on 'Operating Segments' for the Company since it is primarily engaged in the business of financing.

10. 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.

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

12. 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.

13. There have been no events after the repoting date that require disclosure in the Financial Statements.

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

(All amounts in ₹ Crore unless otherwise stated)

38. Additional Notes forming part of Financial Statements for the year ended 31st March, 2022 (Contd.)

15. Disclosure of ratios:

S.No.	Particulars	31st March,2022	31st March,2021
a.	Current Ratio	NA	NA
b.	Total Borrowings	12,964.11	10,154.75
	Shareholder's Equity	1,863.64	1,563.70
	Debt-Equity Ratio	6.96	6.49
	[total borrowings/shareholder's equity]		
c.	Debt Service Coverage Ratio	NA	NA
d.	Return on Equity Ratio	7.04%	6.61%
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	4.38%	4.33%
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)	18.64%	18.32%
m.	Tier I CRAR (Calculated as per RBI guidelines)	12.31%	13.27%
n.	Tier II CRAR (Calculated as per RBI guidelines)*	6.34%	5.05%
o.	Liquidity Coverage Ratio (LCR) (Calculated as per RBI guidelines)#	133%	207%

* The Company has issued Subordinated Debenture of ₹449 Cr during FY 2021-22

The LCR is more than regulatory requirement

Notes:

i. Certain ratios/line items marked with remark "N/A" are not applicable since the Company is a Non-banking financial Company registered with the Reserve Bank of India

ii. Return on Equity Ratio = Profit after tax/Average Networth

iii. Net profit ratio (%) = Profit after Tax/Total Income

16. 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.

17. 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.

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

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

(All amounts in ₹ Crore unless otherwise stated)

38. Additional Notes forming part of Financial Statements for the year ended 31st March, 2022 (Contd.)

20.1 Schedule to the Balance Sheet of a non-deposit taking Non-Banking Financial company (as required in terms of Annex II as amended from time to time of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016)

S.No.	Description	Amount Outstanding	Amount Overdue
		as at 31st March, 2022	
	Liabilities		
(1)	**Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:**		
A	Debentures	-	-
	- Secured	449.02	-
	- Unsecured (other than falling within the meaning of public deposits)	-	-
B	Deferred Credits	-	-
C	Term Loans (including Sub-Ordinated Debt)	10,778.41	-
D	Inter-Corporate Loans and Borrowings	-	-
E	Commercial Paper	1,795.29	-
F	Other Loans:	-	-
	i. Cash Credit & WCDL	11.08	-
	ii. Securitised Trust Borrowing	-	-
	Total	**13,033.80**	-

S.No.	Description	Amount Outstanding as at 31st March, 2022	Amount Outstanding as at 31st March, 2021
	Assets		
(2)	**Break-up of Loans and Advances including bills receivable (other than those included in (4) below) :**		
(a)	Secured	11,212.15	9,509.84
(b)	Unsecured considered good	3,190.81	1,934.78
(3)	**Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities:**		
	(i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed assets	-	-
	(iii) Other Loan counting towards AFC activities:		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
	Total	**14,402.96**	**11,444.62**

(All amounts in ₹ Crore unless otherwise stated)

38. Additional Notes forming part of Financial Statements for the year ended 31st March, 2022 (Contd.)

S.No.	Description	Amount Outstanding	Amount Overdue
		as at 31st March, 2022	
4.	**Current Investments:**		
	1. Quoted :		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
	2. Unquoted:		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
	Long-term Investments:		
	1. Quoted :		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
	2. Unquoted:		
	(i) Shares: (a) Equity	12.01	12.01
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Pass-through Certificates - Securitisation)	-	-
	Total	**12.01**	12.01

(5)	Borrower group-wise classification of assets financed as in (2) and (3) above			
	Category	**Amount (Net of provisions for Non-performing assets)**		
		Secured	**Unsecured**	**Total**
	1. Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	0.59	-	0.59
	(c) Other related parties	-	-	-
	2. Other than related parties	11,007.23	3,127.97	14,135.19
	Total	**11,007.82**	**3,127.97**	**14,135.79**

(All amounts in ₹ Crore unless otherwise stated)

38. Additional Notes forming part of Financial Statements for the year ended 31st March, 2022 (Contd.)

(6)	Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)		
	Category	**Market value / Breakup or fair value of NAV**	**Book value (Net of provisions)**
1	Related parties		
	(a) Subsidiaries	12.01	12.01
	(b) Companies in the same group	-	-
	(c) Other related parties	-	-
2	Other than related parties	-	-
	Total	**12.01**	**12.01**

(7)	Other Information	Amount
(i)	Gross Non-performing assets	
	(a) Related Parties	-
	(b) Other than related parties	528.99
(ii)	Net Non-performing assets	
	(a) Related Parties	-
	(b) Other than related parties	267.17
(iii)	Assets acquired in satisfaction of debt	-

Disclosures required in terms of Annexure XIV of the RBI Master Direction DNBR. PD. 008/03.10.119/2016-17 dated 1st September, 2016 (Updated as on 22nd February, 2019) "Master Direction - Non-Banking Financial Company - Systemically Important Non - Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

(A) Capital Adequacy Ratio

Description	2021-22	2020-21
Tier I Capital	1,780.70	1526.16
Tier II Capital	916.80	580.67
Total Capital	**2,697.51**	**2,124.50**
Total Risk Weighted Assets	**14,469.18**	**11,504.54**
Amount of Subordinated Debt as Tier II Capital (Discounted Value)	829.00	530.00
Capital Ratios		
Tier I Capital as a Percentage of Total Risk Weighted Assets (%)	12.31%	13.27%
Tier II Capital as a Percentage of Total Risk Weighted Assets (%)	6.34%	5.05%
Total (%)	**18.64%**	**18.32%**
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	449.00	400.00

(All amounts in ₹ Crore unless otherwise stated)

38. Additional Notes forming part of Financial Statements for the year ended 31st March, 2022 (Contd.)

(B) Investment

S.No.	Description	2021-22	2020-21
1.	**Value of Investments**		
	i) Gross Value of Investments		
	a) In India	12.01	12.01
	b) Outside India	-	-
	ii) Provision for Depreciation		
	a) In India	-	-
	b) Outside India	-	-
	iii) Net Value of Investments		
	a) In India	12.01	12.01
	b) Outside India	-	-
2.	**Movement of Provisions held towards depreciation on Investments**		
	i) Opening Balance	-	-
	ii) Add: Provisions made during the year	-	-
	iii) Less: Write off/write back of excess provisions during the year	-	-
	iv) Closing Balance	-	-

(C) Derivative

The company has fully hedged all its foreign currency borrowing at the time of withdrawal of each loan. Hence there is no risk to the Company on account of derivatives or mimatch in currency.

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

Description	2021-22	2020-21
(a) Direct/Indirect Exposure (Net of Advances from Customers)		
(i) Residential Mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented		
- Individual housing loans up to ₹15 Lakhs	-	-
- Individual housing loans more than ₹15 Lakhs	-	-
(ii) Commercial Real Estate -		
Lending secured by mortgages on commercial real estates (office building, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc.)		
- Fund Based	-	-
- Non-Fund Based	-	-
(iii) Investments in Mortgage Backed Securities (MBS) and other Securitised exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
Fund-based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFC's)	12.00	12.00

(All amounts in ₹ Crore unless otherwise stated)

38. Additional Notes forming part of Financial Statements for the year ended 31st March, 2022 (Contd.)

(E) Exposure to Capital Market

S.No.	Description	2021-22	2020-21
i	Direct Investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt.	-	-
ii	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ESOPs), convertible bonds, convertible debentures and units of equity-oriented mutual funds.	-	-
iii	Advances for any other purpose where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken 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)	-	-

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

Time Bucket	As at 31st March, 2022					
	Deposits	Advances	Invest-ments	Borrowings	Foreign Currency Assets	Foreign Currency Liabilities
Up to 1 month	-	956.56	-	1,018.14	-	-
Over 1 month up to 2 months	-	823.86	-	730.64	-	189.38
Over 2 months up to 3 months	-	941.62	-	875.79	-	189.38
Over 3 months up to 6 months	-	1,727.76	-	672.59	-	303.02
Over 6 months up to 1 year	6.00	3,085.52	-	3,061.07	-	-
Over 1 year up to 3 years	-	6,067.93	-	3,478.83	-	1,488.04
Over 3 years up to 5 years	-	791.81	-	408.37	-	-
Over 5 years	-	7.90	12.01	548.86	-	-
Grand Total	**6.00**	**14,402.96**	**12.01**	**10,794.29**	**-**	**2,169.82**

(All amounts in ₹ Crore unless otherwise stated)

38. Additional Notes forming part of Financial Statements for the year ended 31st March, 2022 (Contd.)

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

	Category	Less than ₹ 1 Lakh		₹ 1 Lakh- ₹ 25 Lakhs		₹ 25 Lakhs and Above		Total	
		Count	Value	Count	Value	Count	Value	Count	Value
A	**Person Involved**								
	Staff	78	0.27	26	1.17	0	-	104	1.44
	Staff & Others	0	-	1	0.04	0	-	1	0.04
	Others	1	0.01	4	0.27	2	1.43	7	1.72
	Staff and Customers	**79**	**0.28**	**31**	**1.49**	**2**	**1.43**	**112**	**3.20**
B	**Type of Fraud**								
	Misappropriation and Criminal breach of trust	79	0.28	26	1.13	1	0.57	106	1.97
	Fraudulent encashment / manipulation of books of accounts	0	-	0	-	0	-	0	-
	Unauthorised credit facility extended	0	-	0	-	0	-	0	-
	Cheating and Forgery	0	-	5	0.36	1	0.87	6	1.22
	Total	**79**	**0.28**	**31**	**1.49**	**2**	**1.43**	**112**	**3.20**

Note:

Out of the above, ₹0.65 crore has been recovered and the Company has made adequate provision for the balance recoverable.

The above information is prepared based on the information available with the Company and relied upon by the auditors.

20.2 Disclosure relating Securitisation

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

S.No.	Description	2021-22	2020-21
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)

38. Additional Notes forming part of Financial Statements for the year ended 31st March, 2022 (Contd.)

(b) The value of "excess interest spread receivable" and "unrealised gain" on securitisation transactions undertaken in terms of guidelines on securitisation transaction issued by Reserve bank of India on 21st August, 2012 are given below:

S.No.	Description	2021-22		2020-21	
		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	2021-22	2020-21
No. of Accounts	-	-
Aggregate value (net of Provisions) of accounts sold to SC/RC	-	-
Aggregate Consideration	-	-
Additional Consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate Gain/Loss over net book value	-	-

(d) Details of Assignment Transactions undertaken by NBFCs

Description	2021-22	2020-21
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	-	-

20.3 (a) Disclosure pursuant to Reserve Bank of India notification DNBR (PD) CC. No.0029/03.10.001/2014-15 dated 10th April, 2015

S.No.	Movement of NPA	2021-22	2020-21
(I)	**Net NPA to Net advances (%)**	**1.85%**	**2.29%**
(II)	**Movement of gross NPA***		
	a. Opening Balance	567.10	370.66
	b. Additions during the year	527.95	614.12
	c. Reductions during the year	267.52	152.10
	d. Write off during the year	298.54	265.58
	e. Closing Balance	528.99	567.10
(III)	**Movement of Net NPA**		
	a. Opening Balance	383.70	227.28
	b. Additions during the year	335.18	357.87
	c. Reductions during the year	158.96	114.75
	d. Write off during the year	298.54	86.70
	e. Closing Balance	261.38	383.70
(IV)	**Movement of Provision for NPAs****		
	a. Opening Balance	183.40	143.38
	b. Provisions made during the Year	192.77	137.66
	c. Reductions/Write off during the year	108.55	97.64
	d. Closing Balance	267.61	183.40

(All amounts in ₹ Crore unless otherwise stated)

38. Additional Notes forming part of Financial Statements for the year ended 31st March, 2022 (Contd.)

The Reserve Bank of India (RBI) vide its circular no.RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22, dated 12th November, 2021 on "Prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) pertaining to Advances - Clarifications", had clarified / harmonised certain aspects of extant regulatory guidelines with a view to ensuring uniformity in the implementation of IRACP norms across all lending institutions. The Company has since taken necessary steps to implement the provisions of this circular under IRACP norms for regulatory purpose. The aforementioned circular has no impact on the financial results for the quarter and year ended 31st March, 2022, as the Company continues to prepare financial statements in accordance with Indian Accounting Standards ('IND-AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and the RBI circular dated 13th March, 2020 on "Implementation of Indian Accounting Standards.

* NPA figures includes provision on assets taken over from Chennai Business Consulting Services Limited (erstwhile TVS Finance and Services Limited) vide BTA dated 21/04/2010.

** NPA figures mentioned above includes Restructured contracts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019.

(b) Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated 6th August, 2020 and RBI/2021- 22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated 5th May, 2021 are given below:

	(A)	(B)	(C)	(D)	(E)
Type of Borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan - postion 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 - postion as at the end of this half-year (A)
Personal Loans	279.45	32.18	14.22	76.15	163.47
Corporate persons	13.69	0.42	-	1.07	12.20
Of which, MSMEs	13.05	0.42	-	0.97	11.66
Others	0.64	-	-	0.10	0.54
Total	**293.14**	**32.60**	**14.22**	**77.22**	**175.67**

During the year, to relieve COVID-19 pandemic related stress, the Company has invoked resolution plans for eligible borrowers based on the parameters laid down in accordance with the resolution policy approved by the Board of Directors of the Company and in accordance with the applicable guidelines issued by the RBI.

(c) Disclosure on restructured accounts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019

Particulars		Amount
Restructured loans as 1st April, 2021	Amount Outstanding	180.66
	Provision thereon	29.63
Fresh restructuring during the year	Amount Outstanding	18.45
	Provision thereon	8.27
Reductions during the Year	Amount Outstanding	68.68
	Provision thereon	(21.48)
Write-off of restructured accounts during the year	Amount Outstanding	35.81
	Provision thereon	7.31
Restructured loans as on 31st March, 2022	Amount Outstanding	94.62
	Provision thereon	52.07

(All amounts in ₹ Crore unless otherwise stated)

38. Additional Notes forming part of Financial Statements for the year ended 31st March, 2022 (Contd.)

(d) Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the Head Expenditure in Statement of Profit and Loss

Description	31st March, 2022	31st March, 2021
Provision / Impairment allowance towards NPA (Net)	102.18	40.02
Provision / Impairment allowance towards Standard Assets	(3.19)	57.54
Provision for General Loss	-	(8.45)
Provision / Impairment allowance on Trade Receivables & Other Financial Assets	7.85	17.45
Provision made towards Income Tax	64.84	46.52
Total	**171.68**	**153.08**

20.4 Disclosure as required by DOR (NBFC).CC.PD.No.109/22.10.106/2019-20
Comparison between ECL as per books and RBI provision As at 31st March, 2022

Asset Classification as per RBI Norms	Asset classification as per IND-AS 109	Gross Carrying Amount as per IND-AS 109	Loss Allowances (Provisions) as required under IND-AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between IND-AS 109 provisions and IRACP norms
Performing Assets						
Standard	Stage 1	12,776.83	87.80	12,689.03	51.11	36.69
	Stage 2	1,097.14	33.25	1,063.89	21.25	11.99
Subtotal		**13,873.97**	**121.05**	**13,752.92**	**72.36**	**48.69**
Non-Performing Assets (NPA)						
Substandard	Stage 3	351.07	158.90	192.17	68.29	90.61
Doubtful - up to 1 year	Stage 3	142.56	73.35	69.21	36.58	36.77
1 to 3 years	Stage 3	7.45	7.45	(0.00)	3.00	4.45
More than 3 years	Stage 3	2.42	2.42	-	1.38	1.04
Subtotal for doubtful		**152.44**	**83.22**	**69.21**	**40.96**	**42.26**
Loss	Stage 3	25.48	25.48	-	25.48	-
Subtotal for NPA		**528.99**	**267.61**	**261.38**	**134.74**	**132.87**
Total	**Stage 1**	**12,776.83**	**87.80**	**12,689.03**	**51.11**	**36.69**
	Stage 2	**1,097.14**	**33.25**	**1,063.89**	**21.25**	**11.99**
	Stage 3 *	**528.99**	**267.61**	**261.38**	**134.74**	**132.87**
	Total	**14,402.96**	**388.66**	**14,014.30**	**207.10**	**181.56**

* Includes restructured contracts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019 irrespective of days past due on the reporting date.

(All amounts in ₹ Crore unless otherwise stated)

38. Additional Notes forming part of Financial Statements for the year ended 31st March, 2022 (Contd.)

As at 31st March,2021

Asset Classification as per RBI Norms	Asset classification as per IND-AS 109	Gross Carrying Amount as per IND-AS 109	Loss Allowances (Provisions) as required under IND-AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between IND-AS 109 provisions and IRACP norms
Performing Assets						
Standard	Stage 1	9,538.49	81.90	9,456.59	59.45	22.45
	Stage 2	1,482.38	42.34	1,440.04	16.70	25.64
Subtotal		**11,020.87**	**124.24**	**10,896.63**	**76.15**	**48.09**
Non-Performing Assets (NPA)						
Substandard	Stage 3	351.29	118.50	232.79	99.43	19.07
Doubtful - up to 1 year	Stage 3	40.23	17.23	23.00	13.53	3.70
1 to 3 years	Stage 3	4.71	2.85	1.86	2.16	0.69
More than 3 years	Stage 3	2.04	1.38	0.66	1.34	0.04
Subtotal for doubtful		**46.98**	**21.46**	**25.52**	**17.03**	**4.43**
Loss	Stage 3	25.48	25.48	-	25.48	-
Subtotal for NPA		**423.75**	**165.43**	**258.32**	**141.94**	**23.49**
Total	**Stage 1**	**9,538.49**	**81.90**	**9,456.59**	**59.45**	**22.45**
	Stage 2	**1,482.38**	**42.34**	**1,440.04**	**16.70**	**25.64**
	Stage 3	**423.75**	**165.43**	**258.32**	**141.94**	**23.49**
	Total	**11,444.62**	**289.67**	**11,154.95**	**218.09**	**71.58**

In terms of the above notification on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under IND-AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under IND-AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning), as at 31st March, 2022 and as at 31st March, 2021 and accordingly, no amount is required to be transferred to Impairment reserve.

20.5 Concentration of Advances, Exposures & NPAs (Stage 3 Assets)

(a) Concentration of Advances

Description	2021-22	2020-21
Total Advances to Twenty Largest Borrowers	131.36	110.79
Percentage of Advances to Twenty Largest Borrowers to Total Advances	0.91%	0.97%

(b) Concentration of Exposures

Description	2021-22	2020-21
Total Exposures to Twenty Largest Borrowers/Customers	131.36	110.79
Percentage of Exposures to Twenty Largest Borrowers to Total Advances	0.91%	0.97%

(c) Concentration of NPAs

Description	2021-22	2020-21
Total Exposure to Top Four NPA Accounts	4.18	2.14

(All amounts in ₹ Crore unless otherwise stated)

38. Additional Notes forming part of Financial Statements for the year ended 31st March, 2022 (Contd.)

(d) Sector-wise distribution of NPA's

S.No.	Sector	Percentage of NPA's to Total Advances in that Sector	
		2021-22	2020-21
1	Agriculture and Allied Activities	6.09%	5.90%
2	MSME	0.00%	0.00%
3	Corporate Borrowers	2.71%	1.60%
4	Services	0.00%	0.00%
5	Unsecured Personal Loans	3.76%	6.61%
6	Auto Loans (includes assets taken over from Chennai Business Consulting Services Limited)	3.15%	4.89%
7	Others	0.57%	2.93%

20.6 Customer Complaints

Description	2021-22	2020-21
No. of Complaints pending at the beginning of the year	43	61
No. of Complaints received during the year	3,733	2,295
No. of Complaints redressed during the year	3,769	2,313
No. of Complaints pending at the end of the year	7	43

20.7 Details of non-performing financial assets purchased/sold

Description	2021-22	2020-21
No. of Accounts	-	-
Aggregate Outstanding	-	-
Aggregate Consideration Received	-	-

20.8 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

20.9 Disclosure of penalties imposed by RBI and other regulators

No penalties have been imposed by RBI and other regulators during the FY 2021-22 and FY 2020-21.

20.10 Details of Financing of Parent Company Products

During the year the Company has financed 4,76,643 nos. of two-wheelers and nil nos. of three-wheelers of TVS Motor Company Limited as against 4,53,202 nos. of two-wheelers and 214 nos. of three-wheelers in the previous year.

(All amounts in ₹ Crore unless otherwise stated)

38. Additional Notes forming part of Financial Statements for the year ended 31st March, 2022 (Contd.)

20.11 Ratings assigned by Credit Rating Agencies

Description	2020-21	2019-20
Commercial Paper/Short term loans	CRISIL A1+/ICRA A1+	CRISIL A1+/ICRA A1+
Working Capital Demand Loans	CRISIL AA-/BWR AA	CRISIL AA-/BWR AA-
Cash Credit	CRISIL AA-/BWR AA	CRISIL AA-/BWR AA-
Bank Term Loans	CRISIL AA-/BWR AA	CRISIL AA-/BWR AA-
Non-Convertible Debentures - Long-Term	CRISIL AA-	CRISIL AA-
Perpetual Debt	CRISIL A+/BWR AA-	CRISIL A+/BWR A+
Subordinated Debt	CRISIL AA-/BWR AA	CRISIL AA-/BWR AA-

20.12 Directors' Sitting Fees and Commission

S.No.	Name of the Director	Nature	2021-22#	2020-21#
1	Mr. Venu Srinivasan	Sitting Fees	0.01	0.01
		Commission	-	-
2	Mr. T.K.Balaji	Sitting Fees*	-	0.01
		Commission	-	-
3	Mr. R.Ramakrishnan	Sitting Fees	-	-
		Commission	-	0.03
4	Mr. Sudarshan Venu	Sitting Fees	0.01	0.01
		Commission	-	-
5	Mr. K.N.Radhakrishnan	Sitting Fees	0.02	0.02
		Commission	-	-
6	Mr. V.Srinivasa Rangan	Sitting Fees	0.02	0.02
		Commission	0.13	0.13
7	Ms. Sasikala Varadhachari	Sitting Fees	0.01	0.02
		Commission	0.04	0.13
8	Mr. Balasubramanyam Sriram	Sitting Fees	0.01	0.02
		Commission	0.13	0.06
9	Mr. R. Gopalan	Sitting Fees	0.01	0.02
		Commission	0.13	0.09
10	Ms. Kalpana Unadkat	Sitting Fees	0.01	-
		Commission	0.09	-
	Total		**0.62**	**0.57**

* The amounts mentioned are below the rounding off norms of the Company.

Based on payment made during the respective financial year.

20.13 Details of Single Borrower Limits (SBL)/Group Borrower Limits (GBL) exceeded

The Company has not exceeded the Single Borrower Limit and Group Borrowers Limit as set by Reserve Bank of India for the year ended 31st March, 2022.

20.14 Advance against Intangible Securities

The Company has not given any loans against intangible securities.

20.15 Related Party Transactions

Refer note 38(8) to the IND-AS financial statements.

(All amounts in ₹ Crore unless otherwise stated)

38. Additional Notes forming part of Financial Statements for the year ended 31st March, 2022 (Contd.)

20.16 Derivatives

1. Forward Rate Agreement/Interest Rate Swap

S.No.	Description	2021-22	2020-21
1.	Notional principal of swap agreements	2,108.05	1,356.55
2.	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
3.	Collateral required by the NBFC upon entering into swaps	-	-
4.	Concentration of credit risk arising from the swaps	-	-
5.	Fair value of the swap books	2,172.11	1,341.97

2. Exchange Traded Interest Rate (IR) Derivatives

S.No.	Description	Amount
1.	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument wise)	-
2.	Notional principal amount of exchange traded IR derivatives outstanding as on 31st March, 2022 (instrument wise)	-
3.	Notional principal amount of exchange traded IR derivatives outstanding and not " highly effective" (instrument wise)	-
4.	Mark-to-market value of exchange traded IR derivatives outstanding and not" highly effective" (instrument -wise)	-

3. Disclosure on Risk Exposure in Derivatives

Towards the foreign currency loan availed, the Company has taken forward cover to hedge the foreign current risks and cross currency interest rate swap.

S.No.	Description	31st March, 2022	31st March, 2021
i)	Outstanding Derivatives		
	For Hedging (Currency/Interest Rate Derivatives)	2,172.11	1,341.97
ii)	Marked to Market Positions		
	a) Asset (+)	64.06	-
	b) Liability (-)	-	14.57
iii)	Credit Exposure	2,108.05	1,356.55
iv)	Unhedged Exposures	-	-

20.17 Overseas assets (for those with JV and Subsidiaries abroad)

There are no overseas assets owned by the Company during the year ended 31st March, 2022 and 31st March, 2021.

20.18 Drawdown from Reserves

No draw down from reserves existed for the year ended 31st March, 2022 and 31st March, 2021.

20.19 Off balance sheet SPV sponsored

There are no SPVs which are required to be consolidated by the Company during the year ended 31st March, 2022 and 31st March, 2021.

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

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

(All amounts in ₹ Crore unless otherwise stated)

38. Additional Notes forming part of Financial Statements for the year ended 31st March, 2022 (Contd.)

20.22 Disclosures as required for liquidity risk as required by Circular DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 4th November, 2019

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
Number of significant counter parties*	25	19
Amount (₹ In Cr)	12,169.87	9,587.59
Percentage of funding concentration to total deposits	NA	NA
Percentage of funding concentration to total liabilities**	89.51%	89.92%

* Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4th November, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

** Total Liabilities has been computed as Total Assets less Equity Share Capital less Reserves & Surplus and computed basis extant regulatory ALM guidelines.

(ii) Top 20 large deposits (amount in ₹ Cr and % of total deposits) - NA

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

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total amount of top 10 borrowings	4,360.57	3,311.69
Percentage of amount of top 10 borrowings to total borrowings	33.64%	32.61%

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

Particulars	As at 31st March, 2022	Percentage of total liabilities	As at 31st March, 2021	Percentage of total liabilities
Loans from Bank	7,282.34	53.56%	6,676.80	62.62%
External Commercial Borrowings	2,169.82	15.96%	1,364.32	12.80%
Sub-ordinated Debts	1,193.48	8.78%	842.95	7.91%
Commercial Paper	1,788.69	13.16%	746.11	7.00%
Non-Convertible Debentures	424.99	3.13%	424.74	3.98%

* Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4th November, 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

(All amounts in ₹ Crore unless otherwise stated)

38. Additional Notes forming part of Financial Statements for the year ended 31st March, 2022 (Contd.)

(v) Stock Ratios

S.No.	Particulars	As at 31st March, 2022	As at 31st March, 2021
1.	Commercial papers as a % of total public funds	13.80%	7.35%
2.	Commercial papers as a % of total liabilities	13.16%	7.00%
3.	Commercial papers as a % of total assets	11.57%	6.10%
4.	Non-convertible debentures (original maturity of less than one year) as a % of total public funds	3.28%	NA
5.	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	3.13%	NA
6.	Non-convertible debentures (original maturity of less than one year) as a % of total assets	2.75%	NA
7.	Other short- term Liabilities as a % of total public funds	41.75%	48.73%
8.	Other short- term Liabilities as a % of total liabilities	39.81%	46.41%
9.	Other short- term Liabilities as a % of total assets	35.01%	40.48%

* 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 and sector of the Company. ALCO monitors asset liability mismatches to ensure that there are no excessive imbalances on either side of the balance sheet and also reviews 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. ALCO also reviews the liquidity risk of the Company at regular intervals.The Company is maintaining adequate liquidity to manage its commitments.

The Company has taken various initiatives to raise funds at the cost commensurate with its rating by way of diversified funding mix with borrowings from Public sector banks, Private sector banks, Foreign Banks, Financial Institutions, ECB and Capital Markets.The Company raised subordinated debt (Tier 2) to the extent of ₹449 crore with maiden investment by leading Mutual funds and External Commercial Borrowings (ECB) to the tune of ₹752 crore on fully hedged basis during year ended 31st March, 2022. Besides, the Company focused on increasing composition of fixed rate instruments with higher tenurr in order to utilise benefit of the low interest environment.

(All amounts in ₹ Crore unless otherwise stated)

38. Additional Notes forming part of Financial Statements for the year ended 31st March, 2022 (Contd.)

(vii) Disclosure on Liquidity Coverage Ratio (LCR)

Sl No	LCR Disclosure Template	Total Unweighted Value (average) (i)	Total Weighted Value (average) (ii)
	High Quality Liquid Assets		
1.	Total High Quality Liquid Assets (HQLA)	956.23	956.23
	Cash Outflows		
2.	Deposits (for deposit-taking companies)	-	-
3.	Unsecured wholesale funding **(iii)**	797.96	917.66
4.	Secured wholesale funding **(iv)**	220.17	253.20
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	186.25	214.19
7.	Other contingent funding obligations	48.22	55.45
8.	**TOTAL CASH OUTFLOWS**	**1,252.60**	**1,440.49**
	Cash Inflows		
9.	Secured lending	604.53	453.40
10.	Inflows from fully performing exposures	352.03	264.03
11.	Other cash inflows	8.42	6.31
12.	**TOTAL CASH INFLOWS**	**964.98**	**723.74**
			Total Adjusted Value
	TOTAL HQLA		**956.23**
	TOTAL NET CASH OUTFLOWS (Weighted Value of Total Cash Outflows – Minimum of (Weighted Value of Total Cash Inflows, 75% of Weighted Value of Total Cash Outflows))		**716.76**
	LIQUIDITY COVERAGE RATIO (%)		**133%**

(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.

(All amounts in ₹ Crore unless otherwise stated)

38. Additional Notes forming part of Financial Statements for the year ended 31st March, 2022 (Contd.)

20.23 Summary of total borrowings, receivables and provision

Category-wise breakup	2021-22	2020-21
Secured:		
Term Loan from Banks	8,244.47	5,979.22
Working Capital Demand Loan	1,197.62	1,721.89
Non-Convertible Debentures	424.99	424.74
Securitised Trust Borrowing	-	-
Unsecured:		
Term Loan from Banks	-	-
Working Capital Demand Loan	15.00	340.00
Commercial Paper	1,788.69	746.11
Subordinated Debts	1,193.48	842.95
Perpetual Debt	99.86	99.84
Total	**12,964.11**	**10,154.75**

Total Loans

Description	2021-22	2020-21
Category-wise breakup		
Secured Loans	11,212.15	9,509.84
Unsecured Loans	3,190.81	1,934.78
Total Loans	**14,402.96**	**11,444.62**
Less: Impairment Allowance	388.66	289.67
Net Loans	**14,014.30**	**11,154.95**

Total Assets Provisions

Description	31st March, 2022	31st March, 2021
Provision for Depreciation on Investments	-	-
Provision/Impairment allowance towards NPA	267.61	183.40
Provision/Impairment allowance towards Standard Assets	121.05	106.27
Provision/Impairment allowance for Trade Receivables and other Financial Assets	29.25	21.49
Provision for General Loss	-	-
Total	**417.91**	**311.16**

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 : 4th May, 2022

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

Venu Srinivasan
Chairman

G Venkatraman
Chief Executive Officer

V Gopalakrishnan
Chief Financial Officer

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 on 31st March, 2022 and the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year ended 31st March, 2022, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as on 31st March, 2022 and their consolidated profit, and their consolidated cash flows for the year ended 31st March, 2022.

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 judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our Audit Addressed the Key Matter
Impairment Loss Allowance Management's judgements in the calculation of impairment allowances have significant impact on the financial statements. The estimates regarding impairment allowances are complex and require a significant degree of judgement, which increased with implementation of Expected Credit Loss ("ECL") approach as required by IND-AS 109 relating to "Financial instruments." Management is required to determine the expected credit loss that may occur over either a 12-month period or the remaining life of an asset, depending on the categorisation of the individual asset. The key areas of judgement include: 1. Categorisation of loans in Stage I, II and III based on identification of: (a) Exposures with significant increase in credit risk since their origination and (b) Individually impaired/default exposures.	• We obtained an understanding of management's assessment of impairment of loans and advances including the IND-AS 109 implementation process, internal rating model, impairment allowance policy and ECL modelling methodology. • We assessed the design and implementation and tested the operating effectiveness of controls over the modelling process including governance over monitoring of the model and approval of key assumptions. • We also verified the key judgements and assumptions relating to the macro-economic scenarios including the impact of COVID-19 pandemic and the associated probability weights. • We also assessed the approach of the Group for categorisation the loans in various stages reflecting the inherent risk in the respective loans.

Key Audit Matter	How our Audit Addressed the Key Matter
2. Techniques used to determine Loss Given Default ('LGD') and Probability of Default ('PD') to calculate an ECL based on experience. 3. The impact of different future macroeconomic conditions in the determination of ECL. These judgements required the models to be reassessed including the impact of COVID-19 pandemic to measure the ECL. Management has made several interpretations and assumptions when designing and implementing models that are compliant with the standard. The accuracy of data flows and the implementation of related controls is critical for the integrity of the estimated impairment provisions. Given the significance of judgements and the high complexity related particularly to the calculation of ECL we considered this area as a Key Audit Matter.	• For a sample of financial assets, we tested the correctness of staging, reasonableness of PD, accuracy of LGD and ECL computation. • We have also verified the compliance of circulars issued by Reserve Bank of India from time to time during the year on this subject. As a result of the above audit procedures no material differences were noted. We confirm the adequacy of disclosures made in the financial statements.
IT Systems and Controls The Group's key financial accounting and reporting processes are highly dependent on the automated controls in information systems. Any control lapses, validation failures, incorrect input data and wrong extraction of data may result in the financial accounting and reporting records being mis-stated.	We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties. We have focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems. Reliance was also placed on the System Audit report of the Group. Based on our review no material weakness was found in the IT Systems and Controls.

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

- The Parent's/ Holding Company's Board of Directors is responsible for the other information. The other information comprises the Board Report, but does not include the consolidated financial statements, standalone financial statements, and our auditor's report thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries are traced from their financial statements audited by the other auditor.
- If, based on the work we have performed, we conclude that there is a material mis-statement 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 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 mis-statement, 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 mis-statement, 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 mis-statement when it exists. Mis-statements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material mis-statement 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 mis-statement 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 mis-statements 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 mis-statements in the consolidated financial statements.

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

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

Other Matter

a. We did not audit the financial statements/financial information of three subsidiaries, whose financial statements / financial information reflect total assets of ₹14.39 crore as on 31st March, 2022, total revenues of ₹0.67 crore and net cash outflows amounting to ₹0.06 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report of the other auditor.

b. Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditor on the separate financial statements of the subsidiaries referred to in the Other Matter section above we report, to the extent applicable that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the accounting Standards specified under Section 133 of the Act.

e. On the basis of the written representations received from the Directors of the Parent/ Holding Company as on 31st March, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries, none of the Directors of the Group, is disqualified as on 31st March, 2022 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,

a. The managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

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

   i. The Group has disclosed the impact of pending litigations on its financial position in its financial statements in Note no.38.

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

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries incorporated in India.

   iv. (a) The respective Managements of the Company and its Subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that and to their auditors, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that and their auditors, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

   v) The Group has not declared or paidany dividend during the year.

For **Sundaram and Srinivasan**
Chartered Accountants
Firm Registration No.: 004207S

S. Usha
Partner
Membership Number: 211785
UDIN: 22211785AIJALI8521

Place : Chennai
Date : 04th May, 2022

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' Section of our Report of even date)

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

In conjunction with our audit of the consolidated financial statements of TVS Credit Services Limited as of and for the year ended 31st March, 2022, we have audited the internal financial controls over financial reporting of TVS Credit Services Limited (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 mis-statements 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 on 31st March, 2022 based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

The Internal Financial Control Over Financial Reporting for the Subsidiaries in the Group is not applicable since the Company's turnover as per last audited financial statements is less than ₹50 crore and its borrowings from banks and financial institutions at any time during the year is less than ₹25 crore, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls vide notification dated 13th June, 2017.

For **Sundaram and Srinivasan**
Chartered Accountants
FRN: 004207S

S. Usha
Partner
Membership Number: 211785
UDIN: 22211785AIJALI8521

Date : 4th May, 2022
Place : Chennai

CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2022

(All amounts in ₹ Crore unless otherwise stated)

	Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
	ASSETS			
1	**Financial Assets**			
(a)	Cash and Cash Equivalents	2	970.46	666.87
(b)	Bank Balances other than (a) above	3	6.00	0.87
(c)	Derivative Financial Instruments	4	64.06	-
(d)	Receivables			
	i) Trade Receivables	5	37.90	25.87
(e)	Loans	6	14,014.30	11,154.95
(f)	Other Financial Assets	7	57.61	96.12
	Total		**15,150.33**	**11,944.68**
2	**Non-Financial Assets**			
(a)	Current Tax Assets (Net)	8	7.10	17.26
(b)	Deferred Tax Assets (Net)	9	140.23	115.69
(c)	Investment Property	10	85.16	85.16
(d)	Property, Plant and Equipment	11	20.22	16.53
(e)	Right-to-use Asset	11	18.12	18.68
(f)	Other Intangible Assets	11	1.35	4.04
(g)	Other Non-Financial Assets	12	39.81	26.98
	Total		**311.99**	**284.34**
	Total Assets		**15,462.32**	**12,229.02**
	LIABILITIES AND EQUITY			
	LIABILITIES			
1	**Financial Liabilities**			
(a)	Derivative Financial Instruments	4	-	14.57
(b)	Payables			
	I. Trade Payables			
	i) Total Outstanding dues of micro enterprises and small enterprises	13	3.55	-
	ii) Total Outstanding dues of creditors other than micro enterprises and small enterprises	13	330.26	229.37
(c)	Debt Securities	14	2,213.68	1,170.85
(d)	Borrowings other than Debt Securities	15	9,457.10	8,041.11
(e)	Subordinated Liabilities	16	1,293.34	942.79
(f)	Other financial liabilities	17	230.68	207.57
	Total		**13,528.61**	**10,606.26**
2	**Non-Financial Liabilities**			
(a)	Provisions	18	38.34	33.74
(b)	Other Non-Financial Liabilities	19	29.57	23.64
	Total		**67.91**	**57.38**
3	**Equity**			
(a)	Equity Share Capital	20	201.20	191.94
(b)	Other Equity	21	1,664.60	1,373.44
	Total		**1,865.80**	**1,565.38**
	Total Liabilities and Equity		**15,462.32**	**12,229.02**
Significant Accounting Policies forming part of financial statements		**1**		
Additional Notes forming part of financial statements		**37**		

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 : 4th May, 2022

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

Venu Srinivasan
Chairman

G Venkatraman
Chief Executive Officer

V Gopalakrishnan
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

TVS CREDIT

(All amounts in ₹ Crore unless otherwise stated)

	Particulars	Note No.	For the year ended 31st March, 2022	For the year ended 31st March, 2021
	Revenue from Operations			
i)	Interest income	22	2,446.60	2,041.85
ii)	Fee and Commission Income	23	300.52	196.76
I)	**Total Revenue from Operations**		**2,747.12**	**2,238.61**
II)	Other Income	24	8.97	3.11
III)	**Total Income (I + II)**		**2,756.09**	**2,241.72**
	Expenses			
i)	Finance Costs	25	782.13	729.44
ii)	Fees and Commission Expenses		208.52	135.17
iii)	Impairment of Financial instruments	26	554.15	466.79
iv)	Employee Benefit Expenses	27	711.78	584.81
v)	Depreciation, Amortisation and Impairment		19.12	19.92
vi)	Other Expenses	28	323.54	199.42
IV)	**Total Expenses**		**2,599.24**	**2,135.55**
V)	Profit/(Loss) before exceptional items and tax		**156.85**	**106.17**
VI)	Exceptional items		5.00	-
VII)	**Profit/(Loss) before tax**		**151.85**	**106.17**
VIII)	Tax Expenses	29		
	Current Tax		65.01	46.72
	Deferred Tax		(34.36)	(38.10)
IX)	**Profit/(Loss) for the year**		**121.20**	**97.55**
X)	Other Comprehensive Income	30		
A.	Items that will not be reclassified to Profit or Loss - Itemwise			
	Remeasurement of the defined benefit plans		(1.67)	(3.50)
	Income Tax relating to these items		0.42	0.88
B.	Items that will be reclassified to Profit or Loss - Itemwise			
	Fair value change on cash flow hedge		40.71	(3.55)
	Income Tax relating to these items		(10.25)	0.89
	Other Comprehensive Income (A+B)		**29.21**	**(5.28)**
XI)	Total Comprehensive Income for the year (Comprising Profit/(Loss) and other comprehensive income for the year)		**150.41**	**92.27**
XII)	Earnings Per Share	32		
	Basic (₹)		6.20	5.22
	Diluted (₹)		6.20	5.22
Significant Accounting Policies forming part of financial statements		**1**		
Additional Notes forming part of financial statements		**37**		

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 : 4th May, 2022

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

Venu Srinivasan
Chairman

G Venkatraman
Chief Executive Officer

V Gopalakrishnan
Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2022

TVS CREDIT

(All amounts in ₹ Crore unless otherwise stated)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Cash Flow From Operating Activity		
Profit Before Income Tax	151.85	106.17
Adjustment For:-		
Depreciation and Amortisation Expense	19.12	19.92
Impairment of Financial Assets	106.83	106.57
(Profit)/Loss on disposal of Property, Plant and Equipment	(0.14)	(0.33)
Finance Charges	782.13	729.43
Unwinding of Discount on Security Deposits	(6.80)	(2.68)
Remeasurement of defined Benefit Plans	(1.67)	(3.50)
Employee Benefit Obligations	4.60	5.77
Cash generated from operations before working capital changes	**904.07**	**855.18**
Change in Operating Assets and Liabilities		
(Increase)/Decrease in Trade Receivables	(13.43)	22.02
(Increase)/Decrease in Loans	(2,958.35)	(1,796.96)
(Increase)/Decrease in other Financial Assets	39.10	13.16
(Increase)/Decrease in Other Non-Financial Assets	(12.83)	1.81
Increase/(Decrease) in Trade Payables	104.44	60.74
Increase/(Decrease) in Other Financial Liabilities	29.83	41.69
Increase/(Decrease) in Other Non-Financial Liabilities	5.93	6.24
Financing Charges paid	(767.76)	(688.58)
Cash used in Operations	**(2,517.15)**	**(1,378.53)**
Income Taxes paid	(54.85)	(49.09)
Net Cash Out Flow from Operating Activities	**(2,572.00)**	**(1,427.62)**
Cash flows from Investing Activities		
Payments for Property, Plant and Equipment and Investment Property	(13.10)	(8.00)
Proceeds from sale of Property, Plant and Equipment and Investment Property	0.05	0.36
Decrease in Deposits with Bank	(5.13)	23.50
Net Cash Inflow / (Outflow) from Investing Activities	**(18.18)**	**15.86**
Cash Flows from Financing Activities		
Proceeds from Issue of Shares	150.00	99.98
Proceeds from Issue/(Repayment) of Debt Securities (net)	1,042.83	674.66
Proceeds/(Repayment) of Borrowings (net)	1,507.21	887.64
Proceeds/(Repayment) of Subordinated Liabilities (net)	350.55	330.02
Payments of Lease Liabilities	(8.55)	(8.94)
Net Cash Inflow from Financing Activities	**3,042.04**	**1,983.36**
Net increse or (decrease) in Cash & Cash equivalents	**451.86**	**571.60**
Cash and Cash equivalents at the beginning of the year	**509.98**	**(61.62)**
Cash and Cash equivalents at the end of the year	**961.84**	**509.98**

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 : 4th May, 2022

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

Venu Srinivasan
Chairman

G Venkatraman
Chief Executive Officer

V Gopalakrishnan
Chief Financial Officer

TVS CREDIT

(All amounts in ₹ Crore unless otherwise stated)

1. Equity Share Capital

	Notes	Amounts
Balance as at 1st April, 2020		**185.18**
Changes in equity share capital during the year	21	6.76
Balance as at 31st March, 2021		**191.94**
Changes in equity share capital during the year	21	9.26
Balance as at 31st March, 2022		**201.20**

2. Other Equity

		Reserves and surplus					
	Notes	Securities Premium Account	Statutory Reserve	Share Application Money	Retained Earnings	Other Reserves - Hedge Reserve	Total
Balance as at 1st April, 2020		**629.41**	**120.75**	**-**	**452.78**	**(15.00)**	**1,187.94**
Change in accounting policy		-	-	-	-	-	-
Profit for the year	21	-	-	-	97.55	-	97.55
Other comprehensive income	21	-	-	-	(2.62)	(2.66)	(5.28)
Transaction in the capacity as owners							
Transfer to statutory reserve	21	-	19.40	-	(19.40)	-	-
Issuance of equity shares	21	93.23	-	-	-	-	93.23
Balance as at 31st March, 2021		**722.64**	**140.15**	**-**	**528.31**	**(17.66)**	**1,373.44**
Profit for the year	21	-	-	-	121.20	-	121.20
Other comprehensive income	21	-	-	-	(1.25)	30.46	29.21
Transaction in the capacity as owners							
Transfer to statutory reserve	21	-	24.15	-	(24.15)	-	-
Issuance of equity shares	21	140.74	-	-	-	-	140.74
Balance as at 31st March, 2022		**863.38**	**164.29**	**-**	**624.12**	**12.80**	**1,664.59**

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 : 4th May, 2022

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

Venu Srinivasan
Chairman

G Venkatraman
Chief Executive Officer

V Gopalakrishnan
Chief Financial Officer

1 Significant Accounting Policies forming part of Financial Statements

COMPANY BACKGROUND

TVS Credit Services Limited ('the Company') (CIN U65920TN2008PLC069758) is a public limited company incorporated and domiciled in India. The registered office is located at "Chaitanya", No.12 Khader Nawaz Khan Road, Nungambakkam, Chennai – 600006, Tamil Nadu, India. The Company with its subsidiaries is collectively referred to as a Group.

The Company received Certificate of Registration (No. N-07-00783) dated 13th April, 2010 from Reserve Bank of India (RBI) and commenced Non-Banking Financial activity there on. The Company is a Systemically Important Non-Deposit taking Non-Banking Finance Company, as defined under Section 45-IA of Reserve Bank of India (RBI) Act, 1934. The Company is engaged in providing Automobile Finance, Consumer Durable Loans and Small Business Loans.The Company is categorised as "NBFC - Investment and Credit Company (NBFC-ICC)" vide RBI circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated 22nd February, 2019.

SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of accounts

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

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

Principles of Consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like 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
		2021-22	2020-21	
1	Harita ARC Services Private Limited	100%	100%	31st March, 2022
2	Harita Collection Services Private Limited	0%	100%	31st March, 2022
3	TVS Commodity Financial Solutions Private Limited	0%	100%	31st March, 2022
4	TVS Housing Finance Private Limited	100%	100%	31st March, 2022
5	TVS Micro Finance Private Limited	0%	100%	31st March, 2022
6	TVS Two Wheeler Mall Private Limited	100%	100%	31st March, 2022

All the subsidiaries are incorporated in India

b. Historical cost convention

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

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

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

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

d. Significant estimates and judgements

The areas involving critical estimates are:

(a) Determining inputs into the ECL measurement model - (Refer Note 33)

(b) Estimation of defined benefit obligation - (Refer Note 32)

The areas involving critical judgements are:

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

(b) Derecognition of financial assets and securitization.

(c) Categorization of loan portfolios

e. 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.

f. Depreciation

Depreciation is provided on straight-line basis over the estimated useful lives of the assets. 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, based on the technical evaluation wherein the useful life is considered as 2 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.

g. Investment property

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

h. Intangible assets

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

i. Financial Assets and financial liabilities

1) Classification

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

(a) Fair value through other comprehensive income (FVOCI),

(b) Fair value through profit or loss (FVTPL), and

(c) Amortised 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.

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.

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

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

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

Reclassifications

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

Financial liabilities

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

2) Measurement

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

Debt Instruments:

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

i. Amortised Cost:

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

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

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

A financial asset is measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

iv. Investment in Subsidiaries:

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

3) Revenue Recognition

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

A) Interest Income:

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

(2) For credit-impaired financial assets, interest income is calculated by applying the effective interest rate to their amortised cost of credit impaired assets. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis.

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

B) Dividend Income:

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

C) Fees and Commission Income:

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

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

(3) The Company recognises revenue from 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 customers.Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

D) Other Income:

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

4) Impairment of financial assets

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

i. Loans and Other Receivables

ii. Trade Receivables

i. Loans and Other receivables

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

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

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

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

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

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

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

<u>Measurement of ECL</u>

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

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

ii. Trade Receivables

For trade receivables only, the Company applies the simplified approach which requires life-time ECL to be recognised from initial recognition of the receivables.

<u>Presentation of allowance for ECL in the statement of financial position</u>

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 sell the asset repossessed to recover the underlaying loan and does not use for internal operation. As per the Company's accounting policy, collateral repossessed are not recorded on the balance sheet.

Write-off:

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

5) Derecognition of financial assets and financial liabilities

A financial asset is derecognised only when:

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

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

6) Derivatives

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

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

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

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

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 33. Movements in the hedging reserve in shareholder's equity are shown in Note 21.

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

7) Offsetting financial instruments

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

j. Trade and other payables

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

k. Cash and Cash equivalents

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

l. Taxation

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

(i) Deferred income tax provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from 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.

n. Employee Benefits

(a) Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

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

m. Functional Currency

(a) Functional and presentation currencies:

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

(b) Transactions and balances:

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

o. Borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit or loss over the period of the borrowings, using the effective interest rate method. Fees paid on the established loan facilities are recognised as 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).

p. Borrowings cost

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

q. Cash Flow Statement

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

r. Earnings Per Share

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

s. Impairment of non-financial assets

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

t. Lease

The Company evaluates each contract or arrangement, 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 ₹5,00,000 in value) the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term.

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

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

u. Segment reporting

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

v. Provisions

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

w. Contingent liabilities

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

x. Equity

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

(All amounts in ₹ Crore unless otherwise stated)

NOTE 2 Cash and Cash equivalents

S.No.	Description	As at 31st March, 2022	As at 31st March, 2021
a)	Cash on hand*	5.69	15.42
b)	Balance with banks		
	- Current accounts	950.78	638.02
	- Deposits	13.99	13.43
	Total	**970.46**	**666.87**

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

Cash and Cash Equivalents considered in the cash flow statement

S.No.	Description	As at 31st March, 2022	As at 31st March, 2021
a)	Cash and Cash equivalents as shown above	970.46	666.87
b)	Less: Overdrafts utilised	8.62	156.89
	(Grouped under Borrowings (other than debt securities) - Note 16)		
	Total	**961.84**	**509.98**

NOTE 3 Bank Balance other than Cash and Cash equivalents*

S.No.	Description	As at 31st March, 2022	As at 31st March, 2021
a)	Bank Balance other than Cash and Cash equivalents	6.00	0.87
	Total	**6.00**	**0.87**

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

NOTE 4 Derivative Financial Instruments

S.No.	Description	As at 31st March, 2022		
		Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
a)	Other Derivatives - Cross Currency Swap Derivatives designated as cash flow hedges	2,108.05	64.06	-
	Total		**64.06**	**-**
S.No.	**Description**	**As at 31st March, 2021**		
		Notional Amounts	**Fair Value - Assets**	**Fair Value - Liabilities**
b)	Other Derivatives - Cross Currency Swap Derivatives designated as cash flow hedges	1,356.55	-	14.57
	Total		**-**	**14.57**

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

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

(All amounts in ₹ Crore unless otherwise stated)

NOTE 5 Trade Receivables

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

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31st March, 2021					
		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	24.24	0.03	0.21	0.02	-	24.49
ii.	Undisputed Trade Receivables – which have significant increase in credit risk	1.38	-	-	-	-	1.38
iii.	Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
iv.	Disputed Trade Receivables – considered good	-	-	-	-	-	-
v.	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
vi.	Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	Total	**25.61**	**0.03**	**0.21**	**0.02**	**-**	**25.87**

NOTE 6 Loans

S.No.	Description	As at 31st March, 2022	As at 31st March, 2021
		Amortised Cost	
a)	Term Loans		
	i) Automobile Financing	11,143.53	9,442.57
	ii) Consumer Lending	2,519.56	1,532.76
	iii) Small Business Lending	739.87	469.29
	Total Loans - Gross	**14,402.96**	**11,444.62**
b)	Less: Impairment Loss Allowance	388.66	289.67
c)	**Total Loans - Net (a) - (b)**	**14,014.30**	**11,154.95**
	Nature		
a)	Secured by Tangible Assets	11,212.15	9,509.84
b)	Unsecured Loans	3,190.81	1,934.78
c)	**Total Gross (a) + (b)**	**14,402.96**	**11,444.62**
d)	Less: Impairment Loss Allowance	388.66	289.67
e)	**Total - Net (c) - (d)**	**14,014.30**	**11,154.95**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 6 Loans (Contd.)

S.No.	Description	As at 31st March, 2022	As at 31st March, 2021
i)	Loans in India		
	Public Sector	-	-
	Others	14,402.97	11,444.62
	Total Gross	**14,402.97**	**11,444.62**
	Less: Impairment Loss Allowance	388.67	289.67
	Total - Net	**14,014.30**	**11,154.95**
ii)	Loans Outside India	-	-
iii)	**Total Loans (i) +(ii)**	**14,014.30**	**11,154.95**

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

b. The stock of loan (automobile finance) includes 11,926 nos repossessed vehicles as at Balance Sheet date. (31st March, 2021: 13,292 nos).

c. The term loans include loans given to related parties (refer note 37(6)) 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.

NOTE 7 Other Financial Assets

S.No.	Description	As at 31st March, 2022	As at 31st March, 2021
a)	Employees Related Receivables	4.85	4.62
b)	Security Deposit for Leased Premises	8.27	7.49
c)	Advances to Related Parties	38.10	73.21
d)	Other Financial Assets - Non Related Parties	9.41	9.41
e)	Deposit with Service Providers	6.39	4.38
	Total Gross (A)	67.02	99.11
	Less: Allowance for Impairment Loss (B)	9.41	2.99
	Total (A)-(B)	**57.61**	**96.12**

NOTE 8 Current Tax Assets (net)

S.No.	Description	As at 31st March, 2022	As at 31st March, 2021
a)	Opening Balance	17.26	14.88
b)	Add: Taxes paid	54.85	49.10
c)	Less: Taxes Payable	(65.01)	(46.72)
	Total	**7.10**	**17.26**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 9 Deferred Tax Assets/(Liabilities)

The balance comprises temporary differences attributable to:

S.No.	Description	As at 31st March, 2022	Charge/ (credit) to profit and loss	Charge/ (credit) to OCI	As at 31st March, 2021	Charge/ (credit) to profit and loss	Charge/ (credit) to OCI	As at 31st March, 2022
	Deferred tax assets/(liabilities) on account of :							
a)	Difference between depreciation as per Books of Account and the Income Tax Act, 1961	4.60	0.47	-	5.07	0.17	-	5.24
b)	Provision for Compensated Absences and Gratuity	4.22	0.40	0.94	5.55	1.50	0.15	7.20
c)	Impairment allowance for financial instruments	46.77	31.54	-	78.31	22.81	-	101.12
d)	Expenses Disallowed under Section 40 (a) (ia)	4.22	1.88	-	6.10	4.47	-	10.57
e)	Provision for Pension	2.82	0.17	(0.06)	2.93	0.26	0.28	3.47
f)	Impact of effective interest rate adjustment on Financial Assets	4.59	3.97	-	8.56	9.12	-	17.68
g)	Impact of unwinding the advances to related parties	2.73	(0.35)	-	2.38	(1.57)	-	0.81
h)	Mark to market on derivatives	5.05	-	0.89	5.94	-	(10.25)	(4.30)
i)	Impact of effective interest rate adjustment on Financial Liabilities	-	-	-	-	(2.52)	-	(2.52)
j)	Impact of Lease Accouting as per IND-AS 116	0.82	0.02	-	0.84	0.12	-	0.96
	Total deferred tax Assets/(liabilities)	**75.82**	**38.10**	**1.77**	**115.69**	**34.36**	**(9.82)**	**140.23**

NOTE 10 Investment Property

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

(All amounts in ₹ Crore unless otherwise stated)

NOTE 10 Investment Property (Contd.)

Description	Land	Building	Total
Year ended 31st March, 2021			
Gross carrying amount as of 1st April, 2020	85.16	0.00	85.16
Additions	-	-	-
Sub-total	**85.16**	**0.00**	**85.16**
Disposals	-	-	-
Closing gross carrying amount (A)	**85.16**	**0.00**	**85.16**
Depreciation and amortisation	-	-	-
Opening accumulated depreciation	-	-	-
Depreciation/amortisation charge during the year	-	-	-
Sub-total	-	-	-
Disposals	-	-	-
Closing accumulated depreciation and amortisation(B)	-	-	-
Net Carrying value as at 31st March, 2021 (A)-(B)	**85.16**	**0.00**	**85.16**

(i) Fair value

	As at 31st March, 2022	As at 31st March, 2021
Investment properties	411.15	414.90

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

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

NOTE 11 Property, Plant and Equipment, Right-to-use Asset and Intangible assets

Description	Property, Plant and Equipment					Right-to-use Asset	Intangible Assets (Computer Software)
	Computer	Furniture & fixtures	Office equipment	Vehicles	Total		
Year ended 31st March, 2022							
Gross Carrying Amount as on 31st March, 2021	23.41	11.87	13.08	0.02	48.38	33.08	16.08
Additions	9.38	0.83	1.64	1.15	13.00	6.49	0.10
Adjustment due to revaluation and acquisitions through business combinations	-	-	-	-	-	-	-
Sub-total	**32.79**	**12.70**	**14.72**	**1.17**	**61.38**	**39.57**	**16.18**
Disposals	0.05	0.14	0.13	-	0.32	-	-
Closing Gross Carrying Amount (A)	**32.74**	**12.56**	**14.59**	**1.17**	**61.06**	**39.57**	**16.18**
Depreciation and Amortisation							
Opening Accumulated Depreciation	16.85	7.30	7.69	0.01	31.85	14.40	12.04
Depreciation/Amortisation charge during the year	5.54	1.38	2.21	0.15	9.28	7.05	2.79
Sub-Total	**22.39**	**8.68**	**9.90**	**0.16**	**41.13**	**21.45**	**14.83**
Disposals	0.04	0.12	0.13	-	0.29	-	-
Closing accumulated depreciation and amortisation (B)	**22.35**	**8.56**	**9.77**	**0.16**	**40.84**	**21.45**	**14.83**
Net Carrying value as at 31st March, 2022 (A)-(B)	**10.39**	**4.00**	**4.82**	**1.01**	**20.22**	**18.12**	**1.35**
Net Carrying value as at 31st March, 2021	**6.56**	**4.57**	**5.39**	**0.01**	**16.53**	**18.68**	**4.04**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 11 Property, Plant and Equipment, Right-to-use Asset and Intangible assets (Contd.)

Description	Property, Plant and Equipment					Right-to-use Asset	Intangible Assets (Computer Software)
	Computer	Furniture & fixtures	Office equipment	Vehicles	Total		
Year ended 31st March, 2021							
Gross Carrying Amount as on 31st March, 2020	20.44	11.29	11.17	0.02	42.92	32.90	14.26
Additions	3.35	0.63	2.20	-	6.18	0.18	1.82
Adjustment due to revaluation and acquisitions through business combinations	-	-	-	-	-	-	-
Sub-total	**23.79**	**11.92**	**13.37**	**0.02**	**49.10**	**33.08**	**16.08**
Disposals	0.38	0.05	0.29	-	0.72	-	-
Closing Gross Carrying Amount (A)	**23.41**	**11.87**	**13.08**	**0.02**	**48.38**	**33.08**	**16.08**
Depreciation and Amortisation							
Opening Accumulated Depreciation	11.96	5.85	6.02	0.00	23.83	7.12	8.09
Depreciation/Amortisation charge during the year	5.25	1.49	1.95	0.01	8.70	7.28	3.95
Sub-Total	**17.21**	**7.34**	**7.97**	**0.01**	**32.53**	**14.40**	**12.04**
Disposals	0.36	0.04	0.28	-	0.68	-	-
Closing Accumulated Depreciation and Amortisation(B)	**16.85**	**7.30**	**7.69**	**0.01**	**31.85**	**14.40**	**12.04**
Net Carrying value as at 31st March, 2021 (A)-(B)	**6.56**	**4.57**	**5.39**	**0.01**	**16.53**	**18.68**	**4.04**

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

NOTE 12 Other Non-Financial Assets

S.No.	Description	As at 31st March, 2022	As at 31st March, 2021
a)	Dealer Commission Advance	0.17	0.21
b)	Prepaid Expenses	24.11	17.65
c)	Vendor Advance	9.30	5.60
d)	Balances with Government authorities	3.42	3.52
e)	Gratuity	2.81	-
	Total	**39.81**	**26.98**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 13 Trade Payables

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31st March, 2022				
		<1 Year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed dues - MSME*	3.55	-	-	-	3.55
(ii)	Undisputed dues - Others	324.29	1.15	0.03	4.79	330.26
(iii)	Disputed dues – MSME*	-	-	-	-	-
(iv)	Disputed dues – Others	-	-	-	-	-
	Total	**327.84**	**1.15**	**0.03**	**4.79**	**333.81**

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31st March, 2021				
		<1 Year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed dues - MSME*	-	-	-	-	-
(ii)	Undisputed dues - Others	221.67	0.16	1.62	5.92	229.37
(iii)	Disputed dues – MSME*	-	-	-	-	-
(iv)	Disputed dues – Others	-	-	-	-	-
	Total	**221.67**	**0.16**	**1.62**	**5.92**	**229.37**

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

NOTE 14 Debt Securities

Description	As at 31st March, 2022	As at 31st March, 2021
At Amortised Cost		
Commercial Paper (Unsecured)	1,788.69	746.11
Non-Convertible Debentures (Secured)	424.99	424.74
Total (A)	**2,213.68**	**1,170.85**
Debt securities in India	2,213.68	1,170.85
Debt securities outside India	-	-
Total (B)	**2,213.68**	**1,170.85**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 15 Borrowings (Other Than Debt Securities)

Description	As at 31st March, 2022	As at 31st March, 2021
At Amortised Cost		
(a) Term loans (Secured)		
i) From banks	6,069.73	4,590.31
ii) From other parties	4.93	24.59
iii) External Commercial Borrowings	2,169.82	1,364.32
(b) Loans repayable on demand		
i) Cash credit from banks (Secured)	8.62	156.89
ii) Working capital demand loans (Secured)	1,189.00	1,565.00
iii) Working capital demand loans (Unsecured)	15.00	340.00
Total (A)	**9,457.10**	**8,041.11**
Borrowings in India	7,287.28	6,676.80
Borrowings outside India	2,169.82	1,364.32
Total (B)	**9,457.10**	**8,041.11**

NOTE 16 Subordinated Liabilities

Description	As at 31st March, 2022	As at 31st March, 2021
At Amortised Cost - Unsecured		
(a) Perpetual Debt Instruments to the extent that do not qualify as equity	99.86	99.84
(b) Other Subordinated Liabilities		
(i) From Banks	199.98	199.93
(ii) From Others	993.50	643.02
Total (A)	**1,293.34**	**942.79**
Subordinated Liabilities in India	1,293.34	942.79
Subordinated Liabilities outside India	-	-
Total (B)	**1,293.34**	**942.79**

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

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

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

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

(All amounts in ₹ Crore unless otherwise stated)

Annexure

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

(All amounts in ₹ Crore unless otherwise stated)

Institution	As on 31st March, 2022	Type of Security	Interest Rate	Total Instalment	No. of Instalments Remaining	Frequency	Repayable From	Repayable To
Bank	124.94	Secured	7.25%	10.00	5.00	Quarterly	04/02/2021	04/05/2023
Bank	39.99	Secured	7.25%	10.00	4.00	Quarterly	31/12/2020	30/03/2023
Bank	199.96	Secured	7.30%	10.00	8.00	Quarterly	19/12/2021	19/03/2024
Bank	66.63	Secured	7.40%	36.00	24.00	Monthly	30/04/2021	30/03/2024
Bank	200.00	Secured	6.95%	10.00	10.00	Quarterly	29/04/2022	29/07/2024
Bank	200.00	Secured	6.95%	10.00	10.00	Quarterly	13/05/2022	13/08/2024
Bank	59.99	Secured	7.35%	10.00	2.00	Quarterly	20/05/2020	20/08/2022
Bank	200.00	Secured	7.00%	1.00	1.00	Bullet	27/10/2024	27/10/2024
Bank	199.94	Secured	6.45%	1.00	1.00	Bullet	24/05/2024	24/05/2024
Bank	150.00	Secured	6.10%	1.00	1.00	Bullet	23/09/2022	23/09/2022
Others	4.93	Secured	6.43%	10.00	1.00	Quarterly	10/03/2020	10/06/2022
Bank-ECB	189.38	Secured	8.57%	1.00	1.00	Bullet	31/05/2022	31/05/2022
Bank-ECB	189.38	Secured	8.57%	1.00	1.00	Bullet	10/06/2022	10/06/2022
Bank-ECB	151.51	Secured	8.06%	1.00	1.00	Bullet	26/08/2022	26/08/2022
Bank-ECB	151.51	Secured	8.06%	1.00	1.00	Bullet	16/09/2022	16/09/2022
Bank-ECB	378.07	Secured	6.94%	1.00	1.00	Bullet	13/07/2023	13/07/2023
Bank-ECB	356.04	Secured	6.94%	1.00	1.00	Bullet	19/10/2023	19/10/2023
Bank-ECB	753.93	Secured	6.92%	1.00	1.00	Bullet	02/12/2024	02/12/2024
	8,244.50							
Subordinated Liabilities								
Perpertual Debt	99.86	Unsecured	11.50%	1	1	Bullet	25/11/2027	25/11/2027
Other Subordinated Liabilities:								
Bank	49.99	Unsecured	8.60%	1	1	Bullet	29/05/2023	29/05/2023
Bank	50.00	Unsecured	8.94%	1	1	Bullet	24/07/2023	24/07/2023
Bank	25.00	Unsecured	9.70%	1	1	Bullet	01/09/2022	01/09/2022
Bank	24.99	Unsecured	9.70%	1	1	Bullet	01/09/2022	01/09/2022
Others	99.30	Unsecured	10.90%	1	1	Bullet	07/08/2024	07/08/2024
Others	112.91	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	34.36	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	99.00	Unsecured	8.85%	1	1	Bullet	02/06/2027	02/06/2027
Others	35.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	35.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	30.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	200.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	50.00	Unsecured	8.85%	1	1	Bullet	11/06/2027	11/06/2027
Others	50.00	Unsecured	10.02%	1	1	Bullet	28/04/2022	28/04/2022
Others	147.93	Unsecured	9.40%	1	1	Bullet	26/08/2026	26/08/2026
Others	50.00	Unsecured	11.25%	1	1	Bullet	01/05/2022	01/05/2022
Others	100.00	Unsecured	10.00%	1	1	Bullet	01/07/2026	01/07/2026
Total	**1,193.45**							
Subordinated Liabilities Total	**1,293.31**							

(All amounts in ₹ Crore unless otherwise stated)

Institution	Amount Outstanding as on 31st March, 2021	Type of Security	Interest Rate	Total Instalment	No. of Instalments Remaining	Frequency	Repayable From	Repayable To
Debt Securities								
Commercial Paper	249.10	Unsecured	4.75%	1	1	Bullet	29/04/2021	29/04/2021
Commercial Paper	248.54	Unsecured	4.60%	1	1	Bullet	18/05/2021	18/05/2021
Commercial Paper	248.47	Unsecured	4.60%	1	1	Bullet	20/05/2021	20/05/2021
Non Convertible Debentures	99.74	Secured	7.40%	1	1	Bullet	08/04/2022	08/04/2022
Non Convertible Debentures	300.00	Secured	8.35%	1	1	Bullet	22/03/2023	22/03/2023
Non Convertible Debentures	25.00	Secured	8.35%	1	1	Bullet	22/03/2023	22/03/2023
	1,170.85							
Loan repayable on demand	1,721.89	Secured	6.25% - 7.50%	Repayable on demand				
	340.00	Unsecured						
	2,061.89							
Term Loan								
Bank	100.00	Secured	8.00%	1.00	1.00	Bullet	06/05/2021	06/05/2021
Bank	25.00	Secured	6.62%	1.00	1.00	Bullet	25/05/2021	25/05/2021
Bank	37.50	Secured	7.90%	4.00	1.00	Half Yearly	17/03/2020	17/09/2021
Bank	41.67	Secured	7.50%	36.00	6.00	Monthly	26/10/2018	26/09/2021
Bank	123.98	Secured	7.50%	12.00	3.00	Quarterly	28/03/2019	27/12/2021
Bank	33.33	Secured	8.00%	6.00	2.00	Half Yearly	28/06/2019	28/12/2021
Bank	59.89	Secured	7.35%	10.00	3.00	Quarterly	30/09/2019	30/12/2021
Bank	16.67	Secured	8.00%	6.00	2.00	Half Yearly	28/07/2019	28/01/2022
Bank	238.90	Secured	7.85%	10.00	4.00	Quarterly	04/11/2019	04/02/2022
Bank	39.97	Secured	7.90%	10.00	4.00	Quarterly	15/11/2019	15/02/2022
Bank	199.97	Secured	7.35%	10.00	4.00	Quarterly	27/11/2019	27/02/2022
Bank	179.97	Secured	7.35%	10.00	6.00	Quarterly	20/05/2020	20/08/2022
Bank	141.64	Secured	5.10%	36.00	17.00	Monthly	30/09/2019	30/08/2022
Bank	100.00	Secured	5.50%	36.00	18.00	Monthly	30/10/2019	30/09/2022
Bank	52.50	Secured	6.90%	10.00	7.00	Quarterly	15/07/2020	15/10/2022
Bank	199.96	Secured	7.45%	1.00	1.00	Bullet	19/11/2022	19/11/2022
Bank	100.00	Secured	7.90%	4.00	4.00	Half Yearly	18/06/2021	18/12/2022
Bank	166.63	Secured	7.50%	12.00	8.00	Quarterly	06/05/2020	06/02/2023
Bank	159.97	Secured	6.90%	10.00	8.00	Quarterly	24/11/2020	24/02/2023
Bank	333.33	Secured	5.85%	36.00	24.00	Monthly	19/04/2020	19/03/2023
Bank	199.86	Secured	7.35%	10.00	8.00	Quarterly	20/12/2020	20/03/2023
Bank	79.99	Secured	7.25%	10.00	8.00	Quarterly	31/12/2020	31/03/2023
Bank	224.89	Secured	8.00%	10.00	9.00	Quarterly	04/02/2021	04/05/2023
Bank	179.87	Secured	7.80%	10.00	9.00	Quarterly	30/03/2021	30/06/2023
Bank	241.67	Secured	5.90%	36.00	29.00	Monthly	21/09/2020	21/08/2023
Bank	130.00	Secured	6.30%	8.00	8.00	Quarterly	24/12/2020	24/09/2023
Bank	199.96	Secured	5.90%	8.00	8.00	Quarterly	18/02/2022	18/11/2023
Bank	183.33	Secured	5.00%	36.00	33.00	Monthly	31/01/2021	31/12/2023
Bank	150.00	Secured	7.40%	6.00	6.00	Half Yearly	12/08/2021	12/02/2024
Bank	250.00	Secured	7.30%	10.00	10.00	Quarterly	19/12/2021	19/03/2024
Bank	299.93	Secured	5.60%	8.00	8.00	Quarterly	29/06/2022	29/03/2024
Bank	99.95	Secured	7.40%	36.00	36.00	Monthly	30/04/2021	30/03/2024

(All amounts in ₹ Crore unless otherwise stated)

Institution	Amount Outstanding as on 31st March, 2021	Type of Security	Interest Rate	Total Instalment	No. of Instalments Remaining	Frequency	Repayable From	Repayable To
Others	24.59	Secured	6.43%	10.00	5.00	Quarterly	10/03/2020	10/06/2022
Bank-ECB	182.56	Secured	8.57%	1.00	1.00	Bullet	29/05/2022	29/05/2022
Bank-ECB	182.56	Secured	8.57%	1.00	1.00	Bullet	10/06/2022	10/06/2022
Bank-ECB	146.05	Secured	8.06%	1.00	1.00	Bullet	26/08/2022	26/08/2022
Bank-ECB	146.05	Secured	8.06%	1.00	1.00	Bullet	16/09/2022	16/09/2022
Bank-ECB	363.87	Secured	6.94%	1.00	1.00	Bullet	13/07/2023	13/07/2023
Bank-ECB	343.22	Secured	6.94%	1.00	1.00	Bullet	19/10/2023	19/10/2023
	5,979.22							
Subordinated Liabilities								
Perpertual Debt	99.84	Unsecured	11.50%	1	1	Bullet	25/11/2027	25/11/2027
Other Subordinated Liabilities								
Bank	49.99	Unsecured	10.02%	1	1	Bullet	28/04/2022	28/04/2022
Bank	25.00	Unsecured	9.70%	1	1	Bullet	29/09/2022	29/09/2022
Bank	24.97	Unsecured	9.70%	1	1	Bullet	29/09/2022	29/09/2022
Bank	49.98	Unsecured	8.70%	1	1	Bullet	29/05/2023	29/05/2023
Bank	50.00	Unsecured	9.76%	1	1	Bullet	24/07/2023	24/07/2023
Others	49.98	Unsecured	11.25%	1	1	Bullet	01/05/2022	01/05/2022
Others	50.00	Unsecured	11.75%	1	1	Bullet	01/07/2021	01/07/2021
Others	49.96	Unsecured	11.30%	1	1	Bullet	27/09/2021	27/09/2021
Others	99.00	Unsecured	10.90%	1	1	Bullet	07/08/2024	07/08/2024
Others	146.62	Unsecured	9.40%	1	1	Bullet	10/06/2026	10/06/2026
Others	100.00	Unsecured	10.00%	1	1	Bullet	01/07/2026	01/07/2026
Others	122.46	Unsecured	9.40%	1	1	Bullet	26/08/2026	26/08/2026
Others	25.00	Unsecured	9.40%	1	1	Bullet	26/08/2026	26/08/2026
Total	**842.96**							
Subordinated Liabilities Total	**942.79**							

Details of Security

i. Non Convertible Debentures of ₹424.99 inclusive of Current and Non-Current Dues (Previous Year: ₹424.74 as on 31st March, 2021) 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 ₹8,244.50 inclusive of Current and Non-Current Dues (Previous Year: ₹5,979.22 as on 31st March, 2021) 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 ₹1,197.62 (Previous Year: ₹1,721.88 as at 31st March, 2021) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Company.

External Commercial Borrowings

During the 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 ECB directions issued by the RBI.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 17 Other Financial Liabilities

S.No.	Description	As at 31st March, 2022	As at 31st March, 2021
a)	Interest Accrued but Not Due	69.69	76.43
b)	Employee Related Liabilities	57.66	55.66
c)	Security Deposit	81.37	53.46
d)	Lease liability (refer Note 36)	21.96	22.02
	Total	**230.68**	**207.57**

NOTE 18 Provisions

S.No.	Description	As at 31st March, 2022	As at 31st March, 2021
a)	Pension	13.80	11.68
b)	Gratuity	-	1.80
c)	Compensated absences	24.54	20.26
	Total	**38.34**	**33.74**

NOTE 19 Other Non-Financial Liabilities

S.No.	Description	As at 31st March, 2022	As at 31st March, 2021
	Others		
a)	Statutory Dues	29.57	23.64
	Total	**29.57**	**23.64**

NOTE 20 Equity Share Capital

S.No.	Description	As at 31st March, 2022	As at 31st March, 2021
a)	**Authorised Share Capital:**		
	250,000,000 Equity Shares of ₹10 each	250.00	200.00
	(Previous Year 200,000,000 Equity Shares)		
		250.00	**200.00**
b)	**Issued, Subscribed and Fully Paid-up Share Capital:**		
	201,196,900 number of equity shares of ₹10 each	201.20	191.94
	(Previous year 191,937,700 equity shares of ₹10 each)		
c)	**Par Value per Share**	₹10 each	₹10 each
d)	**Number of equity shares at the beginning of the year**	191,937,700	185,182,300
	Changes in equity share capital due to prior period errors	-	-
	Restated number of equity shares at the beginning of the year	191,937,700	185,182,300
	Add: Preferential Allotment made during the year	9,259,200	6,755,400
	Number of equity shares at the end of the year	201,196,900	191,937,700
e)	**Equity Shares held by Holding Companies**		
	Particulars	**No. of Shares**	**No. of Shares**
	Holding Company - TVS Motor Company Limited	168,397,728	162,224,928
	Sundaram-Clayton Limited (Holding Company of TVS Motor Company Limited)	2,180,250	2,180,250

(All amounts in ₹ Crore unless otherwise stated)

NOTE 20 Equity Share Capital (Contd.)

f) Number of shares held by shareholders more than 5% of total shares as at the end of the year

Name of the Shareholders	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	% of Holding	No. of Shares	% of Holding
TVS Motor Company Limited	168,397,728	83.70%	162,224,928	84.52%
Lucas-TVS Limited	11,337,297	5.63%	11,337,297	5.91%

g) Shares held by Promoters at the the End of Year

S.No.	Promotor Name	No. of Shares	% of Total Shares	% change during the year
1	TVS Motor Company Limited	168,397,728	83.70%	(0.82%)
2	Sundaram Clayton Limited	2,180,250	1.08%	(0.06%)
3	TVS Motor Services Limited	1,090,125	0.54%	(0.03%)

NOTE 21 Other Equity

Description	As at 31st March, 2022	As at 31st March, 2021
a) Securities Premium Reserves	863.38	722.64
b) Statutory Reserve	164.30	140.15
c) Retained Earnings	624.12	528.31
d) Other Reserves	12.80	(17.66)
Total Reserves and Surplus	**1,664.60**	**1,373.44**

a) Securities Premium Reserves	As at 31st March, 2022	As at 31st March, 2021
Opening balance	722.64	629.41
Additions during the year	140.74	93.23
Deductions/Adjustments during the year	-	-
Closing balance	**863.38**	**722.64**

b) Statutory Reserve	As at 31st March, 2022	As at 31st March, 2021
Opening balance	140.15	120.75
Transfer from retained earnings	24.15	19.40
Deductions/Adjustments during the year	-	
Closing balance	**164.30**	**140.15**

c) Retained earnings	As at 31st March, 2022	As at 31st March, 2021
Opening balance	528.31	452.78
Net profit for the year	121.20	97.55
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation net-off tax	(1.25)	(2.62)
Transaction in the capacity as owners		
Statutory Reserve	(24.15)	(19.40)
Closing balance	**624.12**	**528.31**

d) Other Reserves - Hedge Reserve	As at 31st March, 2022	As at 31st March, 2021
Opening balance	(17.66)	(15.00)
Add: Change in fair value of hedging instruments, net of tax for the year	30.46	(2.66)
Closing balance	**12.80**	**(17.66)**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 21 Other Equity (Contd.)

Securities Premium

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

Statutory Reserves:

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

Retained Earnings:

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

NOTE 22 Interest Income

Description	Period ended 31st March, 2022	Year ended 31st March, 2021
On Financial assets measured at amortised cost:		
Interest on Loans	2,444.16	2,039.16
Interest on Deposits with Bank	2.44	2.69
Total	**2,446.60**	**2,041.85**

NOTE 23 Fees and Commission Income

Description	Period ended 31st March, 2022	Year ended 31st March, 2021
Fee based Income	255.95	146.68
Commission Income	-	2.64
Service Income	44.57	47.44
Total	**300.52**	**196.76**

NOTE 24 Other Income

Description	Period ended 31st March, 2022	Year ended 31st March, 2021
Unwinding of discount on security deposits and receivable for investments	6.80	2.68
Other Non Operating Income	0.26	0.43
Interest on income tax refund	1.91	-
Total	**8.97**	**3.11**

NOTE 25 Finance Costs

Description	Period ended 31st March, 2022	Year ended 31st March, 2021
On Financial liabilities measured at amortised cost		
Interest Cost		
- Interest on Borrowings	547.34	544.45
- Interest on Debt Securities	85.47	77.85
- Interest on Subordinated Liabilities	102.12	66.83
- Interest on Lease Liabilities	1.99	2.02
Other Finance Charges	45.21	38.29
Total	**782.13**	**729.44**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 26 Impairment of Financial Instruments

Description	Period ended 31st March, 2022	Year ended 31st March, 2021
On Financial Insturments measured at Amortised Cost		
Bad Debts Written off (net)	231.29	252.00
Net Loss on Sale of Repossessed Assets	216.03	108.23
Impairment Provision on Loans	98.98	89.11
Impairment Provision on Trade Receivables and Other Financial Assets	7.85	17.45
Total	**554.15**	**466.79**

NOTE 27 Employee Benefit Expenses

Description	Period ended 31st March, 2022	Year ended 31st March, 2021
Salaries and Wages	638.95	537.00
Contribution to Provident and other funds	40.92	31.43
Staff Welfare	31.91	16.38
Total	**711.78**	**584.81**

NOTE 28 Other Expenses

Description	Period ended 31st March, 2022	Year ended 31st March, 2021
Travelling and Conveyance	91.45	38.18
Communication Costs	91.45	62.50
Rent, Taxes and Energy Costs (Refer Note 36c)	25.48	21.54
Directors Sitting Fees & Commission Expenses	0.73	0.57
Corporate Social Responsibility **	3.50	4.00
Donation	-	0.03
Repairs & Maintenance	3.44	2.47
Insurance Expenses	0.51	1.37
Legal and Prof Charges	81.82	50.73
Auditors Fees and Expenses*	0.53	0.53
Printing and Stationery	5.81	3.78
Others	18.82	13.72
Total	**323.54**	**199.42**

*__Auditors Fees and Expenses__

Description	Period ended 31st March, 2022	Year ended 31st March, 2021
Statutory Audit	0.24	0.24
Tax Audit	0.07	0.07
Certification	0.15	0.15
Reimbursement of Expenses	0.07	0.07
Auditors Fees and Expenses#	**0.53**	**0.53**

Includes audit fee of ₹0.23 Cr paid to previous auditor

(All amounts in ₹ Crore unless otherwise stated)

NOTE 28 Other Expenses (Contd.)

** **Expenditure incurred on Corporate Social Responsibility activities:**

Particulars	Period ended 31st March, 2022	Year ended 31st March, 2021
(i) Amount required to be spent by the Company during the year	3.42	3.98
(ii) Amount of expenditure incurred	3.50	4.00
(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	3.50	4.00
Total	**3.50**	**4.00**

NOTE 29 Income Tax Expenses

Description	Period ended 31st March, 2022	Year ended 31st March, 2021
(a) Income tax expense		
Current tax on profits for the year	65.01	47.05
Tax profits relating to prior period	-	(0.53)
Total current tax expense	**65.01**	**46.52**
Deferred tax		
Decrease/(increase) in deferred tax assets	(34.36)	(38.10)
(Decrease)/increase in deferred tax liabilities	-	-
Total deferred tax expense/(benefit)	**(34.36)**	**(38.10)**
Income tax expense for the year	**30.65**	**8.42**
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	151.85	106.17
Tax at the Indian tax rate of 25.168% (previous year – 25.168%)	38.22	26.72
Tax effect of amounts which are permanent differences in nature in calculation of taxable income	(7.57)	(18.11)
Income tax expense	**30.65**	**8.61**

NOTE 30 Other Comprehensive Income

Description	Period ended 31st March, 2022	Year ended 31st March, 2021
Items that will not be reclassified to profit or loss		
Remeasurement of the defined benefit plans	(1.67)	(3.50)
Income tax relating to these items	0.42	0.88
Items that will be reclassified to profit or loss		
Fair value change on cash flow hedge	40.71	(3.55)
Income tax relating to these items	(10.25)	0.89
Other Comprehensive Income	**29.21**	**(5.28)**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 31 Earnings Per Share

	Period ended 31st March, 2022	Year ended 31st March, 2021
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Company	6.20	5.22
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the Company	6.20	5.22
(c) Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Profit attributable to equity holders of the Company used in calculating basis earnings per share	121.20	97.55
Diluted earnings per share		
Profit attributable to equity holders of the Company - Used in calculating basis earnings per share	121.20	97.55
(d) Weighted average number of equity shares used as the denominator in calculating basic earnings per share	195,548,365	186,986,825
(e) Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	195,548,365	186,986,825

NOTE 32 Employee Benefit Obligations

Defined Benefit Obligation

The Company provides for gratuity employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised fund in India.

The Company operates defined benefit pension plan, which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

Particulars	Gratuity			Pension			Compensated Absences		
	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total
As on 1st April, 2020	**16.11**	**(15.38)**	**0.73**	**11.22**	**-**	**11.22**	**16.02**	**-**	**16.02**
Current service cost	2.68	-	2.68	-	-	-	-	-	-
Interest expense/(income)	0.90	(0.84)	0.06	0.69	-	0.69	0.79	-	0.79
Total amount recognised in profit or loss	**3.58**	**(0.84)**	**2.74**	**0.69**	**-**	**0.69**	**0.79**	**-**	**0.79**
Remeasurements									
Return on plan assets, excluding amounts included in interest expense/(income)	-	(0.03)	(0.03)	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	0.19	-	0.19	0.01	-	0.01	0.14	-	0.14
Experience (gains)/losses	3.58	-	3.58	(0.24)	-	(0.24)	7.48	-	7.48
Total amount recognised in other comprehensive (income)/Losses	**3.77**	**(0.03)**	**3.74**	**(0.23)**	**-**	**(0.23)**	**7.63**	**-**	**7.63**
Employer contributions	-	(5.41)	(5.41)	-	-	-	-	-	-
Benefit payments	(1.33)	1.33	0.00	-	-	-	(4.17)	-	(4.17)
As on 31st March, 2021	**22.13**	**(20.33)**	**1.80**	**11.68**	**-**	**11.68**	**20.27**	**-**	**20.27**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 32 Employee Benefit Obligations (Contd.)

Particulars	Gratuity			Pension			Compensated Absences		
	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total
As on 1st Apr, 2021	**22.13**	**(20.33)**	**1.80**	**11.68**	**-**	**11.68**	**20.27**	**-**	**20.27**
Current service cost	3.66	-	3.66	-	-	-	-	-	-
Interest expense/(income)	1.25	(1.32)	(0.06)	0.76	-	0.76	1.04	-	1.04
Total amount recognised in profit or loss	**4.92**	**(1.32)**	**3.60**	**0.76**	**-**	**0.76**	**1.04**	**-**	**1.04**
Remeasurements									
Return on plan assets, excluding amounts included in interest expense/(income)	-	(0.79)	(0.79)	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	(0.26)	-	(0.26)	(0.29)	-	(0.29)	(0.18)	-	(0.18)
Experience (gains)/losses	1.36	-	1.36	1.65	-	1.65	5.55	-	5.55
Total amount recognised in other comprehensive (income)/Losses	**1.10**	**(0.79)**	**0.31**	**1.36**	**-**	**1.36**	**5.37**	**-**	**5.37**
Employer contributions	-	(8.52)	(8.52)	-	-	-	(2.14)	-	(2.14)
Benefit payments	(0.40)	0.40	(0.00)	-	-	-	-	-	-
As on 31st March, 2022	**27.74**	**(30.56)**	**(2.81)**	**13.80**	**-**	**13.80**	**24.54**	**-**	**24.54**

Details	Gratuity		Pension		Compensated Absences	
	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021	31st March, 2022	31st March, 2021
Discount Rate	5.36%	4.99%	6.13%	5.98%	5.17%	4.82%
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 2021-22

Particulars	Gratuity			Pension			Compensated Absences		
	Change in Assump-tion	Due to increase in Assump-tion	Due to decrease in Assump-tion	Change in Assump-tion	Due to increase in Assump-tion	Due to decrease in Assump-tion	Change in Assump-tion	Due to increase in Assump-tion	Due to decrease in Assump-tion
Discount Rate	0.50%	27.41	28.09	1.00%	12.05	15.91	0.50%	24.28	24.81
Salary Growth Rate	0.50%	28.08	27.41	1.00%	15.99	11.97	0.50%	24.81	24.28
Mortality	5.00%	27.74	27.74	5.00%	13.69	13.91	5.00%	24.54	24.54

FY 2020-21

Particulars	Gratuity 2019-20			Pension 2019-20			Compensated Absences 2019-20		
	Change in Assump-tion	Due to increase in Assump-tion	Due to decrease in Assump-tion	Change in Assump-tion	Due to increase in Assump-tion	Due to decrease in Assump-tion	Change in Assump-tion	Due to increase in Assump-tion	Due to decrease in Assump-tion
Discount Rate	0.50%	21.85	22.40	1.00%	10.11	13.59	0.50%	20.05	20.50
Salary Growth Rate	0.50%	22.39	21.86	1.00%	13.66	10.04	0.50%	20.49	20.05
Mortality	5.00%	22.12	22.12	5.00%	11.58	11.78	5.00%	20.27	20.27

(All amounts in ₹ Crore unless otherwise stated)

NOTE 32 Employee Benefit Obligations (Contd.)

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

Particulars	
Within the next 12 months (next annual reporting period)	8.42
Between 2 and 5 years	18.20
Beyond 5 years	4.64
Total	**31.26**

(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 ₹25.99 (31st March, 2021: ₹18.75) has been recognised in the Statement of Profit and Loss. There are numerous interpretative issues relating to the Supreme Court (SC) judgment dated 28th February, 2019 on components / allowances paid to employees that need to be taken into account while computing an employer's contribution to provident fund under the EPF Act. The Company is in the process of evaluating the method of computation of its PF contribution in relation to above judgement and would record any further effect in its financial statements, on receiving further clarification on the subject.

NOTE 33 Fair Value Measurements

Financial assets and financial liabilities measured at amortised cost, including their levels in the fair value hierarchy:

Particulars	Carrying Amount		Fair Value Hierarchy	Fair Value	
	31st March, 2022	31st March, 2021		31st March, 2022	31st March, 2021
Financial assets:					
Cash and Cash equivalents	970.46	666.87	Level 3	970.46	666.87
Other Bank Balances	6.00	0.87	Level 3	6.00	0.87
Trade Receivables	37.90	25.87	Level 3	37.90	25.87
Loans	14,014.30	11,154.95	Level 3	14,014.30	11,154.95
Other Financial Assets					
Employees Related Receivables	4.85	4.62	Level 3	4.85	4.62
Advances to Related Parties	38.10	73.21	Level 3	38.75	59.39
Other Financial Assets - Related Parties	-	-	Level 3	-	-
Other Financial Assets - Non Related Parties	9.41	9.41	Level 3	9.41	9.41
Security Deposit for Leased Premises	8.27	7.49	Level 3	8.27	7.49
Deposit with Service Providers	6.39	4.38	Level 3	6.39	4.38
Total	**15,095.68**	**11,947.68**		**15,096.33**	**11,933.85**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 33 Fair Value Measurements (Contd.)

Particulars	Carrying Amount		Fair Value Hierarchy	Fair Value	
	31st March, 2022	31st March, 2021		31st March, 2022	31st March, 2021
Financial liabilities:					
Trade Payables	333.81	229.37	Level 3	333.81	229.37
Debt Securities	2,213.68	1,170.85	Level 3	2,213.68	1,170.85
Borrowings other than Debt Securities	9,457.10	8,041.11	Level 3	9,457.10	8,041.11
Subordinated Liabilities	1,293.34	942.79	Level 3	1,293.34	942.79
Other financial liabilities	230.68	207.57	Level 3	230.68	207.57
Total	**13,528.61**	**10,591.69**		**13,528.61**	**10,591.69**

Financial assets and liabilities measured at fair value (Level 2)

Particulars	31st March, 2022	31st March, 2021
Financial assets		
Derivative Financial Instruments	64.06	-
Total financial assets	**64.06**	**-**
Financial liabilities		
Derivative Financial Instruments	-	14.57
Total financial assets	**-**	**14.57**

There were no transfers between any levels during the year.

(i) Fair value hierarchy

IND-AS 113, 'Fair Value Measurement' requires classification of the valuation method of financial instruments measured at fair value in the Statement of Balance sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to un-observable inputs (Level 3 reasurements). Fair value of derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. The three levels of the fair-value-hierarchy under IND-AS 113 are described below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes publicly traded derivatives and mutual funds that have a quoted price. The quoted market price used for financial assets held by the Company is the current bid price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

ii. Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- The Management assessed that Cash and Cash equivalents, bank balance other than Cash and Cash equivalents, receivable, other financial assets, payables and other financial liabilities 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 34 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, commercial papers and debentures.

The Company is exposed to various risks such as Credit risk, Liquidity risk, foreign currency risks and Interest rate risks.

The Board of Directors have the overall responsibility for the establishment of governance and oversight in relation to the Company's Risk Management Framework. The Board of Directors have established Committees such as the Risk Management Committee and Asset Liability Committee for developing and monitoring the Company's risk management policies and treasury policies. The Committees reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the various risks faced by the Company, to set appropriate risk benchmarks limits and controls and to monitor risks and adherence to limits from time to time. The Risk Management Committee oversees how management monitors compliance with the risk management policies and procedures and other governance framework and reviews the adequacy of the Risk management framework in relation to the various risks faced by the Company from time to time.

(A) Credit Risk

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored to determine significant increase in credit risk. The Company monitors the credit assessment on a portfolio basis, assesses all credit exposures in excess of designated limits. The Company does a risk grading based upon the credit worthiness of the borrowers. All these factors are taken into consideration for computation of Expected Credit Loss (ECL).

Loans

The following table sets out information about credit quality of retail loan assets measured at amortised cost based on Number of Days past due information. The amount represents the gross carrying value of assets as on each reporting date.

Particulars	31st March, 2022	31st March, 2021
Gross Carrying value of Loans		
Stage-1 (Less than 30 Days)	12,776.83	9,539.60
Stage-2 (30-90 Days)#	1,097.14	1,481.27
Stage-3 (More than 90 Days)*	528.99	423.75
Total Gross carrying value as on reporting date	**14,402.96**	**11,444.62**

Includes restructured contracts under one time resolution framework vide RBI circular dated 6th August, 2020 and RBI/2021- 22/31/ DOR.STR.REC.11 /21.04.048/2021-22 dated 5th May, 2021 irespective of days past due on the reporting date.

* Includes restructured contracts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR. No.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019 irespective of days past due on the reporting date.

Other financial assets

Credit risk with respect to other financial assets 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 loan assets under ECL model, the loan assets have been segmented into three stages.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 34 Financial Risk Management (Contd.)

The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages relate to the recognition of expected credit losses and the calculation and presentation of interest revenue.

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

— Stage 1: 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 tenure.

— Loss given default is calculated based on discounted actual cash flow on past portfolio in default along with reversals.

There is no change in estimation techniques or significant assumptions during the reporting period.

The Company considers a broad range of forward looking information with reference to external forecasts of economic parameters such as GDP growth, government borrowing, private consumption expenditure, policy interest rates, etc., as considered relevant so as to determine the impact of macro-economic factors on the Company's ECL estimates. The internal estimates of PD, LGD rates used in the ECL model may not always capture all the characteristics of the market/external environment as at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

Assessment of Significant Increase in Credit Risk

When determining whether the risk of default has increased significantly since initial recognition, the Company considers both quantitative and qualitative information and analysis based on the business historical experience, including forward-looking information. The Company considers reasonable and supportable information that is relevant and available without undue cost and effort.

The financial services business uses the number of days past due to classify a financial instrument in low credit risk category and to determine significant increase in credit risk in retail. As a backstop, the financial services business considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due.

In accordance with the Board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated 27th March, 2020 and 17th April, 2020 relating to 'COVID-19 – Regulatory Package', the Company has offered moratorium up to six months on the payment of instalments falling due between 1st March, 2020 and 31st August, 2020 to all eligible borrowers. The Company has extended One-Time Resolution framework as for COVID-19-related stress to eligible customers as per applicable RBI guidelines and as per the policy of the Company. The Company has classified all restructured accounts done under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019 in Stage 3 and with regard to restructured contracts done under one time resolution framework vide RBI circular dated 6th August, 2020 and RBI/2021- 22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated 5th May, 2021 in Stage 2 irrespective of days past due status on the reporting date.

COVID-19 has severe impact on global as well as domestic macro and micro economies, businesses and consumers. Due to this uncertainty, Company's assessments of impairment loss allowance on its loans are subject to a number of management judgements and estimates. Since the Company's impairment loss allowance estimates are inherently uncertain, actual results may differ from these estimates.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 34 Financial Risk Management (Contd.)

Definition of default

The Company considers a financial instrument is in default when the borrower becomes 90 days past due on its contractual payments. The financial services business considers Loans under default as 'credit impaired' and classified as Stage-3.

Impairment loss

The expected credit loss allowance provision is determined as follows:

	Stage 1	Stage 2	Stage 3	Grand Total
Gross Balance as at 31st March, 2022	**12,776.83**	**1,097.14**	**528.99**	**14,402.96**
Expected Credit Loss	87.80	33.25	267.61	388.66
Expected Credit Loss Rate	0.69%	3.03%	50.59%	2.70%
Net of Impairment Provision	12,689.03	1,063.89	261.38	14,014.30

	Stage 1	Stage 2	Stage 3	Grand Total
Gross Balance as at 31st March, 2021	**9,539.60**	**1,481.27**	**423.75**	**11,444.62**
Expected Credit Loss	81.90	42.34	165.43	289.67
Expected Credit Loss Rate	0.86%	2.86%	39.04%	2.53%
Net of Impairment Provision	9,457.70	1,438.93	258.32	11,154.95

Reconciliation of Expected Credit Loss

Particulars	Stage-1	Stage-2	Stage-3	Grand Total
Balance as at 1st April, 2020	**39.23**	**9.50**	**143.38**	192.11
Transfer from Stage 1	(9.66)	7.54	2.11	-
Transfer from Stage 2	2.44	(4.61)	2.17	-
Transfer from Stage 3	0.99	0.45	(1.43)	-
Loans that have derecognised during the period	(8.35)	(1.43)	(41.06)	(50.85)
New Loans originated during the year	33.56	4.26	14.78	52.61
Net Remeasurement of Loss Allowance	23.70	26.62	45.49	95.80
Balance as at 31st March, 2021	**81.90**	**42.34**	**165.43**	**289.67**
Transfer from Stage 1	(29.74)	18.52	11.22	-
Transfer from Stage 2	2.12	(12.60)	10.48	-
Transfer from Stage 3	4.64	2.41	(7.05)	-
Loan that have derecognised during the period	(21.70)	(19.63)	(90.95)	(132.28)
New Loans originated during the year	60.76	2.65	17.14	80.55
Net Remeasurement of Loss Allowance	(10.17)	(0.44)	161.34	150.73
Balance as at 31st March, 2022	**87.81**	**33.25**	**267.61**	**388.67**

Concentration of Credit Risk

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

	31st March, 2022	31st March, 2021
Carrying value		
Concentration by geographical region in India		
South	5,619.30	4,426.79
West	3,870.72	3,123.68
East	2,517.92	2,042.22
North	2,395.02	1,851.93
Total Loans as at reporting period	**14,402.96**	**11,444.62**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 34 Financial Risk Management (Contd.)

(B) Liquidity Risk

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

As per companies policy, management ensures availability of sufficient fund either through Instalment receivables/ sourcing through debts at each point of time. The Fund requirement ascertain at the beginning of the period by taking into consideration Instalment receivable, likely disbursement, Loan instalment payment & other operational expenses. The Company is continuously getting good supports from Bankers & Financial Institutions at the time of need.

i. Financing arrangements

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

	31st March, 2022	31st March, 2021
Floating rate		
Expiring within one year (bank overdraft and other facilities)	1,215.35	1,427.87
Expiring beyond one year (bank loans)	-	-
	1,215.35	1,427.87

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

ii. Maturities of financial liabilities

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

a. All non-derivative financial liabilities, and

b. Net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The table below summarises the maturity profile of the Company's non derivative financial liabilities based on contractual undiscounted payments as at the balance sheet date. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Particulars	Contractual Cashflows					
	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total carrying Amount
As at 31st March, 2022						
Borrowings	3,003.33	975.61	3,061.07	5,375.24	548.86	12,964.11
Security Deposit	43.70	29.13	5.26	3.28	-	81.37
Trade payables	146.85	68.12	108.65	10.16	-	333.77
Other Financial Liabilities	72.35	2.32	57.53	19.23	0.37	151.81
Total non-derivative liabilities	**3,266.23**	**1,075.18**	**3,232.51**	**5,407.92**	**549.23**	**13,531.07**

Particulars	Contractual Cashflows					
	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total carrying Amount
As at 31st March, 2021						
Borrowings	1,386.89	694.91	3,161.99	4,417.06	493.90	10,154.75
Security Deposit	29.41	19.61	4.44	-	-	53.46
Trade Payables	94.40	70.13	55.54	7.80	-	227.87
Other Financial Liabilities	79.14	2.10	56.76	17.10	2.27	157.36
Total non-derivative liabilities	**1,589.84**	**786.75**	**3,278.73**	**4,441.96**	**496.17**	**10,593.45**

(All amounts in ₹ Crore unless otherwise stated)

NOTE 34 Financial Risk Management (Contd.)

(C) 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

	31st March, 2022	31st March, 2021
Financial liabilities		
Variable Foreign Currency Borrowings (USD 287 million) (Previous Year USD 187 million)	2,108.05	1,356.55
Derivative liabilities		
Hedged through forward contracts and CCS	2,108.05	1,356.55
Net exposure to foreign currency risk (Liabilities)	-	-

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 Currenct Swap are to buy USD for Hedging Foreign Currency Loan. The Company shall not maintained as per IND-AS 109 to be considered as Foreign Currency Loan.

Impact on Profit After Tax		
USD Sensitivity	**31st March, 2022**	**31st March, 2021**
INR/USD Increases by 5%	-	-
INR/USD Decreases by 5%	-	-

(D) Fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31st March, 2022 and 31st March, 2021, 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. The Company has increased the component of fixed rate borrowings compared to last year by 22%.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31st March, 2022	31st March, 2021
Variable rate borrowings	6,232.48	7,126.66
Total borrowings	**12,964.11**	**10,154.75**

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

Particulars	31st March, 2022		
	Weighted average interest rate	Balance	% of total loans
Cash credits, bank loans etc.	6.53%	6,232.48	48.07%

Particulars	31st March, 2021		
	Weighted average interest rate	Balance	% of total loans
Cash credits, bank loans etc.	7.04%	7,126.66	70.18%

An analysis by maturities is provided in note 34 B (ii) above.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 34 Financial Risk Management (Contd.)

(b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

Impact on Profit After Tax		
Particulars	**31st March, 2022**	**31st March, 2021**
Interest rates – increase by 50 basis points (50 bps) *	31.16	38.00
Interest rates – decrease by 50 basis points (50 bps) *	(31.16)	(38.00)

* Holding all other variables constant

NOTE 35 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 objecticves. Further it is embedded across all the major functions and revolve around the goals and objectives of the Company.

Maintaining optimal capital to debt is one such measure to ensure healthy returns to the shareholders. Company envisages maintaining gearing ratio of maximum 7 times to the total equity, the Company monitors the ratio as below:

Particulars	31st March, 2022	31st March, 2021
Net debt (total borrowings, less cash and cash equivalents)	11,993.65	9,487.89
Total Equity (as shown in the balance sheet)	1,865.80	1,565.38
Net debt to equity ratio	**6.43**	**6.06**

(b) Externally imposed capital restrictions

1. As per RBI requirements Capital Adequacy Ratio should be minimum 15%, not meeting RBI requirements will lead cancellation of NBFC licenses issued by RBI.
2. As per various lending arrangements with banks TOL (Total Outside Liability) to TNW (Total Net Worth) ratio should be less than 8 not meeting the said requirements may lead to higher interest rates.

The Company has complied with these covenants throughout the reporting period.

(All amounts in ₹ Crore unless otherwise stated)

NOTE 36 Leases

a Lease Disclosures pertaining to Right to use Asset

Particulars	31st March, 2022	31st March, 2021
Building		
Gross Block		
Opening/(On transition to IND-AS 116)	18.68	25.78
Revaluation due to change in future lease rentals	-	(3.70)
Additions during the year	6.49	3.88
(Deletions during the year)	-	-
Closing Balance during the year	25.17	25.96
Amortisation		
Additions	-	-
Amortisation for the year	7.05	7.28
Closing Balance during the year	**18.12**	**18.68**

b The Company has offices across the country with varied lease period. The lease term considered for arriving at the Right to use Asset and Lease liabities are based on the non-cancellable period of the respective agreements.

c Company has excercised the option of short term leases and low value asset exemption.

Lease Disclosures pertaining to Statement of Profit & Loss

Particulars	31st March, 2022	31st March, 2021
Finance charges		
Interest expense	1.99	2.02
Depreciation		
Amortisation of Right to use asset	7.05	7.28
Other expenses		
Rent expenses		
Expense relating to short-term leases (included in other expenses)	11.65	10.77
Expense relating to leases of low-value assets that are not short-term leases (included in other expenses)	-	-
Expense relating to variable lease payments not included in the measurement of lease liabilities	-	-
Total	**20.69**	**20.07**

d Additional disclosures in cash flow statement

Particulars	31st March, 2022	31st March, 2021
Cash flow financing activities		
Principal repayments related to lease liabilities	6.56	6.92
Interest payments related to lease liabilities	1.99	2.02

(All amounts in ₹ Crore unless otherwise stated)

37. Additional notes forming part of Consolidated Financial Statements for the year ended 31st March, 2022

1. Capital Commitments

Description	31st March, 2022	31st March, 2021
Estimated amount of contracts remaining to be executed on Capital Account not provided for	0.78	2.52

2. Other Commitments

Description	31st March, 2022	31st March, 2021
Estimated amount of contracts remaining to be executed on Capital Account not provided for	48.33	22.89

3. Contingent Liabilities not provided for

Claims against the Company not acknowledged as debts.

Description	31st March, 2022	31st March, 2021
Disputed Income Tax Demand (adjusted out of refunds)	-	-
Disputed Service Tax Demand inclusive of Penalty – Commissioner order/Additional Commissioner appealed against by Company during previous years (Pre-deposit of ₹0.36 Cr)	7.70	7.70
Legal cases filed by borrowers against the Company	1.48	1.23

The Company's pending litigations comprise of claims against the Company and proceedings pending with Statutory Authorities. The future cash flows on the above items are determinable only on receipt of decisions/judgments that are pending at various forums/authorities. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

4. Pursuant to a Business Transfer Agreement (BTA) entered into with TVS Finance and Services Limited (TVSFS) on 21st April, 2010, the Company acquired the retail finance business of TVSFS as a going concern along with the related assets (comprising of fixed assets, receivables, loans and advances and Bank balances) of ₹50.75 crores and liabilities (comprising of borrowings from Banks and Institution, current liabilities and provisions) of ₹298.75 crore. TVSFS issued Unsecured Redeemable Bonds to the Company, for the excess of liabilities over assets of ₹248 crore. The bonds are redeemable between 7th and 12th year from the date of allotment. The said bonds have been purchased by TVS Motor Services Limited (TVSMS), the Holding Company, during 2010-11 at book value and the same is repayable by TVSMS in 6 years. The advance from TVSMS to the Company pertaining to this transaction stands at ₹37.06 crore as at 31st March, 2021 as per IND-AS fair valuation and advance is fully secured.

5. Pursuant to para 2 of general instructions for preparation of financial statements of a NBFC as mentioned in Division III of Schedule III of The Companies Act, 2013, the current and non-current classification has not been provided.

6. Related Party Disclosure

Disclosure in respect of Related Parties and their relationship where transaction exists:

Nature of Relationship	Parties Name
Reporting Enterprise	TVS Credit Services Limited
Holding Company	TVS Motor Company Limited Sundaram-Clayton Limited (holding company of TVS Motor Company Limited)
Ultimate Holding Company	TV Sundram Iyengar & Sons Private Limited
Subsidiaries	TVS Housing Finance Private Limited Harita ARC Private Limited TVS Two Wheeler Mall Private Limited TVS Micro Finance Private Limited Harita Collection Services Private Limited TVS Commodity Financial Solutions Private Limited
Fellow Subsidiary	TVS Motor Services Limited Sundaram Auto Components Limited TVS Automobile Solutions Private Limited
Associate of Holding Company	Emerald Haven Realty Limited

(All amounts in ₹ Crore unless otherwise stated)

37. Additional notes forming part of Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

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

S.No.	Name of the Related Party	Nature of Transactions	31st March, 2022	31st March, 2021
1	TVS Motor Services Limited	Advance received	41.33	6.37
		Unwinding of advance	6.23	1.38
		Balance outstanding [Dr/(Cr)]	38.10	73.21
2	TVS Motor Company Limited	Contribution towards Equity Share Capital	6.17	6.78
		Contribution towards Security Premium	93.83	93.22
		Services Rendered	9.03	21.55
		Availing of Services	8.34	6.96
		Balance outstanding [Dr/(Cr)]	(2.80)	8.49
3	Sundaram-Clayton Limited	EMI Payment	0.11	0.10
		Availing of Services	3.92	3.08
		Balance outstanding [Dr/(Cr)]	(0.48)	0.03
4	Sundaram Auto Components Limited	EMI Payment	0.11	0.11
		Balance outstanding [Dr/(Cr)]	0.04	0.15

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.

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

8. 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.

9. There have been no events after the repoting date that require disclosure in the Financial Statements.

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

11. 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.

12. 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.

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

(All amounts in ₹ Crore unless otherwise stated)

37. Additional notes forming part of Consolidated Financial Statements for the year ended 31st March, 2022 (Contd.)

14. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 for the year ended 31st March, 2022

Name of the Entity	Net Assets		Share in Profit/(Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of Consoli-dated Net Assets	₹ in Cr	As a % of Consoli-dated Profit/(Loss)	₹ in Cr	As a % of Consoli-dated Other Compre-hensive Income	₹ in Cr	As a % of Consoli-dated Total Compre-hensive Income	₹ in Cr
Parent								
TVS Credit Services Limited	99.88%	1,863.64	99.59%	120.73	100.00%	29.21	99.67%	149.94
Subsidiaries								
TVS Housing Finance Private Limited	0.76%	14.22	0.41%	0.50	0.00%	-	0.33%	0.50
Haritha ARC Private Limited	0.00%	(0.01)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
TVS Two Wheeler Mall Private Limited	0.00%	(0.01)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Inter Company Eliminations	(0.64%)	(12.01)	0.00%	-	0.00%	-	0.00%	-
Total	**100.00%**	**1,865.83**	**100.00%**	**121.23**	**100.00%**	**29.21**	**100.00%**	**150.44**

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 : 4th May, 2022

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

Venu Srinivasan
Chairman

G Venkatraman
Chief Executive Officer

V Gopalakrishnan
Chief Financial Officer

Directors' Report to the Shareholders

The directors present the fifth annual report together with the annual audited statement of accounts for the year ended 31st March 2022.

Financial Highlights

The Company is yet to commence its operations.

Dividend

The directors of the Company do not recommend any dividend for the period ended 31st March 2022.

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.

Directors' responsibility statement

Pursuant to the requirement of Section 134(3)(c) read with 134(5) of the Companies Act, 2013 (the Act, 2013) with respect to Director's Responsibility Statement, it is hereby stated that:

(a) in the preparation of the annual accounts for the period from 1st April 2021 to 31st March 2022, 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 the 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 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 24th April 2021, 26th June 2021, 28th September 2021, 21st December 2021 and 08th March 2022 and the gap between two meetings did not exceed one hundred and twenty days.

Statutory Auditors

On the recommendation of the Board of Directors of the Company, members of the Company appointed from M/s. Raghavan, Chaudhuri & Narayanan, Chartered Accountants as Statutory Auditors of the Company at the 4th Annual General Meeting of the Company for a term of 5 consecutive years pursuant to Section 139 of the Act, 2013, at such remuneration in addition to applicable taxes, out of pocket expenses, travelling and other expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors.

The 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 2021-22.

The Auditors' Reports for the financial year 2021-22 do not contain any qualifications, reservations and adverse remarks and the same is attached with the annual financial statements.

Disclosures

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.

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.

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 period ended 31st March 2022 and hence the question of furnishing any details relating to deposits covered under Chapter V of the Act 2013 does not arise.

Employee's remuneration:

There are currently no employees in the Company, hence the requirement of attaching a statement under Section 197 of the 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 period ended 31st March 2022, the Company has not extended any guarantee or loans to other companies and has not made any investment during the period under review.

Related Party Transactions

All contracts / arrangements entered by the Company during the period ended 31st March 2022 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 2 of Additional Notes forming part of the financial statements.

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

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

Details of foreign exchange earnings and outgo:

During the period under review, there were no foreign exchange 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	V GOPALAKRISHNAN	N SRINIVASA RAMANUJAM
Date : 29th April 2022	Director	Director
	DIN: 03291640	DIN: 07384809

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2022

To the Members of Harita ARC Private Limited

Report on the Audit of the Standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of Harita Arc Private Limited ("the Company"), having its registered office at "Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai-600 006, Tamil Nadu which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31st March 2022, 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.

Responsibilities of Management and Those charged with governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance) changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order

2. As required by section 143(3) of the Act, we report that

   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act.

   (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 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 31st March 2022 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 2022;

   (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 2022

   (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.

For RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants
FRN: 007761S

UDIN	22027716AICRXO2394

V. SATHYANARAYANAN
Partner
Membership No. 027716

Place : Bangalore
Date : 29th April 2022

Annexure "A" to Independent Auditors' Report 31st March 2022

(Referred to in our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i (a to d) The Company does not own any property plant & equipment, Intangible assets & right to use assets. Accordingly, Clause 3(i)(a) to 3(i)(d);

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder;

ii. The Company does not have any inventory. Accordingly, Clause 3(ii)(a) of the Order is not applicable to the company;

No working capital limit more than five crore in aggregate, from banks or financial institutions based on security of current assets has been sanctioned during any point of the year. Accordingly, Clause 3(ii)(b) of the Order is not applicable to the company;

iii. The Company has not made investments and has not provided any Guarantee or security or granted any loans or advances in nature of loans secured or unsecured to companies, firms, Limited Liability Partnerships, or any other parties, during the year. Accordingly, the provision of clause 3(iii)(a) to 3 (iii)(f) of the order is not applicable;

iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loan or made investments and has not provided guarantees and securities which has application of the provisions of Section 185 and 186 of the Act. Accordingly, the provisions of Clause 3(iv) of the Order are not applicable to the Company.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable;

vi. The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act. Therefore, the provisions of Clause (vi) of the Order are not applicable to the Company;

vii. In respect of statutory dues:

(a) According to the records of the Company, the Company does not have the liability to deposit statutory dues including Provident Fund, Employees' State Insurance, Custom duty, Income Tax, Goods and Service Tax and Cess and other material statutory dues with the appropriate authorities;

(b) According to the information and explanations given to us, there are no dues of Income Tax and Goods and Service Tax which have not been deposited on account of any dispute.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Section 43 of 1961);

ix. (a) The Company has not obtained any loans or borrowings from any lender during the year. Accordingly, the provisions of clause 3(ix)(a) of the Order are not applicable;

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority;

(c) The Company has not obtained term loan during the year. Accordingly, the provisions of clause 3(ix)(c) of the Order are not applicable;

(d) The Company has not raised any short-term funds during the year. Accordingly, the provisions of clause 3(ix)(d) of the Order are not applicable;

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable;

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable;

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable;

xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year;

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report;

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year;

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable;

xiii. In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act;

xiv. In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013 and hence reporting under clause 3(xiv)(a) and clause 3(xiv)(b) of the Order is not applicable;

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company;

xvi. (a),(b),(c) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable;

(d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable;

xvii. The Company has incurred cash losses during the financial year and in immediately preceding financial year amounting to Rs.28,944 & Rs.30,654 covered by our audit;

xviii. There has been no resignation of the statutory auditors of the Company during the year;

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit 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	22027716AICRXO2394

V. SATHYANARAYANAN
Partner
Membership No. 027716

Place : Bangalore
Date : 29th April 2022

Balance Sheet as at 31st March 2022

(in Rs.)

Particulars	Note No	As at 31st March 2022	As at 31st March 2021
ASSETS			
Current Assets			
Financial Assets			
Cash and Cash Equivalents	1	24,056	24,056
TOTAL ASSETS		24,056	24,056
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	2	25,000	25,000
Other Equity	3	(1,24,917)	(95,973)
TOTAL EQUITY		**(99,917)**	**(70,973)**
LIABILITIES			
Current Liabilities			
Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables			
a) Total outstanding dues of creditors other than micro enterprises and small enterprises	4	11,800	11,800
b) Total outstanding dues of other than (ii) (a) above		-	-
(iii) Other Financial Liabilities	5	1,12,173	83,229
TOTAL LIABILITIES		1,23,973	95,029
TOTAL EQUITY AND LIABILITIES		24,056	24,056

As per our report annexed

V GOPALAKRISHNAN
Director

N SRINIVASA RAMANUJAM
Director

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn No.: 007761S

Chennai
Dated: 29th April 2022

V. SATHYANARAYANAN
Partner
Membership No.: 027716

Statement of Profit and Loss for the year ended 31st March 2022

(in Rs.)

Particulars	Note No	For the year ended 31st March 2022	For the year ended 31st March 2021
INCOME			
Revenue from operations		-	-
TOTAL INCOME		-	-
EXPENSES			
Other expenses	6	28,944	30,654
TOTAL EXPENSE		**28,944**	**30,654**
Profit/(Loss) before tax		**(28,944.00)**	**(30,654)**
Tax expense:		**-**	**-**
Profit/(Loss) after tax for the year		**(28,944.00)**	**(30,654)**
Other Comprehensive Income			
Total Comprehensive Income		(28,944.00)	**(30,654)**
Earning per equity share:			
Basic & Diluted earnings per share	7	(11.58)	(12.26)

As per our report annexed

V GOPALAKRISHNAN
Director

N SRINIVASA RAMANUJAM
Director

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn No.: 007761S

Chennai
Dated: 29th April 2022

V. SATHYANARAYANAN
Partner
Membership No.: 027716

STATEMENT OF CHANGES IN EQUITY

(in Rs.)

A Equity

	Note No.	Amount
Balance as at April 1, 2020	2	25,000
Changes in Equity share capital during the year	2	
Balance as at March 31, 2021		**25,000**
Changes in Equity share capital during the year	2	-
Balance as at March 31, 2022		**25,000**

B Other Equity

	Note No.	Retained Earnings	Total
Balance as at April 1, 2020	3	(65,319)	(65,319)
Total Comprehensive Income	3	(30,654)	(30,654)
Balance as at March 31, 2021		**(95,973)**	**(95,973)**
Total Comprehensive Income	3	(28,944)	(28,944)
Balance as at March 31, 2022		**(1,24,917)**	**(1,24,917)**

As per our report annexed

V GOPALAKRISHNAN
Director

N SRINIVASA RAMANUJAM
Director

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn No.: 007761S

Chennai
Dated: 29th April 2022

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V. SATHYANARAYANAN
Partner
Membership No.: 027716

HARITA ARC PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(in Rs.)

		As at 31st March 2022		As at 31st March 2021	
A.	**Cash Flow from Operating Activities**				
	1. Profit/(Loss) Before Tax		(28,944)		(30,654)
B.	Operating Profit before Working Capital Changes		(28,944)		(30,654)
C.	Change in Working Capital				
	(Increase)/Decrease in Loans & Advances			-	
	Changes in liability arising from financing activities			30,300	
	Change in Working Capital		-		30,300
D.	Cash generated from Operations (B+C)		(28,944)		(354)
E.	**Net Cash from Operating Activities**		(28,944)		(354)
F.	**Net Cash Flow from Financing Activities**				
	Proceeds from Issue of Equity Shares				
	Net Cash from Financing Activities		-		-
G.	**Net change in Cash and Cash Equivalents (E+F)**		**(28,944)**		**(354)**
H.	**Cash and Cash Equivalents as at End**		**24,056**		**24,056**
I.	**Less: Cash and Cash Equivalents as at Beginning**		**24,056**		**24,410**
	NET CHANGE IN CASH & CASH EQUIVALENTS (H-I)		**-**		**(354)**

As per our report annexed

V GOPALAKRISHNAN
Director

N SRINIVASA RAMANUJAM
Director

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
Firm Regn No.: 007761S

Chennai
Dated: 29th April 2022

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V. SATHYANARAYANAN
Partner
Membership No.: 027716

NOTES TO BALANCE SHEET

(in Rs.)

1	Cash and cash equivalents	Amount as at 31 March 2022	Amount as at 31 March 2021
	Balances with banks	24,056	24,056
	Total cash and cash equivalents	**24,056**	**24,056**

2	Share Capital	Number of Shares	Amount
i)	**Authorised Share Capital:**		
	Equity shares of Rs.10/- each	2,500	25,000
ii)	**Issued, Subscribed and Fully Paid up Share Capital:**		
	Equity shares of Rs.10/- each	2,500	25,000

iii)	Movement in equity share capital	Number of Shares	Amount
	Equity Shares as at April 1, 2019	**2,500**	25,000
	Additions	-	-
	Equity Shares as at March 31, 2020	**2500**	**25000**
	Additions	-	-
	Equity Shares as at March 31, 2021	**2500**	**25000**

iv) Details of share holders holding more than 5% & Shares held by holding company

Name of the Share Holder	As at March 31, 2021	
	No. of Shares	%
TVS Credit Services Limited	2,500	100%

Name of the Share Holder	As at March 31, 2022	
	No. of Shares	%
TVS Credit Services Limited	2,500	100%

v) Terms / Rights attached

The company has only one class of equity shares having a par value of Rs.10/- per share. Each shareholder has a right to participate in General Meeting and is eligible for one vote per share held. Residual interest in the assets of the company. Every shareholder is also entitled to right of inspection of documents as provided in the Companies Act, 2013.

3	Other Equity	Amount as at March 31, 2022	Amount as at March 31, 2021
	Retained Earnings	(1,24,917)	(95,973)
	Total Other Equity	**(1,24,917)**	**(95,973)**
	Retained Earnings		
	Opening Balance	(95,973)	(65,319)
	Add: Net profit for the year	(28,944)	(30,654)
	Closing Balance	**(1,24,917)**	**(95,973)**

4	Trade Payables	Amount as at March 31, 2022	Amount as at March 31, 2021
	Audit fees payable	11,800	11,800
	Total Trade Payables	**11,800**	**11,800**

5	Other Financial Liabilities	Amount as at March 31, 2022	Amount as at March 31, 2021
	Payable to Holding Company	1,12,173	83,229
	Total Other Financial Liabilities	**1,12,173**	**83,229**

NOTES TO STATEMENT OF PROFIT AND LOSS

6	Other Expenses	For the period 1st Apr 2021 to 31st March 2022	For the period 1st Apr 2020 to 31st March 2021
	Professional charges	16,340	17,700
	Rates and taxes	804	1,154
	Payment to Auditors		
	- As Auditor	11,800	11,800
	Bank Charges		
	Total Other Expenses	**28,944**	**30,654**

7	Earnings per share (Basic and Diluted)	For the period 1st Apr 2021 to 31st March 2022	For the period 1st Apr 2020 to 31st March 2021
	Earnings attributable to equity share holders	(28,944)	(30,654)
	Number of Shares	2,500	2,500
	Earnings per Share	(11.58)	(12.26)

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.

Additional Notes forming part of Financial Statements for year ended 31st March 2022

1. There are no dues to micro medium small enterprises and hence the particulars required under notification no GSR 719(E) dt. 16.11.07 is not furnished.

2. Related Party Disclosures:

Reporting Entity:

Relationship	Name
Enterprise having Control	TVS Credit Services Limited
Subsidiary Company	Nil
Associate Companies	Nil
Key Management Personnel	Nil

Transactions with Related Parties

			Amount (Rs.)	
Sl. No	Nature of Transaction	Name of the Related Party	FY 2021-22	FY 2020-21
01.	Advance Received	TVS Credit Services Limited	28,944	30,300
02	Balance Payable as at the end of the year	TVS Credit Services Limited	112,173	83,229

As per our report annexed

V GOPALAKRISHNAN
Director

N SRINIVASA RAMANUJAM
Director

For RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants
ICAI No.: 007761S

Chennai
Dated: 29th April 2022

V. SATHYANARAYANAN
Partner
Membership No.: 027716

Directors' Report to the Shareholders

The directors present the fifth annual report together with the annual audited statement of accounts for the year ended 31st March 2022.

Financial Highlights

The Company is yet to commence its operations.

Dividend

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

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.

Directors' Responsibility Statement

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

(a) in the preparation of the annual accounts for the year ended 31st March 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;

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

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

(d) the directors had prepared the accounts for the financial year ended 31st March 2022 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, Mr Sudarshan Venu and Mr G Venkatraman, 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 26th May 2021, 26th June 2021, 28th September 2021, 21st December 2021, and 15th March 2022 and the gap between the two meetings did not exceed one hundred and twenty days.

Key Managerial Personnel (KMPs)

The following persons have been designated as Key Managerial Personnel of the Company pursuant to Section 2(51) and Section 203 of the Act 2013, read with the Rules framed thereunder.

1. Mr G Venkatraman, Whole-time Director

2. Mr V Gopalakrishnan, Chief Financial Officer

Statutory Auditors

On the recommendation of the Board of Directors of the Company, members of the Company appointed from M/s. Raghavan, Chaudhuri & Narayanan, Chartered Accountants as Statutory Auditors of the Company at the 4th Annual General Meeting of the Company for a term of 5 consecutive years pursuant to Section 139 of the Act, 2013, at such remuneration in addition to applicable taxes, out of pocket expenses, travelling and other expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors.

The 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 2021-22.

The Auditors' Reports for the financial year 2021-22 do not contain any qualifications, reservations and adverse remarks and the same is attached with the annual financial statements.

Disclosures

<u>Material changes and commitments</u>

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

<u>Significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company</u>

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.

<u>Deposits:</u>

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 period ended 31st March 2022 and hence the question of furnishing any details relating to deposits covered under Chapter V of the Act 2013 does not arise.

<u>Employee's remuneration:</u>

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.

<u>Details of loans / guarantees / investments made:</u>

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 2021-22, the Company has not extended any guarantee or has given loans to other companies during the period under review.

<u>Related Party Transactions:</u>

All contracts / arrangements entered by the Company during the period ended 31st March 2022 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.

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

The provisions of Section 134(3)(m) of the Act 2013 and the rules made there-under relating to the information and details on conservation of energy, technology absorption do not apply to the Company, as the Company is not a manufacturing company and there are no foreign exchange earnings and outgo.

Reporting of fraud:

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

Maintenance of cost records

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

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

The Company was not required to constitute an Internal Complaints Committee as required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 since there are no employees in the Company.

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

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

Acknowledgement

The directors gratefully acknowledge the continued support and co-operation received from the holding company viz., TVS Credit Services Limited. The directors thank the bankers for their continued support and assistance.

For and on behalf of the Board

Place : Chennai	Venu Srinivasan	G Venkatraman
Date : 29th April 2022	Director	Whole-Time Director
	DIN: 00051523	DIN: 08098890

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2022

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 2022, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31st March 2022, 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.

Responsibilities of Management and Those charged with governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance) changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order
2. As required by section 143(3) of the Act, we report that
   - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
   - (d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
   - (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 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 31st March 2022 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 2022;
     - (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 2022
     - (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.

For RAGHAVAN, CHAUDHURI & NARAYANAN.,
Chartered Accountants
FRN.007761S

UDIN	22027716AICQSK8049

V. SATHYANARAYANAN
Partner
Membership No. 027716

Place : Bangalore
Date : 29th April, 2022

Annexure "A" to Independent Auditors' Report 31st March 2022

(Referred to in our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i (a to d) The Company does not own any property plant & equipment, Intangible assets & right to use assets. Accordingly, Clause 3(i)(a) to 3(i)(d);

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder;

ii. (a) The Company does not have any inventory. Accordingly, Clause 3(ii)(a) of the Order is not applicable to the company;

(b) No working capital limit more than five crore in aggregate, from banks or financial institutions based on security of current assets has been sanctioned during any point of the year. Accordingly, Clause 3(ii)(b) of the Order is not applicable to the company;

iii. The Company has not made investments and has not provided any Guarantee or security or granted any loans or advances in nature of loans secured or unsecured to companies, firms, Limited Liability Partnerships, or any other parties, during the year. Accordingly, the provision of clause 3(iii)(a) to 3 (iii)(f) of the order is not applicable;

iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loan or made investments and has not provided guarantees and securities which has application of the provisions of Section 185 and 186 of the Act. Accordingly, the provisions of Clause 3(iv) of the Order are not applicable to the Company;

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable;

vi. The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act. Therefore, the provisions of Clause (vi) of the Order are not applicable to the Company;

vii. In respect of statutory dues:

(a) According to the records of the Company, the Company does not have the liability to deposit statutory dues including Provident Fund, Employees' State Insurance, Custom duty, Income Tax, Goods and Service Tax and Cess and other material statutory dues with the appropriate authorities;

(b) According to the information and explanations given to us, there are no dues of Income Tax and Goods and Service Tax which have not been deposited on account of any dispute.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Section 43 of 1961);

ix. (a) The Company has not obtained any loans or borrowings from any lender during the year. Accordingly, the provisions of clause 3(ix)(a) of the Order are not applicable;

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority;

(c) The Company has not obtained term loan during the year. Accordingly, the provisions of clause 3(ix)(c) of the Order are not applicable;

(d) The Company has not raised any short-term funds during the year. Accordingly, the provisions of clause 3(ix)(d) of the Order are not applicable;

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable;

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable;

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable;

xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year;

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report;

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year;

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable;

xiii. In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act;

xiv. In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013 and hence reporting under clause 3(xiv)(a) and clause 3(xiv)(b) of the Order is not applicable;

xv. In our opinion during the year the Company has not entered into any non-cash transactions 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),(b),(c) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable;

(d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable;

xvii. The Company has 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	22027716AICQSK8049

V. SATHYANARAYANAN
Partner
Membership No. 027716

Place : Bangalore
Date : 29th April, 2022

Balance Sheet as at 31st March 2022

(in Rs.)

Particulars	Note No.	As on 31st March 2022	As on 31st March 2021
ASSETS			
Current Assets			
Financial Assets			
Cash and Cash equivalents	1	23,32,997	29,69,160
Bank balances other than Cash and Cash Equivalents	2	11,39,00,000	11,39,00,000
Other Financial Assets	3	2,59,94,765	2,03,80,709
Current Tax Assets (Net)	4	16,67,549	19,57,851
TOTAL ASSETS		**14,38,95,311**	**13,92,07,720**
EQUITY AND LIABILITIES			
Equity			
Share Capital	5	12,00,00,000	12,00,00,000
Other Equity	6	2,21,89,851	1,71,88,555
TOTAL EQUITY		**14,21,89,851**	**13,71,88,555**
LIABILITIES			
Current Liabilities			
Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables			
a) Total outstanding dues of creditors other than micro enterprises and small enterprises	7	11,800	25,560
b) Total outstanding dues of other than (ii) (a) above		-	-
(iii) Other Financial Liabilities	8	-	-
Current tax liabilities (Net)	9	16,93,660	19,93,605
TOTAL LIABILITIES		17,05,460	20,19,165
TOTAL EQUITY AND LIABILITIES		**14,38,95,311**	**13,92,07,720**

Venu Srinivasan
Director

G Venkatraman
Whole-Time Director

V Gopalakrishnan
Chief Financial Officer

As per our report annexed
For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No: 007761S

S.VENKATARAMAN
Partner
Membership No.: 23116

Chennai
Dated: 29th April 2022

Statement of Profit and Loss for the year ended 31st March 2022

(in Rs.)

Particulars	Note No	For the period ended 31st March 2022	For the year ended 31st March 2021
INCOME			
Revenue from operations			
Other Income	10	67,25,436	79,21,188
Total revenue		**67,25,436**	**79,21,188**
EXPENSES			
Other expenses	11	30,628	51,373
Total Expense		**30,628**	**51,373**
Profit before tax		**66,94,808**	**78,69,815**
Tax expense:			
Current year taxes		16,93,512	19,93,610
Tax relating to earlier years		-	
Profit/(Loss) after tax for the year		**50,01,296**	**58,76,205**
Earning per equity share:	12	0.42	0.49

As per our report annexed

Venu Srinivasan
Director

G Venkatraman
Whole-Time Director

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No: 007761S

V Gopalakrishnan
Chief Financial Officer

S.VENKATARAMAN
Partner
Membership No.: 23116

Chennai
Dated: 29th April 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(in Rs.)

			As at 31st March 2022		As at 31st March 2021
A.	**Cash Flow from Operating Activities**				
	1. Profit/(Loss) Before Tax		66,94,808		78,69,815
	Interest Income			-	
					-
B.	Operating Profit before Working Capital Changes		66,94,808		78,69,815
C.	Change in Working Capital				
	(Increase)/Decrease in Short Term Receivable	(56,14,056)		(67,99,083)	
	Increase/(Decrease) in Trade and other Payables	(13,760)		13,760	
	Change in Working Capital		**56,27,816**		**(67,85,323)**
D.	Income Tax Paid		**(17,03,155)**		**(18,22,745)**
E.	Cash generated from Operations (B+C)		(6,36,163)		(7,38,253)
F.	**Net Cash from Operating Activities**		**(6,36,163)**		**(7,38,253)**
G.	**Net Cash Flow from Financing Activities**				
	Borrowings				**-**
	Proceeds from Issue of Equity Shares				
	Net Cash from Financing Activities				**-**
H.	**Net change in Cash and Cash Equivalents (E+F)**		**(6,36,163)**		**(7,38,253)**
I.	**Cash and Cash Equivalents as at End**		**23,32,997**		**29,69,160**
J.	**Less: Cash and Cash Equivalents as at Beginning**		**29,69,160**		**37,07,413**
K.					
	NET CHANGE IN CASH & CASH EQUIVALENTS (I-J)		**(6,36,163)**		**(7,38,253)**

As per our report annexed

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No: 007761S

Venu Srinivasan
Director

G Venkatraman
Whole-Time Director

V Gopalakrishnan
Chief Financial Officer

S.VENKATARAMAN
Partner
Membership No.: 23116

Chennai
Dated: 29th April 2022

STATEMENT OF CHANGES IN EQUITY

(in Rs.)

A Equity

	Note No.	Amount
Balance as at April 1, 2020	5	12,00,00,000
Changes in Equity share capital during the year	5	-
Balance as at March 31, 2021		**12,00,00,000**
Changes in Equity share capital during the year		-
Balance as at March 31, 2022		**12,00,00,000**

B Other Equity

	Note No.	Retained Earnings	Total
Balance as at April 1, 2020	6	1,13,12,350	1,13,12,350
Profit for the period	6	58,76,205	58,76,205
Other comprehensive income	6	-	-
Balance as at March 31, 2021		**1,71,88,555**	**1,71,88,555**
Profit for the period	6	50,01,296	50,01,296
Other comprehensive income	6	-	-
Balance as at March 31, 2022		**2,21,89,851**	**2,21,89,851**

NOTES TO BALANCE SHEET

(in Rs.)

1 Cash and cash equivalents	As at 31st March 2022	As at 31st March 2021
Balances with banks	23,32,997	29,69,160
Total cash and cash equivalents	**23,32,997**	**29,69,160**

2 Balances with Banks other than Cash and Cash Equivalents	As at 31st March 2022	As at 31st March 2021
Deposits with banks	11,39,00,000	11,39,00,000
Total Balances with Banks other than Cash and Cash Equivalents	**11,39,00,000**	**11,39,00,000**

3 Other Financial Assets	As at 31st March 2022	As at 31st March 2021
Interest accrued on Fixed Deposits	2,59,94,765	2,03,80,709
Total Other Financial Assets	**2,59,94,765**	**2,03,80,709**

4 Current tax Assets (Net)	As at 31st March 2022	As at 31st March 2021
Advance tax and TDS receivable	16,67,549	19,57,851
Total Current tax Assets (Net)	**16,67,549**	**19,57,851**

5 Share Capital

	Number of Shares	Amount
i) Authorised Share Capital:		
Equity shares of Rs.10/- each	12,00,000.00	1,20,00,000
ii) Issued, Subscribed and Fully Paid up Share Capital:		
Equity shares of Rs.10/- each	1,20,00,000	12,00,00,000

iii) Movement in equity share capital

	Number of Shares	Amount
Equity Shares as at April 1, 2021	**1,20,00,000**	**12,00,00,000**
Additions	**-**	**-**
Equity Shares as at March 31, 2022	**1,20,00,000**	**12,00,00,000**

iv) Details of share holders holding more than 5%

Name of the Share Holder	As at March 31, 2021 No. of Shares	%
TVS Credit Services Limited	1,20,00,000	100.00
Name of the Share Holder	**As at March 31, 2022 No. of Shares**	**%**
TVS Credit Services Limited	1,20,00,000	100.00

v) Terms / Rights attached

The company has only one class of equity shares having a par value of Rs.10/- per share. Each shareholder has a right to participate in General Meeting and is eligible for one vote per share held.

6 Other Equity	Amount as at March 31, 2022	Amount as at March 31, 2021
Retained Earnings	2,21,89,851	1,71,88,555
Total Other Equity	**2,21,89,851**	**1,71,88,555**

i) Retained Earnings		
Opening Balance	1,71,88,555	1,13,12,350
Add: Net profit for the year	50,01,296	58,76,205
Closing Balance	**2,21,89,851**	**1,71,88,555**

7 Trade Payables	Amount as at March 31, 2022	Amount as at March 31, 2021
Other Payables	11,800	25,560
Total Trade Payables	**11,800**	**25,560**

8 Other Financial Liabilities	Amount as at March 31, 2022	Amount as at March 31, 2021
Payable to Holding Company	-	-
Total other Financial Liabilities	**-**	**-**

9 Current Tax Liability	Amount as at March 31, 2022	Amount as at March 31, 2021
Provision for Taxation	16,93,660	19,93,605
Total Current Tax Liability	**16,93,660**	**19,93,605**

NOTES TO STATEMENT OF PROFIT AND LOSS

10 Other Income	For the period ended 31st March 2022	For the Year ended 31st March 2021
Interest Income	67,25,436	79,21,188
Total Other Income	**67,25,436**	**79,21,188**

11 Other Expenses	For the period ended 31st March 2022	For the Year ended 31st March 2021
Professional charges	13,160	20,680
Rates and taxes	5,314	18,421
Payment to Auditors		
- As Auditor	11,800	11,800
Bank Charges	354	472
License Fees	-	-
Other Expenses	-	-
Total Other Expenses	**30,628**	**51,373**

12 Earnings per share	For the period ended 31st March 2022	For the Year ended 31st March 2021
Earnings attributable to equity share holders	50,01,296	58,76,205
Number of Shares	1,20,00,000	1,20,00,000
Earnings per Share	0.42	0.49

Brief Description of the company:

The Company was incorporated on 22nd August 2017 under the name of TVS Housing Finance Private Limited, wholly owned subsidiary of TVS Credit Services Limited. The company is yet to commence its business.

13. Significant Accounting Policies forming part of Financial Statements

a. Basis of preparation of financial statements

The financial statements are prepared on historical cost convention, on a going concern basis and in accordance with the applicable Indian Accounting Standard (Ind AS) as notified under Section 133 in the Companies Act, 2013. All expenses and income to the extent ascertained with reasonable certainty are accounted for on accrual basis.

b. Use of estimates

The preparation of the financial statements in conformity with the applicable Accounting Standard requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statement. The recognition, measurement, classification or disclosure of an item or information in the financial statement has been made relying on these estimates.

c. Cash Flow Statement

Cash flow statement is prepared under "Indirect Method" and the same is annexed.

d. Taxes on Income

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction.

e. Contingencies and events occurring after balance sheet date

There are no contingencies that need to be provided as on the balance sheet date.

14. Additional Notes forming part of Financial Statements for year ended 31st March 2022

1. The Company has applied for the registration under Housing Finance Companies (NHB) Act, 1987 and the same is pending and hence it has not commenced its business of Housing Finance. Consequently, the requirements of disclosures and other compliances under NHB Act and Directions are not applicable.

2. There are no dues to micro medium small enterprises and hence the particulars required under notification no GSR 719(E) dt. 16.11.07 is not furnished.

3. Related Party Disclosures:

Reporting Entity:

Relationship	Name
Enterprise having Control	TVS Credit Services Limited
Subsidiary Company	Nil
Associate Companies	Nil
Key Management Personnel	Nil

Transactions with Related Parties

			Amount (Rs.)	
Sl. No	Nature of Transaction	Name of the Related Party	FY 2021-22	FY 2020-21
01.	Advance Received	TVS Credit Services Limited	9,95,000	13,58,142
02	Balance Payable as at the end of the year	TVS Credit Services Limited	Nil	Nil

As per our report annexed

Venu Srinivasan
Director

G Venkatraman
Whole-Time Director

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No: 007761S

V Gopalakrishnan
Chief Financial Officer

S.VENKATARAMAN
Partner
Membership No.: 23116

Chennai
Dated: 29th April 2022

Directors' Report to the Shareholders

The directors present the fifth annual report together with the annual audited statement of accounts for the year ended 31st March 2022.

Financial Highlights

The Company is yet to commence its operations.

Dividend

The directors of the Company do not recommend any dividend for the period ended 31st March 2022.

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.

Directors' responsibility statement

Pursuant to the requirement of Section 134(3)(c) read with 134(5) of the Act, 2013 with respect to Director's Responsibility Statement, it is hereby stated that:

(a) in the preparation of the annual accounts for the period from 1st April 2021 to 31st March 2022, 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 26th April 2021, 26th June 2021, 28th September 2021, 21st December 2021 and 08th March 2022 and the gap between two meetings did not exceed one hundred and twenty days.

Statutory Auditors

On the recommendation of the Board of Directors of the Company, members of the Company appointed from M/s. Raghavan, Chaudhuri & Narayanan, Chartered Accountants as Statutory Auditors of the Company at the 4th Annual General Meeting of the Company for a term of 5 consecutive years pursuant to Section 139 of the Act, 2013, at such remuneration in addition to applicable taxes, out of pocket expenses, travelling and other expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors.

The 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 2021-22.

The Auditors' Reports for the financial year 2021-22 do not contain any qualifications, reservations and adverse remarks and the same is attached with the annual financial statements.

Disclosures

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.

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.

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 period ended 31st March 2022 and hence the question of furnishing any details relating to deposits covered under Chapter V of the Act 2013 does not arise.

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 the furnishing the details of loans, guarantees an investments made by the Company as per Section 186 of the Act 2013 for the period ended 31st March 2022, the Company has not extended any guarantee or loans to other companies and has not made any investment during the period under review.

Related Party Transactions:

All contracts / arrangements entered by the Company during the period ended 31st March 2022 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 2 of Additional Notes forming part of the financial statements.

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:

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 was no foreign earning or expenditure in the Company.

Acknowledgement

The directors gratefully acknowledge the continued support and co-operation received from the holding company viz., TVS Credit Services Limited. The directors thank the bankers for their continued support and assistance.

For and on behalf of the Board

Place : Chennai	V Gopalakrishnan	N Srinivasa Ramanujam
Date : 29th April 2022	Director	Director
	DIN: 03291640	DIN: 07384809

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2022

To the Members of TVS Two Wheeler Mall Private Limited

Report on the Audit of the Stand-alone financial statements

Opinion

We have audited the accompanying standalone financial statements of TVS 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 2022, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31st March 2022, 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.

Responsibilities of Management and Those charged with governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance) changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order

2. As required by section 143(3) of the Act, we report that

   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

   (e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 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 31st March 2022 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 2022;

      (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 2022

      (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.

For RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants
FRN: 007761S

UDIN	22027716AICRKC6195

V. SATHYANARAYANAN
Partner
Membership No. 027716

Place : Bangalore
Date : 29th April, 2022

Annexure "A" to Independent Auditors' Report 31st March 2022

(Referred to in our report of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i (a to d) The Company does not own any property plant & equipment, Intangible assets & right to use assets. Accordingly, Clause 3(i)(a) to 3(i)(d);

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder;

ii. (a) The Company does not have any inventory. Accordingly, Clause 3(ii)(a) of the Order is not applicable to the company;

(b) No working capital limit more than five crore in aggregate, from banks or financial institutions based on security of current assets has been sanctioned during any point of the year. Accordingly, Clause 3(ii)(b) of the Order is not applicable to the company;

iii. The Company has not made investments and has not provided any Guarantee or security or granted any loans or advances in nature of loans secured or unsecured to companies, firms, Limited Liability Partnerships, or any other parties, during the year. Accordingly, the provision of clause 3(iii)(a) to 3 (iii)(f) of the order is not applicable;

iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loan or made investments and has not provided guarantees and securities which has application of the provisions of Section 185 and 186 of the Act. Accordingly, the provisions of Clause 3(iv) of the Order are not applicable to the Company.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable;

vi. The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act. Therefore, the provisions of Clause (vi) of the Order are not applicable to the Company;

vii. In respect of statutory dues:

(a) According to the records of the Company, the Company does not have the liability to deposit statutory dues including Provident Fund, Employees' State Insurance, Custom duty, Income Tax, Goods and Service Tax and Cess and other material statutory dues with the appropriate authorities;

(b) According to the information and explanations given to us, there are no dues of Income Tax and Goods and Service Tax which have not been deposited on account of any dispute.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Section 43 of 1961);

ix. (a) The Company has not obtained any loans or borrowings from any lender during the year. Accordingly, the provisions of clause 3(ix)(a) of the Order are not applicable;

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority;

(c) The Company has not obtained term loan during the year. Accordingly, the provisions of clause 3(ix)(c) of the Order are not applicable;

(d) The Company has not raised any short-term funds during the year. Accordingly, the provisions of clause 3(ix)(d) of the Order are not applicable;

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and hence reporting on clause 3(ix)(f) of the Order is not applicable;

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable;

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable;

xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year;

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report;

(c) As represented to us by the management, there are no whistle blower complaints received by the company during the year;

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable;

xiii. In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act;

xiv. In our opinion and based on our examination, the company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013 and hence reporting under clause 3(xiv)(a) and clause 3(xiv)(b) of the Order is not applicable;

xv. In our opinion during the year the Company has not entered into any non-cash transactions 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),(b),(c)

In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable;

(d) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable;

xvii. The Company has incurred cash losses during the financial year and in immediately preceding financial year amounting to Rs. 29,124 & Rs. 29,274 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	22027716AICRKC6195

V. SATHYANARAYANAN
Partner
Membership No. 027716

Place : Bangalore
Date : 29th April, 2022

Balance Sheet as at 31st March 2022

(in Rs.)

Particulars	Note No	As at 31st March 2022	As at 31st March 2021
ASSETS			
Current Assets			
Financial Assets			
Cash and Cash Equivalents	1	24,056	24,056
TOTAL ASSETS		**24,056**	**24,056**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	2	25,000	25,000
Other Equity	3	(1,22,692)	(93,568)
TOTAL EQUITY		**(97,692)**	**(68,568)**
LIABILITIES			
Current Liabilities			
Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables			
a) Total outstanding dues of creditors other than micro enterprises and small enterprises	4	11,800	11,800
b) Total outstanding dues of other than (ii) (a) above		-	-
(iii) Other Financial Liabilities	5	1,09,948	80,824
TOTAL LIABILITIES		**1,21,748**	**92,624**
TOTAL EQUITY AND LIABILITIES		**24,056**	**24,056**

As per our report annexed

V GOPALAKRISHNAN
Director

N SRINIVASA RAMANUJAM
Director

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No. FRN 007761S

Chennai
Dated: 29th April, 2022

V. SATHYANARAYANAN
Partner
Membership No. 027716

Statement of Profit and Loss for the year ended 31st March 2022

(in Rs.)

Particulars	Note No	For the period ended 31st March 2022	For the year ended 31st March 2021
INCOME			
Revenue from operations		-	-
TOTAL INCOME		**-**	**-**
EXPENSES			
Other expenses	6	29,124	29,274
TOTAL EXPENSE		**29,124**	**29,274**
Profit/(Loss) before tax		**(29,124)**	**(29,274)**
Tax expense:		**-**	**-**
Profit/(Loss) after tax for the year		**(29,124)**	**(29,274)**
Other Comprehensive Income		-	-
Total Comprehensive Income		**(29,124)**	**(29,274)**
Earning per equity share:			
Basic & Diluted earnings per share	7	(11.65)	(11.71)

As per our report annexed

V GOPALAKRISHNAN
Director

N SRINIVASA RAMANUJAM
Director

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No. FRN 007761S

Chennai
Dated: 29th April, 2022

.

V. SATHYANARAYANAN
Partner
Membership No. 027716

STATEMENT OF CHANGES IN EQUITY

(in Rs.)

A Equity

	Note No.	Amount
Balance as at April 1, 2020	2	25,000
Changes in Equity share capital during the year	2	
Balance as at March 31, 2021		**25,000**
Changes in Equity share capital during the year	2	-
Balance as at March 31, 2022		**25,000**

B Other Equity

	Note No.	Retained Earnings	Total
Balance as at April 1, 2020	3	(64,294)	(64,294)
Total Comprehensive Income	3	(29,274)	(29,274)
Balance as at March 31, 2021		**(93,568)**	**(93,568)**
Total Comprehensive Income	3	(29,124)	(29,124)
Balance as at March 31, 2022		**(1,22,692)**	**(1,22,692)**

As per our report annexed

V GOPALAKRISHNAN
Director

N SRINIVASA RAMANUJAM
Director

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No. FRN 007761S

Chennai
Dated: 29th April, 2022

.

V. SATHYANARAYANAN
Partner
Membership No. 027716

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(in Rs.)

		As at 31st March 2022		As at 31st March 2021	
A.	Cash Flow from Operating Activities				
	1. Profit/(Loss) Before Tax		(29,124.00)		(29,274.00)
B.	Operating Profit before Working Capital Changes		(29,124.00)		(29,274.00)
C.	Change in Working Capital				
	(Increase)/Decrease in Loans & Advances				
	Changes in liability arising from financing activities			28,920	
	Change in Working Capital		-		**28,920**
D.	Cash generated from Operations (B+C)		(29,124)		(354.0)
E.	Net Cash from Operating Activities		**(29,124)**		**(354.0)**
F.	Net Cash Flow from Financing Activities				
	Proceeds from Issue of Equity Shares				
	Net Cash from Financing Activities		**-**		**-**
G.	Net change in Cash and Cash Equivalents (E+F)		**(29,124)**		**(354.0)**
H.	Cash and Cash Equivalents as at End		**24,056**		**24,056**
I.	Less: Cash and Cash Equivalents as at Beginning		**24,056**		**24,056**
	NET CHANGE IN CASH & CASH EQUIVALENTS (H-I)		**-**		**-**

As per our report annexed

V GOPALAKRISHNAN
Director

N SRINIVASA RAMANUJAM
Director

For Raghavan, Chaudhuri & Narayanan
Chartered Accountants
ICAI Regn No. FRN 007761S

Chennai
Dated: 29th April, 2022

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V. SATHYANARAYANAN
Partner
Membership No. 027716

NOTES TO BALANCE SHEET

(in Rs.)

1 Cash and cash equivalents

	Amount as at 31st March 2022	Amount as at 31st March 2021
Balances with banks	24,056	24,056
Total cash and cash equivalents	**24,056**	**24,056**

2 Share Capital

	Number of Shares	Amount
i) Authorised Share Capital:		
Equity shares of Rs.10/- each	2,500	25,000
ii) Issued, Subscribed and Fully Paid up Share Capital:		
Equity shares of Rs.10/- each	2,500	25,000

iii) Movement in equity share capital

	Number of Shares	Amount
Equity Shares as at April 1, 2020	**2,500**	25,000.00
Additions	-	-
Equity Shares as at March 31, 2021	**2500**	**25000**
Additions	-	-
Equity Shares as at March 31, 2022	**2500**	**25000**

iv) Details of share holders holding more than 5% & Shares held by holding company

Name of the Share Holder	As at 31st March 2021 No. of Shares	%
TVS Credit Services Limited	2,500	100%

Name of the Share Holder	As at 31st March 2022 No. of Shares	%
TVS Credit Services Limited	2,500	100%

v) Terms / Rights attached

The company has only one class of equity shares having a par value of Rs.10/- per share. Each shareholder has a right to participate in General Meeting and is eligible for one vote per share held. Residual interest in the assets of the company. Every shareholder is also entitled to right of inspection of documents as provided in the Companies Act, 2013.

3 Other Equity

	Amount as at March 31, 2022	Amount as at March 31, 2021
Retained Earnings	(1,22,692)	(93,568)
Total Other Equity	**(1,22,692)**	**(93,568)**
Retained Earnings		
Opening Balance	(93,568)	(64,294)
Add: Net profit for the year	(29,124)	(29,274)
Closing Balance	**(1,22,692)**	**(93,568)**

4 Trade Payables

	Amount as at March 31, 2022	Amount as at March 31, 2021
Audit fees payable	11,800	11,800
Total Trade Payables	**11,800**	**11,800**

5 Other Financial Liabilities

	Amount as at March 31, 2022	Amount as at March 31, 2021
Payable to Holding Company	1,09,948	80,824
Total Other Financial Liabilities	**1,09,948**	**80,824**

NOTES TO STATEMENT OF PROFIT AND LOSS

6 Other Expenses

	For the period 1st Apr 2021 to 31st March 2022	For the period 1st Apr 2020 to 31st March 2021
Professional charges	16,520	16,520
Rates and taxes	804	954
Payment to Auditors		
- As Auditor	11,800	11,800
Bank Charges		
Total Other Expenses	**29,124**	**29,274**

7 Earnings per share (Basic and Diluted)

	For the period 1st Apr 2021 to 31st March 2022	For the period 1st Apr 2020 to 31st March 2021
Earnings attributable to equity share holders	(29,124)	(29,274)
Number of Shares	2,500	2,500
Earnings per Share	(11.65)	(11.71)

Brief Description of the Company:

The Company was incorporated on 22nd August 2017 under the name of TVS Two Wheeler Mall Private Limited, wholly owned subsidiary of TVS Credit Services Limited. The Company is yet to commence its business.

8. Significant Accounting Policies forming part of Financial Statements

a. Basis of preparation of financial statements

The financial statements are prepared on historical cost convention, on a going concern basis and in accordance with the applicable Indian Accounting Standard (Ind AS) as notified under Section 133 in the Companies Act, 2013. All expenses and income to the extent ascertained with reasonable certainty are accounted for on accrual basis.

b. Use of estimates

The preparation of the financial statements in conformity with the applicable Accounting Standard requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of financial statement. The recognition, measurement, classification or disclosure of an item or information in the financial statement has been made relying on these estimates.

c. Cash Flow Statement

Cash flow statement is prepared under "Indirect Method" and the same is annexed.

d. Contingencies and events occurring after balance sheet date

There are no contingencies that need to be provided as on the balance sheet date.

Additional Notes forming part of Financial Statements for year ended 31st March 2022

1. There are no dues to micro medium small enterprises and hence the particulars required under notification no GSR 719(E) dt. 16.11.07 is not furnished.
2. Related Party Disclosures:

Reporting Entity:

Relationship	Name
Enterprise having Control	TVS Credit Services Limited
Subsidiary Company	Nil
Associate Companies	Nil
Key Management Personnel	Nil

Transactions with Related Parties

			Amount (Rs.)	
Sl. No	**Nature of Transaction**	**Name of the Related Party**	**FY 2021-22**	**FY 2020-21**
01.	Advance Received	TVS Credit Services Limited	29,124	28,920
02	Balance Payable as at the end of the reporting year	TVS Credit Services Limited	109,948	80,824

As per our report annexed

V GOPALAKRISHNAN
Director

N SRINIVASA RAMANUJAM
Director

For V. RAGHAVAN, CHAUDHURI & NARAYANAN
Chartered Accountants
ICAI Regn No: 007761S

Chennai
Dated: 29th April 2022

V. SATHYANARAYANAN
Partner
Membership No.: 027716

Directors' Statement

The directors present their statement to the member together with the audited financial statements of **TVS MOTOR (SINGAPORE) PTE. LIMITED** (the "company") for the financial year ended 31 March 2022.

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 2022 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 (Appointed on 13 December 2021)

   Hari Hara Iyer Lakshmanan

   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 are, or one of whose objects is, to enable the directors of the company to acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate.

4. **DIRECTORS' INTERESTS IN SHARES AND DEBENTURES**

   The directors who held office at the end of the financial year, had no interest in the share capital of the company and related corporations as recorded in the register of directors' shareholdings required to be kept by the company under Section 164 of the Singapore Companies Act 1967, except as stated below:

	Number of ordinary shares of INR1 each	
Name of directors and corporation In which interests are held	At beginning of year	At end of year
TVS Motor Company Limited (Holding company)		
Hari Hara Iyer Lakshmanan	55,870	55,870

5. **SHARE OPTION**

   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. has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board

VENU SRINIVASAN
Director

HARI HARA IYER LAKSHMANAN
Director

Singapore,
29th April 2022

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 2022, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the company as at 31 March 2022 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 statement, 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 he company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the company's financials 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 mistatement, whether due to fruad 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,
29th April 2022

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	2022	2021
		S$	S$
ASSETS			
Non-current assets:			
Plant and equipment	(8)	**12,338,607**	14,551,484
Investment in subsidiaries	(9)	**244,523,947**	65,094,437
Investments in associates	(10)	**76,064,643**	100,123,559
Other investments	(11)	**2,643,181**	-
Other receivables	(12)	**4,742,124**	4,581,063
Total non-current assets		**340,312,502**	184,350,543
Current assets:			
Other receivables	(12)	**10,427,232**	3,546,513
Loans to subsidiaries	(13)	**19,474,850**	-
Prepayments	(14)	**280,693**	279,929
Bank balances	(15)	**6,627,809**	2,043,879
Total current assets		**36,810,584**	5,870,321
Total assets		**377,123,086**	190,220,864
EQUITY AND LIABILITIES			
Equity:			
Share capital	(16)	**396,903,850**	200,829,458
Share application money	(17)	**3,542,785**	-
Accumulated losses		**(35,252,227)**	(25,320,798)
Total equity		**365,194,408**	175,508,660
Non-current liability:			
Lease liability	(18)	**7,594,979**	10,693,344
Current liabilities:			
Lease liability	(18)	**3,147,576**	3,040,673
Trade and other payables	(19)	**1,186,123**	978,187
Total current liabilities		**4,333,699**	4,018,860
Total liabilities		**11,928,678**	14,712,204
Total equity and liabilities		**377,123,086**	190,220,864

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 2022

	Note	2022	2021
		S$	S$
Revenue	(20)	**7,965,433**	6,087,413
Cost of services	(21)	**(7,841,300)**	(5,939,271)
Gross profit		**124,133**	148,142
Other income	(22)	**1,582,145**	104,950
Administrative expenses		**(9,386,246)**	(4,711,686)
Other expense		**(2,251,461)**	(32,866)
Loss before income tax		**(9,931,429)**	(4,491,460)
Income tax	(23)	**-**	-
Loss for the year	(24)	**(9,931,429)**	(4,491,460)
Other comprehensive income		**-**	-
Total comprehensive loss for the year		**(9,931,429)**	(4,491,460)

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Share Capital	Share Application Money	Accumulated Losses	Total
	S$	S$	S$	S$
Balance as at 1 April 2020	118,528,579	46,860,000	(20,829,338)	144,559,241
Issuance of shares (Note 16)	82,300,879	(46,860,000)	-	35,440,879
Total comprehensive loss for the year	-	-	(4,491,460)	(4,491,460)
Balance as at 31 March 2021	200,829,458	-	(25,320,798)	175,508,660
Issuance of shares (Note 16)	196,074,392	-	-	196,074,392
Share application money received	-	3,542,785	-	3,542,785
Total comprehensive loss for the year	-	-	(9,931,429)	(9,931,429)
Balance as at 31 March 2022	396,903,850	3,542,785	(35,252,227)	365,194,408

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 2022

	Note	2022	2021
		S$	S$
Cash flow from operating activities:			
Loss before income tax		**(9,931,429)**	(4,491,460)
Adjustment for: Depreciation of plant and equipment	(8)	**2,990,816**	2,895,378
Foreign currency exchange difference	(25)	**52,822**	(891,626)
Gain on transfer of business	(22)	**(1,152,393)**	-
Interest on lease liability	(25)	**371,899**	464,316
Interest income	(22)	**(282,819)**	(67,581)
Operating loss before working capital changes		**(7,951,104)**	(2,090,973)
Other receivables		**(6,758,961)**	(5,211,293)
Prepayments		**(764)**	20,470
Trade and other payables		**260,329**	(514,979)
Net cash used in operating activities		**(14,450,500)**	(7,796,775)
Investing activities:			
Investment in subsidiaries	(9)	**(154,270,594)**	(65,094,437)
Investment in associate	(10)	**-**	(3,942,825)
Investment in other investments	(11)	**(2,643,181)**	-
Loans to subsidiaries	(13)	**(19,474,850)**	-
Purchase of plant and equipment	(8)	**(777,939)**	(4,100)
Net cash used in investing activities		**(177,166,564)**	(69,041,362)
Financing activities:			
Issuance of shares	(16)	**196,074,392**	35,440,879
Payment of principal portion of lease liability	(25)	**(3,044,284)**	(2,960,912)
Payment of interest portion of lease liability	(25)	**(371,899)**	(464,316)
Share application money received	(17)	**3,542,785**	-
Net cash from financing activities		**196,200,994**	32,015,651
Net increase/ (decrease) in bank balances		**4,583,930**	(44,822,486)
Bank balance at beginning of year		**2,043,879**	46,866,365
Bank balance at end of year	(15)	**6,627,809**	2,043,879

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2022

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:

17 Phillip Street #05-01
Grand Building
Singapore 048695

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 2022 were authorised for issue by the Board of Directors on xx[th] xx, 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up and in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

Historical cost is generally based on the fair value of the consideration given in the exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the companytakes 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 2021. 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 16	Amendments to FRS 16: Property, Plant and Equipment Proceeds before Intended Use	01-Jan-22
FRS 37	Amendments to FRS 37: Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts Cost of Fulfilling a Contract	01-Jan-22
Various	Annual Improvements to FRSs 2018-2020	01-Jan-22
Various	Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies	01-Jan-23
FRS 1	Amendments to FRS 1: Presentation of Financial Statements Classification of Liabilities as Current or Non-current	01-Jan-23
FRS 8	Amendments to FRS 8: Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	01-Jan-23

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. Nonmonetary 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. Subsidiary

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:

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2022 (Continued)

	Years
Office equipment	3
Vehicle	5
Vehicle (Right-of-Use asset)	7

No depreciation is provided for office artwork.

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

The residual values, useful life and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

d) Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expense in profit or loss during the financial year in which it is incurred.

e) Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss. Any amount in revaluation reserve relating to that asset is transferred to retained earnings directly.

2.7. Impairment of Non-Financial Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.8. Bank balances

Bank balances in statements of cash flows comprise cash at bank that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are classified as measured at amortised cost under FRS 109.

2.9. Leases

As a lessee

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Right-of-Use Asset

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life (which is determined on the same basis as those of plant and equipment).

The company also assesses the right-of-use asset for impairment when such indicators exist. In addition, the right-of-use asset is periodically adjusted for certain remeasurements of the lease liability.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate, being the rate, it would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee, lease payments arising from extension options reasonably certain to be exercised, exercise price under purchase option reasonably certain to be exercised and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of use asset, or profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise items of office equipment with individual values not exceeding S$5,000.

2.10. Revenue Recognition

Revenue from sale of goods and services in the ordinary course of business is recognised when the company satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is the amount of consideration in the contract to which the company expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the completion reflecting the progress towards complete satisfaction of that PO.

Passenger service income

The company provides aircraft usage and passenger transport services and, operational and maintenance services for customers. Revenue from these services are recognised when services are performed over the usage and service period (i.e. over time).

2.11. Other income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.12. Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

b) Deferred tax

Deferred tax is provided, using the liability method on all temporary differences at the end of reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at that time of the transaction, affects neither accounting profit or loss nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences carry-forward of unutilised tax assets and unutilised tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unutilised tax assets and unutilised tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arise from the initial recognition of an asset or liability in a transaction and at the time of transaction affects neither the accounting profit or loss nor taxable profit or loss.

The carrying amount of a deferred tax asset is reviewed at the each of reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.13. Employee Benefits

a) 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.

b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrued to employees. All unused leave at the end of the reporting period is encashed to the employees.

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 and only 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 (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.1. Financial Assets

a) Classification and subsequent 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 plus transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets at amortised cost

A financial asset is measured at amortised cost if the financial asset is held with the objective of collecting contractual cash flows and these contractual cash flows comprises solely principal and interest payments.

After initial measurement at fair value, debt instruments 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 the amortisation process. Interest income from these financial assets is included in interest income using the effective interest rate (EIR) method.

As at the reporting date, the company's debt instruments at amortised cost consist of other receivables and bank balances.

Financial assets at fair value through other comprehensive income (FVTOCI)

Equity instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that solely payments of principal and interest on the principal amount outstanding.

As at the reporting date, the company's financial assets at FVTOCI cost consist of unquoted equity investments.

b) Impairment of financial assets

When applicable, the company recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instruments.

When applicable, the company will recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets will be estimated using a provision matrix based on the company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment pf both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the company will recognises lifetime ECL when there has been significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the company measured the loss allowance for that financial instrument at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast,12-month expected credit loss is the expected credit loss that result from default events that are possible within 12 months after the reporting date.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets gross carrying amount at the reporting date; or for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at reporting date, together with any additional amounts expected to be draw down in the future by default date determined based on historical trend, the company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows for the company in accordance with the contract and all the cash flows that the company expects to receive, discount at the original effect interest rate.

c) Derecognition of financial assets

A financial asset is derecognised where the contractual rights to receive cash flows from the asset have expired.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of (a) the consideration received and (b) any cumulative gain or loss that has been recognised directly in equity is recognised in profit or loss.

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or 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 recognises 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 recognise the financial asset and also recognises a collateralised borrowing for the proceeds received

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 other payables and lease liability.

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:

	2022	2021
	S$	S$
Financial asset		
At amortised cost:		
- Other receivables	15,169,356	8,127,576
- Loans to subsidiaries	19,474,850	-
- Bank balances	6,627,809	2,043,879
At fair value through other comprehensive income:		
- Other investments	2,643,181	-
	43,915,196	10,171,455
Financial liabilities		
At amortised cost:		
- Trade and other payables	1,186,123	978,187
- Lease liability	10,742,555	13,734,017
	11,928,678	14,712,204

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 counter party 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 bank balance. It is the company's policy to enter into transactions with creditworthy customers and high credit rating counter-parties to mitigate any significant credit risk. The company has procedures in place to control credit risk and that exposure to such risk is monitored on an ongoing basis.

Credit risk management

The company considers the probability of default upon initial recognition of asset and at each reporting date, assesses whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

Significant increase in credit risk

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort.

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.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2022 (Continued)

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

Management determined credit risk for the amount due from third parties has not increased significantly since their initial recognition. Accordingly, the company measured the impairment loss allowance at 12-month ECL and determined that the ECL is insignificant.

- Bank balances

The company places its bank deposit with credit worthy financial institution. Impairment on bank balances is measured on the 12-month expected loss basis. Management considers that its bank balances have low credit risk based on the external credit ratings of the counterparty. Therefore, management considers the amount of ECL is insignificant.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the company's financial instruments will fluctuate because of changes in market interest rate.

The company has bank balances that is non-interest bearing, therefore has no exposure to cash flow interest rate risk.

No interest rate sensitivity analysis is disclosed as the impact of changes in interest rate is not expected to be material.

c) Foreign currency exchange rate risk

Foreign currency exchange rate risk arose from the change in foreign exchange rates that may have an adverse effect on the company in the current reporting period and in the future periods.

The company transacts mainly in Singapore dollar. Management believes that the foreign exchange rate risk is manageable. Hence, the company does not use derivative financial instruments to mitigate this risk.

The company's exposure to foreign currency exchange rate risk in equivalent Singapore dollar is as follows:

	2022	2021	2022	2021
In Singapore dollar	**CHF**	**CHF**	**US$**	**US$**
Financial assets				
Other investments	**-**	-	**2,643,181**	-
Other receivables	**188,159**	-	**8,957,765**	4,964,463
Loans to subsidiaries	**19,474,850**	-	**-**	-
Bank balances	**-**	-	**4,978,696**	2,012,298
	19,663,009	-	**16,579,642**	6,976,761
Financial liabilities				
Lease liability	**-**	-	**10,742,555**	13,734,017
Other payables	**-**	-	**569,298**	234,413
	-	-	**11,311,853**	13,968,430
Net exposure	**19,663,009**	-	**5,267,789**	(6,991,669)

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:

	2022	2021
	S$	**S$**
CHF impact	**(1,966,301)**	-
US$ impact	**(526,779)**	699,197

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.

Contractual undiscounted cash flows

2022	**Effective interest rate**	**Carrying amount**	**Less than a year**	**Within 2 to 5 years**	**Later than 5 years**	**Total**
	(%)	**S$**	**S$**	**S$**	**S$**	**S$**
Financial liabilities:						
Lease liability	3%	**10,742,555**	**3,426,809**	**7,915,765**	**-**	**11,342,574**
Trade and other payables	-	**1,186,123**	**1,186,123**	**-**	**-**	**1,186,123**
		11,928,678	**4,612,932**	**7,915,765**	**-**	**12,528,697**

Contractual undiscounted cash flows

2021	Effective interest rate (%)	Carrying amount	Less than a year	Within 2 to 5 years	Later than 5 years	Total
		S$	S$	S$	S$	S$
Financial liabilities:						
Lease liability	3%	13,734,017	3,411,110	11,290,614	-	14,701,724
Other payables	-	978,187	978,187	-	-	978,187
		14,712,204	4,389,297	11,290,614	-	15,679,911

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 liability and other payables, based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature. The fair value of non-current receivables is disclosed in Note 12 to the financial statements.

ii) Fair value hierarchy

The company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

a) Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;

b) Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

c) Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

During the financial year ended 31 March 2022, 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 2022 S$	Fair Value Hierarchy	Valuation Technique and Key Impact	Significant unobservable input	Relationship of unobservable inputs to fair value
At fair value through other comprehensive income					
Other investments - Equity securities (unquoted)	4,742,124	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 going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

The company monitors capital using gearing ratio, which is net debt divided by total capital. Net debt is calculated as other payables plus lease liability less bank balances. Total capital is calculated as equity and net debt. The company's overall strategy remains unchanged during the period.

	2022	2021
	S$	S$
Trade and other payables	**1,186,123**	978,187
Lease liability	**10,742,555**	13,734,017
Less: Bank balances	**(6,627,809)**	(2,043,879)
Net debt	**5,300,869**	12,668,325
Total equity	**365,194,408**	175,508,660
Total capital	**370,495,277**	188,176,985
Gearing ratio	**1.4%**	6.7%

The company is not subject to externally imposed capital requirements.

6. HOLDING COMPANY

The company is wholly-owned subsidiary of TVS Motor Company Ltd, incorporated in India. The company's ultimate holding company is Sundaram Clayton Limited, incorporated in India. The registered office of the holding company is at No.12, Chaitanya Building, Khader Nawaz Khan Road, Chennai 600 006, India.

Some of the company's transactions and arrangements are between members of the company and the effects of these on the basis determined between the parties are reflected in these financial statements.

7. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements.

(a) Significant related parties' transactions:

	2022	2021
	S$	S$
Service income	**7,965,433**	6,067,413
Gain on transfer of business	**1,152,393**	-
Rental expense	**(60,000)**	(129,258)
Recovery of professional and consultancy fee	**(1,791,109)**	-

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2022 (Continued)

(b) Key management personnel compensation:

	2022	2021
	S$	S$
Salaries, bonus and allowances	**412,410**	128,488
Employer's contribution to Central Provident Fund	**7,800**	780

8. PLANT AND EQUIPMENT

	Office equipment	Office artwork	Vehicle	Total
	S$	S$	S$	S$
Cost				
At 01.04.2020	21,139	120,060	19,867,150	20,008,349
Additions	4,100	-	374,875	378,975
At 31.03.2021	25,239	120,060	20,242,025	20,387,324
Additions	-	-	777,939	777,939
At 31.03.2022	**25,239**	**120,060**	**21,019,964**	**21,165,263**
Accumulated depreciation				
At 01.04.2020	14,093	-	2,926,369	2,940,462
Charged for the year	8,413	-	2,886,965	2,895,378
At 31.03.2021	22,506	-	5,813,334	5,835,840
Charged for the year	1,367	-	2,989,449	2,990,816
At 31.03.2022	23,873	-	8,802,783	8,826,656
Carrying amount				
At 31.03.2021	2,733	120,060	14,428,691	14,551,484
At 31.03.2022	**1,366**	**120,060**	**12,217,181**	**12,338,607**

The company leases an aircraft for business use. The lease has a total tenure of 84 months and the remaining lease term as at 31 March 2022 is 48 months (2021: 60 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

	2022	2021
	S$	S$
Unquoted equity shares at cost:		
At beginning of the year	**65,094,437**	-
Additions	**179,429,510**	65,094,437
At end of the year	**244,523,947**	65,094,437

Details of the subsidiary are as follows:

Name of subsidiary / Country of incorporation	Principal activity	Proportion of ownership Interest 2021	2020
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	Providing information technology and computer service activities and acting as other holding companies	**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	**80%**	-
Swiss E-Mobility Group (Holding) AG Switzerland	Trading of e-bikes and spare parts	**75%**	-

During the financial year,

1) The company subscribed to and was allotted 1,100,000 ordinary shares in TVS Digital Pte. Ltd. for a total consideration of S$1,100,000 as the consideration shares for a business transfer agreement with TVS Digital Pte. Ltd.

2) the company subscribed to and was allotted 24,058,917 ordinary shares in TVS Digital Pte. Ltd. for a total consideration of 24,058,917 by way of selling the following investments to TVS Digital Pte. Ltd.:

i) 3,007,800 shares in Tagbox Pte. Ltd., Singapore

ii) 4,662,025 shares in Altizon Inc, USA.

iii) 4,361,901 shares in Predictronics Corp, USA.

iv) 12,027,191 shares in Scienaptic Systems Inc, USA

One set consolidated financial statements of the company and its subsidiary are not prepared as the company itself is a wholly owned subsidiary of another corporation. The holding company, TVS Motor Company Ltd prepares consolidated financial statements which are available for public use.

At the end of the reporting period, the company carried out a review on the recoverable amount of its investment in subsidiary. The recoverable amount of the relevant investment in subsidiary has been determined on the basis of its net assets value at the end of the reporting period as in the opinion of the management of the company, the net assets values of the subsidiary reasonably approximate the fair values less costs to sell.

10. INVESTMENTS IN ASSOCIATES

	2022	2021
	S$	S$
Unquoted equity shares at cost:		
At beginning of the year	**100,123,559**	83,434,344
Additions	**-**	16,689,215
Disposal	**(24,058,916)**	-
At end of the year	**76,064,643**	100,123,559

Details of the associates are as follows:

Name of associate/ Country of incorporation	Principal activity	Proportion of ownership Interest 2022	2021
PT. TVS Motor Company Indonesia	Manufacturers of motorcycles, motorcycles spare parts and accessories	**31.7%**	31.7%
Tagbox Pte Ltd Singapore	Providing Internet of Things (IoT) based solutions for sensing, monitoring and analysis across supply chain activities	**-**	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%
Altizon Inc. United States of America	Empowering Industrial Digital Revolutions globally by digiting legacy factories and helping enterprises use machine data to drive business decisions	**-**	20%
Scienaptic Systems Inc. United States of America	A leading AI-powered credit underwriting decisioning platform company	**-**	21.7%

The company did not perform equity accounting of the results of the associate as the holding company, TVS Motor Company Ltd will be preparing the consolidated financial statements, which are available for public use at their registered office at No.12, Chaitanya Building, Khader Nawaz Khan Road, Chennai 600 006, India.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2022 (Continued)

11. OTHER INVESTMENTS

	2022	2021
	S$	S$
Equity instruments		
At fair value through other comprehensive income:		
Unquoted equity investments	**2,643,181**	-

The above investment offers the company the opportunity for return through dividend income and fair value gains.

Equities investment are categorised as at fair value through other comprehensive income. The company has elected to measure these equity securities at FVTOCI due to the 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	
		2022	2021
Mottu Holdings Ltd	United States of America	**0.63%**	-

Other investments are denominated in United States dollar.

12. OTHER RECEIVABLES

	2022	2021
	S$	S$
Non-current		
Long-term deposit	**4,742,124**	4,581,063
Current		
Amount due from subsidiary (Note 9)	**2,202,129**	2,202,129
Amount due from a related party	**1,345,838**	747,731
Interest receivables	**143,306**	-
Other receivables third parties	**2,517,065**	-
Refundable deposits	**386,653**	596,653
Share application money paid	**3,832,241**	-
	10,427,232	3,546,513
Total other receivables	**15,169,356**	8,127,576

Long-term deposit of US$3,950,000 (2021: US$3,950,000) was paid to the lessor as good faith deposit and is refundable. It has been discounted to its present value using a discount rate of 3% per annum.

Amount due from subsidiary and a related party are unsecured, interest free and repayable on demand.

Other receivables are denominated in the following currencies:

	2022	2021
	S$	S$
British pound	**2,472,212**	-
Singapore dollar	**3,551,220**	3,163,113
Swiss franc	**188,159**	-
United States dollar	**8,957,765**	4,964,463
	15,169,356	8,127,576

13. LOANS TO SUBSIDIARIES

	2022	2021
	S$	S$
Loans to subsidiaries (Note 9)	**19,474,850**	-

Loans to subsidiaries are interest bearing at 3.25% per annum, unsecured and repayable within 12 months from the reporting period.

Loans to subsidiaries are denominated in Swiss franc.

14. PREPAYMENTS

	2022	2021
	S$	S$
Prepayments	**280,693**	279,929

15. BANK BALANCES

	2022	2021
	S$	S$
Cash at bank	**6,627,809**	2,043,879
Bank balances are denominated in the following currencies:		
Singapore dollar	**1,649,113**	31,581
United States dollar	**4,978,696**	2,012,298
	6,627,809	2,043,879

16. SHARE CAPITAL

	2022	2021	2022	2021
	Number of ordinary shares		S$	S$
Issued and paid up:				
At beginning of the year	**200,829,458**	118,528,579	**200,829,458**	118,528,579
Issued during the year	**196,074,392**	82,300,879	**196,074,392**	82,300,879
At the end of the year	**396,903,850**	200,829,458	**396,903,850**	200,829,458

The company issued 196,074,392 (2021: 82,300,879) ordinary shares in the capital of the company for a consideration of S$196,074,392 (2021: S$82,300,879).

The newly issued shares rank pari passu in all respect with the existing ordinary shares of the company.

The ordinary shares with no par value, carry one vote per share and carry a right to dividends as and when declared by the company.

17. SHARE APPLICATION MONEY

The share application money is advance receipt for application for shares in the company.

18. LEASE LIABILITY

	2022	2021
	S$	S$
Maturity analysis:		
Within one year	**3,426,809**	3,411,110
Within two to five years	**7,915,765**	11,290,614
	11,342,574	14,701,724
Less: future finance charges	**(600,019)**	(967,707)
	10,742,555	13,734,017
Analysed as:		
Current	**3,147,576**	3,040,673
Non-current	**7,594,979**	10,693,344
	10,742,555	13,734,017

The company leases a vehicle for its business use (Note 8). The effective borrowing rate is 3% (2021: 3%) per annum.

Lease liability is denominated in United States dollar.

19. TRADE AND OTHER PAYABLES

	2022	2021
	S$	S$
Trade payable - third party	**280,383**	-
Other payables - third parties	**-**	69,349
Amount due to a subsidiary (Note 9)	**18,234**	-
Accrued expenses	**887,506**	908,838
	1,186,123	978,187

Trade payables are unsecured, non-interest bearing and they are normally settled on 30 day's term.

Amount due to a subsidiary is unsecured, interest free and repayable on demand.

Trade and other payables are denominated in the following currencies:

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2022 (Continued)

	2022	2021
	S$	S$
British pound	**500,875**	69,349
Euro	**86,650**	-
Singapore dollar	**29,300**	674,425
United State dollar	**569,298**	234,413
	1,186,123	978,187

20. REVENUE

	2022	2021
	S$	S$
Passenger service income	**7,965,433**	6,087,413
Timing of transfer of good or service		
Over time	**7,965,433**	6,087,413

21. COST OF SERVICES

	2022	2021
	S$	S$
Aircraft operation and maintenance charges	**4,452,970**	2,514,412
Depreciation of plant and equipment	**2,950,552**	2,886,965
Interest on lease liability	**371,899**	464,316
Withholding tax	**65,879**	73,578
	7,841,300	5,939,271

22. OTHER INCOME

	2022	2021
	S$	S$
Gain on transfer of business	**1,152,393**	-
Interest income	**282,819**	67,581
Jobs Support Scheme	**7,823**	23,369
Jobs Growth Incentive	**118,568**	14,000
Wage Credit Scheme	**652**	-
Others	**19,890**	-
	1,582,145	104,950

The company received wage support for local employees under the Jobs Support Scheme ("'JSS") and under the Jobs Growth Incentive ("JGI") from the Singapore Government as part of the Government's measures to support businesses during the period of economic uncertainty impacted by COVID-19.

23. INCOME TAX

The income tax benefit varied from the amount of income tax determined by applying the Singapore income tax rate of 17% (2021: 17%) to loss before income tax as a result of the following differences:

	2022	2021
	S$	S$
Loss before income tax	**(9,931,429)**	(4,491,460)
Income tax benefit at statutory rate of 17% (2021: 17%)	**(1,688,343)**	(763,548)
Income tax effect of:		
- non-taxable items	**(228,841)**	(161,698)
- tax losses carried forward	**1,917,184**	925,246
	-	-

24. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	2022	2021
	S$	S$
Aircraft operation and maintenance charges	**4,452,970**	2,514,412
Depreciation of plant and equipment	**2,990,816**	2,895,378
Donations	**400,000**	-
Foreign currency exchange loss	**2,210,997**	24,453
Insurance	**474,169**	-
Office rental	**60,000**	129,258
Professional and consultancy fees	**7,119,609**	2,052,878
Software development expense	**99,783**	97,789
Short-term employee's benefits	**1,013,955**	2,114,080
Cost of defined benefits plans included in employee benefits expenses	**58,719**	40,001

25. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the company's liabilities arising from financing activities, including both cash and non-cash changes.

Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities.

	2022	2021
Lease liability (Note 18)	S$	S$
At beginning of the year	**13,734,017**	17,586,555
Financing cash flows:		
- Principal portion of lease liabilities	**(3,044,284)**	(2,960,912)
- Interest portion of lease liabilities	**(371,899)**	(464,316)
Non-cash transactions:		
- Foreign currency exchange loss/ (gain)	**52,822**	(891,626)
- Interest expense	**371,899**	464,316
At the end of year	**10,742,555**	13,734,017

26. EVENTS AFTER THE REPORTING PERIOD

No items, transactions or events of material and unusual nature have arisen between the end of the reporting period and the date of authorisation for issue of the financial statements which are likely to affect substantially the results of operations of the company for the succeeding financial year.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2022 (Continued)

DETAILED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31ST MARCH 2022

	2022 S$	2021 S$
Revenue		
Service income	**7,965,433**	6,087,413
Cost of services		
Aircraft operation and maintenance charges	**4,452,970**	2,514,412
Depreciation	**2,950,552**	2,886,965
Interest on lease liability	**371,899**	464,316
Withholding tax	**65,879**	73,578
	7,841,300	5,939,271
Gross profit	**124,133**	148,142
Other income		
Gain on transfer of business	**1,152,393**	-
Interest income	**282,819**	67,581
Jobs Support Scheme	**7,823**	23,369
Jobs Growth Incentive	**118,568**	14,000
Wage Credit Scheme	**652**	-
Others	**19,890**	-
	1,582,145	104,950
Total income	**1,706,278**	253,092
Less: expenses		
- Schedule 'A'	**(11,637,707)**	(4,744,552)
Loss before income tax	**(9,931,429)**	(4,491,460)

This schedule does not form part of the statutory audited financial statements.

Schedule 'A'

EXPENSES

FOR THE YEAR ENDED 31 MARCH 2022

	2021 S$	2020 S$
Administrative expenses		
Auditors' remuneration	**24,000**	16,000
Bank charges	**16,683**	14,635
Book keeping fee	**9,600**	9,600
Cloud services cost	**18,437**	-
CPF contribution	**58,719**	40,001
Donation	**400,000**	36,100
Entertainment	**-**	121
Escrow charges	**7,375**	-
Insurance expense	**474,169**	14,535
Legal and professional fee	**99,648**	177,616
Medical expense	**-**	6,634
Office expense	**32,534**	36,082
Office rental	**60,000**	129,258
Other interest	**460**	130
Printing and stationery	**100**	100
Professional and consultancy fee	**7,119,609**	2,052,878
Salary, bonus and allowance	**953,236**	2,067,445
Secretarial fee	**1,509**	4,526
Skill development levy	**360**	411
Software development expense	**99,783**	97,789
Staff welfare	**2,000**	-
Subscription and membership fee	**856**	1,132
Telecommunication expense	**-**	5,487
Transport charges	**-**	1,206
Vehicle expense	**7,168**	-
Other expense		
Depreciation	**40,264**	8,413
Fine and penalty	**200**	-
Foreign currency exchange loss	**2,210,997**	24,453
	11,637,707	4,744,552

This schedule does not form part of the statutory audited financial statements.

RE-STATED ACCOUNTS OF
TVS MOTOR (SINGAPORE) PTE. LIMITED

TVS MOTOR (SINGAPORE) PTE. LIMITED

BALANCE SHEET AS AT 31ST MARCH 2022

	Notes	SGD in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Property, plant and equipment	1	12.34	69.06
Non-current investments	2	323.23	1,616.20
Financial assets - others	3	3.83	29.50
Other non current assets	4	4.74	26.54
		344.14	1,741.30
Current assets			
Financial assets			
Trade receivables	6	3.55	19.86
Cash and cash equivalents	7	6.63	37.10
Other Financial assets	8	19.61	109.80
Other current assets	9	3.19	17.82
		32.98	184.58
Total Assets		377.12	1,925.88
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	396.90	2,005.63
Other equity	11	(35.25)	(166.69)
		361.65	1,838.94
Share application money pending allotment		3.54	20.17
Liabilities			
Non-Current liabilities			
Financial liabilities			
Lease liability		7.59	42.51
		7.59	42.51
Current liabilities			
Financial liabilities			
(i) Lease liability		3.15	17.62
(ii) Trade payables	12		
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (ii) (a) above		1.19	6.64
		4.34	24.26
Total liabilities		11.93	66.77
Total equity and liabilities		377.12	1,925.88

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

		Notes	SGD in Mn.	Rupees in crores
I	Revenue from operations	13	8.10	44.70
II	Other income	14	1.45	8.04
III	Total Income (I +II)		9.55	52.74
IV	Expenses:			
	Employee benefits expense	15	1.01	5.60
	Finance costs	16	0.37	2.05
	Depreciation and amortisation expense	17	2.99	16.52
	Other expenses	18	15.11	83.42
			19.48	107.59
V	Profit before exceptional items (III - IV)		(9.93)	(54.85)
VI	Exceptional items		-	-
VII	Profit before tax (V+ VI)		(9.93)	(54.85)
VIII	Tax expense			
	i) Current tax		-	-
	ii) Deferred tax		-	-
IX	Profit for the year (VII - VIII)		(9.93)	(54.85)
X	Other Comprehensive Income			
	A. Items that will not be reclassified to profit or loss		-	-
	B. Items that will be reclassified to profit or loss			
	Foreign currency translation adjustments		-	19.83
			-	19.83
XI	Total Comprehensive Income (IX + X)		(9.93)	(35.02)
XII	Earnings per equity share (Face value of SGD 1/- each)			
	Basic & Diluted earnings per share (in SGD / in rupees)		(0.03)	(1.38)

Notes on Accounts

1 Property, Plant & Equipment

SGD in Mn.

Description	Office equipment	Furniture and fixtures	Vehicle	Right of use asset	Total
	1	2	3	4	5
Cost of assets					
Gross carrying value as at 01-04-2021	0.02	0.12	0.77	19.47	20.38
Additions	-		0.78		0.78
Sub-total	0.02	0.12	1.55	19.47	21.16
Sales / deletion	-	-	-		-
Total	0.02	0.12	1.55	19.47	21.16
Depreciation / Amortisation					
Upto 31-03-2021	0.02	-	0.07	5.74	5.83
For the year	-	-	0.04	2.95	2.99
Sub-total	0.02	-	0.11	8.69	8.82
Withdrawn on assets sold / deleted	-	-	-		-
Total	0.02	-	0.11	8.69	8.82
Carrying value					
As at 31-03-2022	-	0.12	1.44	10.78	12.34

1 Property, Plant & Equipment

Rupees in crores

Description	Office equipment	Vehicles	Furniture and fixtures	Right of use asset	Total
	1	2	3	4	5
Cost of assets					
Gross carrying value as at 01-04-2021	0.14	4.18	0.65	108.94	113.91
Additions		4.35	-	-	4.35
Foreign Currency translation reserve difference	-	0.13	0.02	0.05	0.20
Sub-total	0.14	8.66	0.67	108.99	118.46
Sales / deletion	-	-	-	-	-
Total	0.14	8.66	0.67	108.99	118.46
Depreciation / Amortisation					
Upto 31-03-2021	0.12	0.40	-	32.34	32.86
For the year	0.01	0.21	-	16.30	16.52
Foreign Currency translation reserve difference	-	0.01	-	0.01	0.02
Sub-total	0.13	0.62	-	48.65	49.40
Withdrawn on assets sold / deleted	-	-	-	-	-
Total	0.13	0.62	-	48.65	49.40
Carrying value					
As at 31-03-2022	0.01	8.04	0.67	60.34	69.06

Notes on accounts - *(continued)*

		As at 31-03-2022	
		SGD in Mn.	Rupees in crores
2	NON-CURRENT INVESTMENTS		
	Investment in Equity instruments		
	Investment in Subsidlary		
	6,03,00,001 fully paidup equity shares of The Norton Motorycle Company Ltd, UK ((face value of GBP 1 each)	107.81	589.39
	25,158,918 fully paidup equity shares of TVS Digital Pte Limited, Singapore (face value of SGD1 each)	25.16	138.78
	91,20,858 fully paidup equity shares of GO AG, Switzerland (face value of CHF 0.01 each)	24.26	131.46
	1,14,658 fully paidup equity shares of Swiss E-Mobility Group (Holding) AG, Switzerland (face value of CHF 1 each)	87.30	488.60
	Investment in Associates		
	53,24,187 fully paidup equity shares of PT.TVS Motor Company Indonesia (face value of IDR 97,400 each)	76.06	253.18
	Others		
	70,334 fully paidup equity shares of Mottu Holdings Ltd, USA (face value of USD 0.001 each)	2.64	14.79
		323.23	1,616.20
3	FINANCIAL ASSETS - OTHERS (NON CURRENT)		
	Share application money paid (pending allotment)	3.83	29.50
		3.83	29.50
4	OTHER NON CURRENT ASSETS		
	Trade deposits	4.74	26.54
		4.74	26.54
6	TRADE RECEIVABLES		
	Unsecured, considered good	3.55	19.86
		3.55	19.86
7	CASH AND CASH EQUIVALENTS		
	Balances with banks in current accounts	6.63	37.10
		6.63	37.10
8	FINANCIAL ASSETS - OTHERS (CURRENT)		
	Interest accrued on Loan to subsidiaries	0.14	0.80
	Loans & Advances to subsidiaries	19.47	109.00
		19.61	109.80
9	OTHER CURRENT ASSETS		
	Prepaid expenses	0.28	1.57
	Trade deposits	0.39	2.16
	Others	2.52	14.09
		3.19	17.82
10	EQUITY SHARE CAPITAL		
	Issued, subscribed and fully paid up:		
	39,69,03,850 Ordinary shares of SGD 1 each	396.90	2,005.63
		396.90	2,005.63

		As at 31-03-2022	
		SGD in Mn.	Rupees in crores
11	OTHER EQUITY		
	Retained earnings	(35.25)	(185.57)
	Foreign currency translation reserve	-	18.88
		(35.25)	(166.69)
12	TRADE PAYABLES		
	Dues to Micro and Small Enterprises**		
	Dues to enterprises other than Micro and Small Enterprises	1.19	6.64
		1.19	6.64

** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information received by the management.

		For the Year Ended 31-03-2022	
		SGD in Mn.	Rupees in crores
13	REVENUE FROM OPERATIONS		
	Sale of service	7.97	44.00
	Other operating revenue	0.13	0.70
		8.10	44.70
14	OTHER INCEOME		
	Interest Income	0.28	1.56
	Other non operating income	1.17	6.48
		1.45	8.04
15	EMPLOYEE BENEFITS EXPENSE		
	Salaries, wages and bonus	0.95	5.27
	Contribution to provident and other funds	0.06	0.32
	Staff welfare expenses	-	0.01
		1.01	5.60
16	FINANCE COST		
	Interest on lease liabilities	0.37	2.05
		0.37	2.05
17	DEPRECIATION		
	Depreciation on property plant and equipment	0.04	0.22
	Depreciation on right of use asset	2.95	16.30
		2.99	16.52
18	OTHER EXPENSES		
	(a) Rent	0.06	0.33
	(b) Insurance	0.47	2.62
	(c) Rates and taxes (excluding taxes on income)	0.07	0.36
	(d) Audit fees	0.02	0.13
	(e) Repair and maintenance	4.45	24.60
	(f) Foreign exchange loss	2.21	12.21
	(g) Miscellaneous expenses	7.83	43.17
		15.11	83.42

STRATEGIC REPORT FOR THE PERIOD ENDED 31 MARCH 2022

The directors present the strategic report for the year ended 31 March 2022.

Fair 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. Subsequent to the acquisition, the company has since established a modern, state of the art manufacturing facility at Solar Park, Solihull, West Midlands. The facility accommodates customer reception, brand display, service workshop, manufacturing, design / R & D studios, test facilities and offices.

As of March 2022, the company has created tangible assets to the extent of £10.35 million and intangible assets of £23.14 million. The facility at Solar Park also includes a customer experience center which will give a unique experience to customers thereby enhancing the brand image of the products.

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. Production of motorcycles at the newly established facility commenced in February 2022 and they are expected to be in the market very soon. Key management positions have been filled up and the organisation has been strengthened through recruitment of manpower with required skills & talent in all functions.

As of March 2022, the parent company has infused share capital to the tune of £60 million which were used to fund the initial acquisition cost, creating the manufacturing facility & equipment and the operational expenses. The company has also tied with a bank for an overdraft facility to the extent of £5 million to meet its working capital needs. As of 31 March 2022, the company had a cash balance of £1.05 million.

Though the company has not taken over any liabilities or obligations as part of the acquisition, the company intends to deliver the motorcycles to customers who had paid deposits and placed orders with the erstwhile Norton company. Such deposits amounting to £3.2m has been recognised as a liability in the financial statements.

As the primary focus during the financial year 2021-22 was on establishing the manufacturing facility with the required quality standards and mobilising necessary resources for commencing the operations, there was no revenue from the sale of new motorcycles to customers. Summary of the financial results are as under:

Details	£m
Revenue	0.04
Loss before tax	(14.82)

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. Realising this need, the company has been focussing in recruiting and filling up key positions in design, engineering, quality, procurement, and other allied functions with requisite skills & knowledge. The company is also partnering with leading Engineering Service Providers in its product development process with a view to bring in efficiency and reduce the lead time. The company will also be leveraging its parent, TVS Motors India's engineering and development capabilities to ensure high quality products are launched in a timely manner.

Initially the company's products would be sold in UK market and in the next couple of years, the company has plans to expand its market to European countries, USA, and Asian market. 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 also developing its plans for building a strong distribution network both in UK and in other markets. Establishing customer experience centres which will offer a unique buying experience to customers will be part of the distribution strategy apart from creating sales opportunities through social media and digital platforms to reach out to global customers. In order to ensure that Norton brand attracts customer preferences, the company is planning to build a diversified portfolio of premium and super premium motorcycles which is expected to drive the growth and profitability of the business in the years to come.

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.

Research and Development

The company continues to focus in its research and development activities in the form of a) understanding the technological development and how they can be used for the benefit of customers, b) developing a deep understanding of the customer preferences and needs c) bringing innovation in style and design and d) undertaking benchmarking exercises. The company will be fully leveraging TVS Motor India's engineering and R & D capabilities in the development of both internal combustion engine vehicles and electric vehicles. Apart from developing the required technology to meet the stringent emission and safely norms, the team of engineers will also be focussing in breakthrough technology initiatives for meeting the future mobility needs of the customers in accordance with the business plans of the company.

The company also collaborates with leading research and educational institutions in UK and in other countries in identifying the emerging trends in advanced technology development.

Going Concern

The company has embarked on a journey of reviving the glory of Norton brand by producing and selling superior products which are of high quality coupled with unique design and advanced technology. It has firmed up its product plans for the medium term and is in the process of mobilising 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 £60 million so far. The board of directors of the company has also been expanded with the appointment of eminent personalities as directors who have rich industry experience and exposure to guide the operating team in executing the plans.

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

Key performance indicators However, during the last financial year periodic reviews and board meetings were conducted to review the progress of a) establishment of manufacturing facilities, b) financial position of the company, c) status of recruitment. d) Engineering and quality plans, e) Production readiness and f) overall financial plan of the company.

Once the commercial sale of vehicles commences, the review of KPIs will be undertaken to review 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
26th April 2022

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 MARCH 2022

The directors present their annual report and financial statements for the year ended 31 March 2022.

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, Chairman	(Appointed 25 March 2022)
Prof. Sir Ralf Dieter Speth	(Appointed 25 March 2022)
Sudarshan Venu	(Appointed 25 March 2022)
K.N. Radhakrishnan	(Appointed 25 March 2022)
Sharad Mohan Mishra	
Peter Houghton	

Auditor

In accordance with the company's articles, a resolution proposing that Spencer Gardner Dickins Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of financial risk management objectives, review of performance, research and development activates and future developments.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the Board
S M MISHRA
Director
26th April 2022

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 31 MARCH 2022

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 2022 which comprise 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 FRS 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 2022 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 and the directors' report.

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 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, 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 a law or regulation is removed from the

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 230E:. 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.

Susan Thomas-Walls BSc BFP FCA (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 26/04/2022

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Year ended 31 March 2022	Period ended 31 March 2021
		£	£
Turnover	**3**	**39,420**	**522,409**
Cost of sales		(22,689)	(176,976)
Gross profit		**16,731**	**345,433**
Administrative expenses		(14,903,648)	(10,873,696)
Other operating income	3	65,303	228,068
Operating loss	**4**	**(14,821,614)**	**(10,300,195)**
Interest receivable and similar income	8	-	1,206
Loss before taxation		**(14,821,614)**	**(10,298,989)**
Tax on loss	9	112,644	-
Loss for the financial year		**(14,708,970)**	**(10,298,989)**

The profit and loss account has been prepared on the basis that all operations are continuing operations.

BALANCE SHEET AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Intangible assets	**10**		23,143,380		21,354,938
Tangible assets	**11**		10,351,215		5,880,609
			33,494,595		27,235,547
Current assets					
Stocks	**12**	4,796,717		2,530,078	
Debtors	**13**	2,169,659		2,380,504	
Cash at bank and in hand		1,051,231		1,568,098	
		8,017,607		6,478,680	
Creditors: amounts falling due within one year	**14**	(6,220,160)		(7,213,215)	
Net current assetsi(liabilities)			1,797,447		(734,535)
Net assets			35,292,042		26,501,012
Capital and reserves					
Called up share capital	**16**		60,300,001		36,800,001
Profit and loss reserves	**17**		(25,007,959)		(10,298,989)
Total equity			**35,292,042**		**26,501,012**

The financial statements were approved by the board of directors and authorised for issue on 26th April 2022 and are signed on its behalf by:

S M Mishra
Director
Company Registration No. 12545195

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Share capital	Profit and loss reserves	Total
		£	£	£
Balance at 2 April 2020		-	-	-
Period ended 31 March 2021:				
Loss and total comprehensive income for the period		-	(10,298,989)	(10,298,989)
Issue of share capital	16	36,800,001	-	36,800,001
Balance at 31 March 2021		36,800,001	(10,298,989)	26,501,012
Year ended 31 March 2022:				
Loss and total comprehensive income for the year		-	(14,708,970)	(14,708,970)
Issue of share capital	16	23,500,000	-	23,500,000
Balance at 31 March 2022		60,300,001	(25,007,959)	35,292,042

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

1 Accounting policies

Company information

The Norton Motorcycle Co. Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Bartholomew Lane, London, EC2N 2AX.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of intangible assets and certain tangible fixed assets at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 ‘Statement of Cash Flows’: Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instrument Issues’: Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 ‘Related Party Disclosures’: Compensation for key management personnel.

At the reporting date, the company was 100% owned by TVS Motor (Singapore) Pte Ltd, a company incorporated in Singapore. The ultimate parent company was TVS Motor Company Limited, a company incorporated in India. This company is the parent of the smallest group for which consolidated accounts are drawn up of which the company is a member. The registered office is “Chaitanya” No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai 600 006, Tamil Nadu, India.

1.2 Going concern

The company has made significant losses in this financial year as it has incurred expenses on setting up of the business and mobilising the resources prior to production commencing.

The directors 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. The directors 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 signing of 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 that the company has adequate resources and working capital to continue in operational existence for the foreseeable future to meet its ongoing liabilities.

1.3 Reporting period

The financial statements cover the year ended 31 March 2022. The comparative figures cover the period from incorporation on 2 April 2020 to 31 March 2021.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

License fee income is recognised at fair value in the period to which it relates.

1.5 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.

1.6 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

1.7 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	5 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.

1.8 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.

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2022 (Continued)

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.

1.10 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.

1.11 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.

1.12 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.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

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.

Capitalisation of development costs

Management judgement has been required in estimating the proportion of time spent by staff in the development of products in order that those costs are capitalised as intangible fixed assets.

3. Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Motorcycle sales	14,520	73,000
Parts and servicing	12,833	108,007
Royalty income	10,632	18,901
Other income	1,435	322,501
	39,420	522,409

Other significant revenue	**2022**	**2021**
	£	£
Interest income	-	1,206
Grants received	65,303	228,068

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2022 (Continued)

4 Operating loss

	2022	2021
Operating loss for the year is stated after charging/(crediting):	£	£
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(41,548)	23,249
Research and development costs	-	480,048
Government grants	(65,303)	(228,068)
Depreciation of owned tangible fixed assets	879,039	120,715
Loss on disposal of tangible fixed assets	1,007	-
Amortisation of intangible assets	3,008,230	2,488,903
Operating lease charges	523,356	394,381

5 Auditor's remuneration

	2022	2021
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	17,000	14,000
For other services		
Taxation compliance services	1,000	1,000
All other non-audit services	3,180	4,200
	4,180	5,200

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
	Number	Number
Administration	30	26
Production	118	58
Total	148	84

Their aggregate remuneration comprised:	2022	2021
	£	£
Wages and salaries	4,736,453	3,269,220
Social security costs	487,781	330,090
Pension costs	330,711	187,442
	5,554,945	3,786,752

£2,230,873 of wages and salary costs, £232,957 of social security costs and £157,943 of pension costs have been capitalised as development costs and are not included in the figures noted above.

7 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	18,000	19,108

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0.

8 Interest receivable and similar income

	2022	2021
	£	£
Interest income		
Interest on bank deposits	-	1,206

9 Taxation

	2022	2021
	£	£
Current tax		
Adjustments in respect of prior periods	(112,644)	-

The actual (credit)/charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
Loss before taxation	(14,821,614)	(10,298,989)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(2,816,107)	(1,956,808)
Tax effect of expenses that are not deductible in determining taxable profit	(157,767)	86,131
Unutilised tax losses carried forward	2,973,874	1,870,677
Research and development tax credit in respect of prior period	(112,644)	-
Taxation credit for the year	(112,644)	-

10 Intangible fixed assets

	Patents and licences	Development costs	Brand names and trademarks	Total
	£	£	£	£
Cost				
At 1 April 2021	429,000	73,139	23,341,702	23,843,841
Additions	-	4,316,677	553,134	4,869,811
Transfers	-	(73,139)	-	(73,139)
At 31 March 2022	429,000	4,316,677	23,894,836	28,640,513
Amortisation and impairment				
At 1 April 2021	26,813	-	2,462,090	2,488,903
Amortisation charged for the year	53,625	-	2,954,605	3,008,230
At 31 March 2022	80,438	-	5,416,695	5,497,133
Carrying amount				
At 31 March 2022	348,562	4,316,677	18,478,141	23,143,380
At 31 March 2021	402,187	73,139	20,879,612	21,354,938

Development costs of £73,139 were transferred into tangible fixed assets in the year

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2022 (Continued)

11 Tangible fixed assets

	Leasehold improvements	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 April 2021	3,826,075	1,392,154	69,827	151,410	561,858	6,001,324
Additions	1,045,839	1,067,557	1,813,179	468,720	892,763	5,288,058
Disposals	-	(5,050)	-	-	-	(5,050)
Transfers	-	(10,363)	77,000	-	-	66,637
At 31 March 2022	4,871,914	2,444,298	1,960,006	620,130	1,454,621	11,350,969
Depreciation and impairment						
At 1 April 2021	-	29,671	9,111	13,553	68,380	120,715
Depreciation charged in the year	197,539	158,487	288,642	118,706	115,665	879,039
At 31 March 2022	197,539	188,158	297,753	132,259	184,045	999,754
Carrying amount						
At 31 March 2022	4,674,375	2,256,140	1,662,253	487,871	1,270,576	10,351,215
At 31 March 2021	3,826,075	1,362,483	60,716	137,857	493,478	5,880,609

Included within transfers of £66,637 are £73,139 of transfers from intangible fixed assets.

12 Stocks

	2022	2021
	£	£
Raw materials and consumables	3,920,202	2,212,803
Work in progress	770,692	317,275
Finished goods and goods for resale	105,823	-
	4,796,717	2,530,078

13 Debtors

	2022	2021
Amounts falling due within one year:	£	£
Trade debtors	378,851	893,778
Corporation tax recoverable	112,644	-
Other debtors	562,755	846,853
Prepayments and accrued income	1,115,409	639,873
	2,169,659	2,380,504

14 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	973,339	945,340
Amounts owed to group undertakings	1,224,122	2,376,056
Taxation and social security	241,855	134,450
Other creditors	3,253,373	3,213,814
Accruals and deferred income	527,471	543,555
	6,220,160	7,213,215

15 Retirement benefit schemes

	2022	2021
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	330,711	187,442

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.

16 Share capital

	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	60,300,001	36,800,001	60,300,001	36,800,001

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 23,500,000 ordinary shares of £1 each were issued for cash at par.

17. Reserves

Profit and loss reserves

Profit and loss reserves represent the retained profits of the company since its inception.

18. 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:

	2022	2021
	£	£
Within one year	529,685	493,685
Between two and five years	290,349	764,506
In over five years	8,912	10,440
	828,946	1,268,631

19. Capital commitments

Amounts contracted for but not provided in the financial statements:

	2022	2021
	£	£
Acquisition of tangible fixed assets	-	1,798,541

20. 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.

RE-STATED ACCOUNTS OF
THE NORTON MOTORCYCLE CO. LIMITED
(FORMERLY PROJECT 303 BIDCO LIMITED)

BALANCE SHEET AS AT 31ST MARCH 2022

	Notes	GBP in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Property, plant and equipment	1	12.03	119.69
Other Intangible assets	1	23.89	237.65
Intangible assets under development	1	4.75	47.20
		40.67	404.54
Current assets			
Inventories	2	4.80	47.70
Financial assets			
Trade receivables	3	0.38	3.77
Cash and cash equivalents	4	1.05	10.46
Other current assets	5	1.79	17.81
		8.02	79.74
Total Assets		48.69	484.28
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6	60.30	589.39
Other equity	7	(19.55)	(184.18)
		40.75	405.21
Liabilities			
Non-Current liabilities			
Financial liabilities			
Lease liability		1.29	12.84
		1.29	12.84
Current liabilities			
Financial liabilities			
(i) Lease liability		0.44	4.36
(ii) Trade payables	8		
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (ii) (a) above		2.19	21.85
Other current liabilities	9	4.02	40.02
		6.65	66.23
Total liabilities		7.94	79.07
Total equity and liabilities		48.69	484.28

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

		Notes	GBP in Mn.	Rupees in crores
I	Revenue from operations	10	0.10	1.05
II	Other income	11	0.04	0.43
III	Total Income (I +II)		0.14	1.48
IV	Expenses:			
	Cost of material consumed		0.90	8.94
	Changes in inventories of finished goods, Stock-in -trade and work-in-progress		(0.88)	(8.71)
	Employee benefits expense	12	5.58	56.74
	Finance costs	13	0.08	0.81
	Depreciation and amortisation expense	14	1.31	13.36
	Other expenses	15	4.99	50.92
			11.98	122.06
V	Profit before exceptional items (III - IV)		(11.84)	(120.58)
VI	Exceptional items		-	-
VII	Profit before tax (V+ VI)		(11.84)	(120.58)
VIII	Tax expense			
	i) Current tax		(0.11)	(1.15)
	ii) Deferred tax		-	-
IX	Profit for the year (VII - VIII)		(11.73)	(119.43)
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		-	(3.17)
			-	(3.17)
XI	Total Comprehensive Income (IX + X)		(11.73)	(122.60)
XII	Earnings per equity share (Face value of GBP 1/- each)			
	Basic & Diluted earnings per share (in GBP/ in rupees)		(0.19)	(19.81)

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	Trade Mark	Design Development	Total
Cost of assets										
Gross carrying value as at 01-04-2020	3.83	1.39	0.07	0.15	0.56	2.12	8.12	23.84	-	23.84
Additions	1.04	1.07	1.89	0.47	0.89	0	5.36	0.05	-	0.05
Sub-total	4.87	2.46	1.96	0.62	1.45	2.12	13.48	23.89	-	23.89
Sales / deletion	-	0.01	-	-			0.01	-	-	-
Total	4.87	2.45	1.96	0.62	1.45	2.12	13.47	23.89		23.89
Depreciation / Amortisation										
Upto 31-03-2021	-	0.03	0.01	0.01	0.07	0.01	0.13	-	-	-
For the year	0.19	0.16	0.29	0.12	0.12	0.43	1.31	-	-	-
Sub-total	0.19	0.19	0.30	0.13	0.19	0.44	1.44	-	-	-
Withdrawn on assets sold / deleted	-	-	-	-	-		-	-	-	-
Total	0.19	0.19	0.30	0.13	0.19	0.44	1.44	-	-	-
Carrying value As at 31-03-2022	4.68	2.26	1.66	0.49	1.26	1.68	12.03	23.89	-	23.89

Rupees in crores

Description	Property, Plant & Equipment							Other Intangible		
	Building	Plant & equipments	Furniture and fixtures	Office equipments	Vehicles	Right of use	Total	Trade Mark	Design Development	Total
Cost of assets										
Gross carrying value as at 01-04-2020	38.55	14.03	0.70	1.53	5.66	21.82	82.29	240.23	-	240.23
Additions	9.90	10.62	18.80	4.66	8.88		52.86	0.51	-	0.51
Foreign Currency translation reserve difference		(0.19)	(0.01)	(0.02)	(0.07)	(0.14)	(0.43)	(3.09)	-	(3.09)
Sub-total	48.45	24.46	19.49	6.17	14.47	21.68	134.72	237.65	-	237.65
Sales / deletion		0.15					0.15	-	-	-
Total	48.45	24.31	19.49	6.17	14.47	21.68	134.57	237.65	-	237.65
Depreciation / Amortisation										
Upto 31-03-2021	-	0.30	0.09	0.14	0.69	0.49	1.71	-	-	-
For the year	2.01	1.61	2.94	1.21	1.18	4.41	13.36	-	-	-
Foreign Currency translation reserve difference	(0.05)	(0.04)	(0.07)	(0.03)	(0.04)	0.04	(0.19)	-	-	-
Sub-total	1.96	1.87	2.96	1.32	1.83	4.94	14.88	-	-	-
Withdrawn on assets sold / deleted	-	-	-	-	-	-	-	-	-	-
Total	1.96	1.87	2.96	1.32	1.83	4.94	14.88	-	-	-
Carrying value As at 31-03-2022	46.49	22.44	16.53	4.85	12.64	16.74	119.69	237.65	-	237.65

Notes on accounts - *(continued)*

		As at 31-03-2022	
		GBP in Mn.	Rupees in crores
2	**INVENTORIES**		
	Raw materials and components	3.92	38.99
	Work in progress	0.77	7.66
	Finished goods	0.11	1.05
		4.80	47.70
3	**TRADE RECEIVABLES**		
	Unsecured, considered good	0.38	3.77
		0.38	3.77
4	**CASH AND CASH EQUIVALENTS**		
	Balances with banks in current accounts	1.05	10.46
		1.05	10.46
5	**OTHER CURRENT ASSETS**		
	GST/VAT/IT/Excise receivable	0.11	1.12
	Vendor advance	0.56	5.60
	Prepaid expenses	1.12	11.09
		1.79	17.81
6	**EQUITY SHARE CAPITAL**		
	Issued, subscribed and fully paid up:		
	60,300,001 Ordinary shares of GBP 1 each	60.30	589.39
		60.30	589.39
7	**OTHER EQUITY**		
	Retained earnings	(19.56)	(195.40)
	Foreign currency translation reserve	-	11.22
		(19.56)	(184.18)
8	**TRADE PAYABLES**		
	Dues to Micro and Small Enterprises**	-	-
	Dues to enterprises other than Micro and Small Enterprises	2.19	21.85
		2.19	21.85

** 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

9	**OTHER CURRENT LIABILITIES**		
	Statutory dues	0.24	2.41
	Advance from customers	3.25	32.36
	Deferred income	0.53	5.25
		4.02	40.02

		For the Year Ended 31-03-2022	
		GBP in Mn.	Rupees in crores
10	REVENUE FROM OPERATIONS		
	Sale of Product	0.01	0.15
	Sale of service	0.01	0.13
	Other operating revenues	0.08	0.77
		0.10	1.05
11	OTHER INCEOME		
	Other non operating income	0.04	0.43
		0.04	0.43
12	EMPLOYEE BENEFITS EXPENSE		
	Salaries, wages and bonus	4.76	48.40
	Contribution to provident and other funds	0.82	8.34
		5.58	56.74
13	FINANCE COST		
	Interest on lease liabilities	0.08	0.81
		0.08	0.81
14	DEPRECIATION		
	Depreciation on property plant and equipment	0.88	8.95
	Amortisation on right of use asset	0.43	4.41
		1.31	13.36
15	OTHER EXPENSES		
	(a) Power and fuel	0.27	2.77
	(b) Rent	0.04	0.41
	(c) Repairs - plant and equipment	0.33	3.31
	(d) Insurance	0.31	3.13
	(e) Rates and taxes (excluding taxes on income)	0.17	1.74
	(f) Audit fees	0.02	0.22
	(h) Other marketing expenses	1.01	10.30
	(l) Loss on sale of fixed assets (Net)	-	0.01
	(j) Miscellaneous expenses	2.84	29.03
		4.99	50.92

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. which comprise the statement of financial position as at 31 March 2022, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from 23 April 2021 (date of incorporation) to 31 March 2022, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the company as at 31 March 2022 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 statement, 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 he company or to cease operations, or has 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 mistatement, whether due to fruad 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,
29th April 2022

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	2022
		S$
ASSETS		
Non-current assets:		
Plant and equipment	(8)	**225,875**
Intangible assets	(9)	**1,160,674**
Investments in associates	(10)	**24,058,918**
Total non-current assets		**25,445,467**
Current assets:		
Trade and other receivables	(11)	**25,756**
Bank balances	(12)	**745,009**
Total current assets		**770,765**
Total assets		**26,216,232**
EQUITY AND LIABILITIES		
Equity: Share capital	(13)	**25,158,918**
Share application money	(14)	**3,832,241**
Accumulated loss		**(5,271,060)**
Total equity		**23,720,099**
Current liabilities:		
Other payables	(15)	**2,496,133**
Total current liabilities		**2,496,133**
Total liabilities		**2,496,133**
Total equity and liabilities		**26,216,232**

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 23 APRIL 2021 (DATE OF INCORPORATION) TO 31 MARCH 2022

	Note	23 Apr 2021 To 31 Mar 2022
		S$
Revenue	(16)	**68,788**
Cost of services		**(161,570)**
Gross loss		**(92,782)**
Administrative expenses		**(5,174,394)**
Other expenses		**(3,884)**
Loss before income tax		**(5,271,060)**
Income tax expense	(17)	**-**
Loss for the year	(18)	**(5,271,060)**
Other comprehensive income		**-**
Total comprehensive loss for the year		**(5,271,060)**

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD FROM 23 APRIL 2021 (DATE OF INCORPORATION) TO 31 MARCH 2022

	Share Capital	Share Application Money	Accumulated Losses	Total
	S$	**S$**	**S$**	**S$**
Balance as at date of incorporation, 23 April 2021	1	-	-	1
Issuance of shares (Note 13)	25,158,917	-	-	25,158,917
Share application money received	-	3,832,241	-	3,832,241
Total comprehensive loss for the year	-	-	(5,271,060)	(5,271,060)
Balance as at 31 March 2022	25,158,918	3,832,241	(5,271,060)	23,720,099

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

STATEMENT OF CASH FLOW FOR THE FINANCIAL PERIOD FROM 23 APRIL 2021 (DATE OF INCORPORATION) TO 31 MARCH 2022

	Note	23 Apr 2021 To 31 Mar 2022
		S$
Cash flows from operating activities		
Loss before income tax		**(5,271,060)**
Adjustment for:		
Amortisation of intangible assets	(9)	**161,570**
Depreciation of plant and equipment	(8)	**3,615**
Operating loss before working capital changes		**(5,105,875)**
Trade and other receivables		**(25,756)**
Other payables		**2,443,740**
Net cash used in operating activities		**(2,687,891)**
Investing activities:		
Purchase of plant and equipment		**(217,097)**
Purchase of intangible assets		**(182,244)**
Net cash used in investing activities		**(399,341)**
Financing activities:		
Share application money received	(14)	**3,832,241**
Net cash generated from financing activities		**3,832,241**
Net increase in bank balances		**745,009**
Bank balances at beginning of year		**-**
Bank balances at end of year	(12)	**745,009**

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2022

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 principal activities of the company are to carry on the business of other information technology and computer service activities and other holding company.

b) Authorisation of financial statements for issue

The financial statements of the company for the year ended 31 March 2022 were authorised for issue by the Board of Directors on xx[th] xx, 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up and in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (“FRS”).

Historical cost is generally based on the fair value of the consideration given in the exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at themeasurement 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 compan’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 23 April 2021. 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 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 16	Amendments to FRS 16: Property, Plant and Equipment Proceeds before Intended Use	01-Jan-22
FRS 37	Amendments to FRS 37: Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts Cost of Fulfilling a Contract	01-Jan-22
Various	Annual Improvements to FRSs 2018-2020	01-Jan-22
Various	Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies	01-Jan-23
FRS 1	Amendments to FRS 1: Presentation of Financial Statements Classification of Liabilities as Current or Non-current	01-Jan-23
FRS 8	Amendments to FRS 8: Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	01-Jan-23

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 functional currency of the company is United States 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 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 as follows:

	Years
Computer and IT equipment	2
Renovation	5

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

The residual values, useful life and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

d) Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expense in profit or loss during the financial year in which it is incurred.

e) Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss. Any amount in revaluation reserve relating to that asset is transferred to retained earnings directly.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2022 (Continued)

2.5. Intangible Assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful from the point at which at asset is ready for use.

Amortisation is calculated in the straight-line method to write off the cost of intangible assets, over their estimated useful lives of 3 years.

Intangible asset refers to capitalisation of costs relating to development of software

2.6. Associates

An associate is an entity over which the company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in the associate companies is stated at cost, less impairment if any.

2.7. Impairment of Non-Financial Assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cashgenerating 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 cashgenerating 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. Revenue Recognition

Revenue from sale of goods and services in the ordinary course of business is recognised when the company satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is the amount of consideration in the contract to which the company expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the completion reflecting the progress towards complete satisfaction of that PO.

Service income

The company provides software programming 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)

2.10. 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.

2.11. Employee Benefits

a) 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.

b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrued to employees. All unused leave at the end of the reporting period is encashed to the employees.

2.12. 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.

2.13. 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.

2.14. 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.

2.15. 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 compnn's statement of financial position when and only 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 (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.1. Financial Assets

a) Classification and subsequent measurement

Financial assets are classified, at initial recognition, at amortised cost.

The classification of financial assets, at initial recognition depends on the financial asst'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 plus transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets at amortised cost

A financial asset is measured at amortised cost if the financial asset is held with the objective of collecting contractual cash flows and these contractual cash flows comprises solely principal and interest payments.

After initial measurement at fair value, debt instruments 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 the amortisation process. Interest income from these financial assets is included in interest income using the effective interest rate (EIR) method.

As at the reporting date, the company's debt instruments at amortised cost consist of other receivables and bank balances.

b) Impairment of financial assets

When applicable, the company recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instruments.

When applicable, the company will recognises lifetime ECL for trade receivables. The expected credit losses on the financial assets will be estimated using a provision matrix based on company's histrorical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment pf both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the company will recognises lifetime ECL when there has been significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the company measured the loss allowance for that financial instrument at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of default occurring since initial recognition instead of an evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast,12-month expected credit loss is the expected credit loss that result from default events that are possible within 12 months after the reporting date.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets gross carrying amount at the reporting date; or for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at reporting date, together with any additional amounts expected to be draw down in the future by default date determined based on historical trend, the company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows for the company in accordance with the contract and all the cash flows that the company expects to receive, discount at the original effect interest rate.

c) Derecognition of financial assets

A financial asset is derecognised where the contractual rights to receive cash flows from the asset have expired.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of (a) the consideration received and (b) any cumulative gain or loss that has been recognised directly in equity is recognised in profit or loss.

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or 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 recognises 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 recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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 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 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 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 9 to the financial statements.

b) Impairment of plant and equipment

As the end of the reporting period, the company assesses whether plant and equipment have any indication of impairment, in accordance with relevant accounting policies. The recoverable amounts of plant and equipment have been determined based on value-in use calculations. These calculations and valuations require the use of judgement and estimates on future operating cash flows and discount rates adopted.

The carrying amount of plant and equipment are disclosed in Note 8 to the financial statements.

c) Impairment of intangible assets

Determining whether intangible assets are impaired requires an estimation of the value in use of the cash-generating units to which the intangible assets are allocated. This requires the company to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows.

The carrying amount of intangible assets is disclosed in Note 9 to the financial statements.

The cost of plant and equipment is depreciated on a straight-line basis over their estimated useful lives. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised.

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:

	2022
	S$
Financial assets	
At amortised cost:	
- Trade and other receivables	25,756
- Bank balances	745,009
	770,765
Financial liabilities	
At amortised cost:	
- Other payables	2,496,133

5.2. Financial Risk Management Policies and Objectives

The company s overall risk management policy seeks to minimise potential adverse effects on the financial performance of the company. The company, however, does not have any written risk management policies and guidelines. The management meet periodically to analyse, formulate and monitor the following risk management of the company and believe that the financial risks associated with these financial instruments are minimal. The company adopt systematic approach towards risk assessment and management. This is carried out in three phases, i.e. identification and assessment of risks, formulation and implementation of risk treatment, and monitoring and reporting of risk profile.

The company is exposed to credit risk, foreign currency exchange rate risk and liquidity risk. The company is not significantly exposed to interest rate risk.

There has been no change to the company's exposure to these financial risks or the manner in which it manages measures the risk.

a) Credit risk

Credit risk refers to risk that a counterparty will default on its contractual obligations to repay amounts owing to company resulting in a loss to the company. The company's primary exposure to credit risk arises through its 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 2022 (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 informhistorical experience and informed credit assessment and includes forward-looking information such as the following:

- Credit rating information supplied by publicly available financial information;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and
- Significant changes in the expected performance and behavior of the debtor, including changes in the payment status of debtors and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase on credit risk is presumed if a debtor is more than 30 days past due in making contractual payment unless the company has reasonable and supportable information that demonstrates otherwise.

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Low credit risk

The company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

A financial asset is considered to have low credit risk if:

- The financial instrument has a low risk of default;
- The borrower has a strong capacity to meet its contractual cash flow obligations in the near term and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Credit-impaired

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the counter-party or the borrower;
- A breach of contract, such as default or past due event; or
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

Default event

The company considers the following as constituting an event of default when:

- The borrower fails to make contractual payments, within 90 days when they fall due, unless the company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate; or
- Internal or external information indicates that the borrower is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realising security (if any is held).

Write-off policy

The company categorises a receivable for potential write-off when:

- There is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery or
- When a debtor fails to make contractual payments more than 365 days past due.

Where receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Credit risk grading framework

The company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognizing expected credit loss (ECL)
I - Performing	Counterparty has a low risk of default and does not have any past due amounts and a strong capacity to meet contractual cash flows.	12-month ECL
II – Under performing	Amount is > 30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit impaired
III – Default	Amount is > 90 days past due to or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit impaired
IV – Write off	Amount is > 365 days past due or there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.	Amount is written off

There are no significant changes to estimation techniques or assumptions made during the reporting period.

Simplified approach

The company applies the simplified approach using the provision matrix to provide for ECLs for trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

The provision matrix is based on historical credit loss experience over the past three years and adjusted for forward-looking estimates. Trade receivables are grouped based on similar credit risk characteristics and days past due.

Expected credit loss assessment

The following are qualitative information on expected credit loss for financial assets under amortised cost:

- Trade receivables

These are due from customers that have a good credit record with the company with no history of default. The loss allowance is measured based on lifetime ECL using the provision matrix. Management considers the risk of default as minimal based on the past collection history. Management considers the amount of ECL is insignificant.

- Other receivables

Management determined credit risk for other receivables has not increased significantly since their initial recognition. Accordingly, the company measured the impairment loss allowance at 12-month ECL and determined that the ECL is insignificant.

- Bank balances

The company places its bank deposit with credit worthy financial institution. Impairment on bank balances is measured on the 12-month expected loss basis. Management considers that its bank balances have low credit risk based on the external credit ratings of the counterparty. Therefore, management considers the amount of ECL is insignificant.

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the company's financial instruments will fluctuate because of changes in market interest rate.

The company has bank balances that is non-interest bearing, therefore has no exposure to cash flow interest rate risk.

No interest rate sensitivity analysis is disclosed as the impact of changes in interest rate is not expected to be material.

c) Foreign currency exchange rate risk

Foreign currency exchange rate risk arose from the change in foreign exchange rates that may have an adverse effect on the company in the current reporting period and in the future periods.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2022 (Continued)

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:

	2022
In Singapore dollar	**US$**
Financial assets	
Trade and other receivables	25,756
Bank balances	30,054
	55,810
Financial liabilities	
Other payables	-
Net exposure	55,810

Sensitivity analysis

A 10% increase or decrease is used when reporting foreign currency exchange rate risk internally to key management personnel and represents management's assessment of the possible change in foreign currency exchange rates.

A 10% strengthening of Singapore dollar against the following currency would increase/(decrease) profit or loss and equity by the amount shown below:

	2022
	S$
US$ impact	(5,581)

A 10% weakening of Singapore dollar against the above currency would have had the equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remain constant.

d) Liquidity risk management

Liquidity risk refer to risk that the company will not have sufficient funds to pay its debts as and when they fall due.

In the management of the liquidity risk, the company monitors and maintains a level of bank balances deemed adequate by the management to finance the company's operations and mitigate the effects of fluctuations in cash flows.

The following table summarises the company's remaining contractual maturity for its non-derivative financial liabilities at the end of the reporting period based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the company is expected to pay.

Contractual undiscounted cash flows

2022	Effective interest rate	Carrying amount	Less than a year	Within 2 to 5 years	Later than 5 years	Total
	(%)	S$	S$	S$	S$	S$
Financial liabilities:						
Other payables	-	2,496,133	2,496,133	-	-	2,496,133
		2,496,133	2,496,133	-	-	2,496,133

e) Fair value of financial assets and financial liabilities

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained through discounted cash flow models as appropriate.

Management has determined that the carrying amounts of bank balances, trade and other receivables and other payables, based on their notional amounts, reasonably approximate their fair values because these are mostly short-term in nature

5.3. Capital Risk Management Policies and Objectives

The company's objective when managing capital is to safeguard the company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

The company monitors capital using gearing ratio, which is net debt divided by total capital. Net debt is calculated as other payables less bank balances. Total capital is calculated as equity and net debt. The company's overall strategy remains unchanged during the period.

	2022
	S$
Other payables	2,496,133
Less: Bank balances	(745,009)
Net debt	1,751,124
Total equity	23,720,099
Total capital	25,471,223
Gearing ratio	6.9%

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 Sundaram Clayton Limited, incorporated in India. The registered office of the holding company is at No.12, Chaitanya Building, Khader Nawaz Khan Road, Chennai 600 006, India.

Some of the company's transactions and arrangements are between members of the company and the effects of these on the basis determined between the parties are reflected in these financial statements.

Significant holding company transactions:

	2022
	S$
Transfer of intangible assets and plant and equipment	1,152,393
Recovery of manpower cost	(141,968)

7. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Some of the company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements.

Significant related parties' transactions:

	2022
	S$
Recovery of manpower cost	(565,567)
Rental expense	(60,000)

(b) Key management personnel compensation:

	2022
	S$
Salaries, bonus and allowances	657,318
Employer's contribution to Central Provident Fund	5,460

8. PLANT AND EQUIPMENT

	Computer and IT Equipment	Renovation	Total
	S$	S$	S$
Cost			
At 23.04.2021	-	-	-
Additions	12,393	217,097	229,490
At 31.03.2022	12,393	217,097	229,490
Accumulated depreciation At 23.04.2021	-	-	-
Charged for the year	3,615	-	3,615
At 31.03.2022	3,615	-	3,615
Carrying amount As at 31.03.2022	8,778	217,097	225,875

Management has reviewed for the impairment of its plant and equipment at the end of the 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.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2022 (Continued)

9. INTANGIBLE ASSETS

	Computer Software	Software Under Development	Total
	S$	S$	S$
Cost			
At 23.04.2021	-	-	-
Additions	874,945	447,299	1,322,244
At 31.03.2022	**874,945**	**447,299**	**1,322,244**
Accumulated amortisation			
At 23.04.2021	-	-	-
Charged for the year	161,570	-	161,570
At 31.03.2022	**161,570**	**-**	**161,570**
Carrying amount			
At 31.03.2022	**713,375**	**447,299**	**1,160,674**

During the financial year, the company carried out a review of the recoverable amount of intangible assets. As a result, there were no allowances for impairment or revisions to the useful lives required for intangible assets

10. INVESTMENTS IN ASSOCIATES

	2022
	S$
Unquoted equity shares at cost:	
At date of incorporation	**-**
Additions	**24,058,918**
At end of the year	**24,058,918**

Details of the associates are as follows:

Name of associate/ Country of incorporation	Principal activity	Proportion of ownership Interest
		2022
Tagbox Pte Ltd Singapore	Providing Internet of Things (IoT) based solutions for sensing, monitoring and analysis across supply chain activities	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%
Altizon Inc. United States of America	Empowering Industrial Digital Revolutions globally by digiting legacy factories and helping enterprises use machine data to drive business decisions	20.0%
Scienaptic Systems Inc. United States of America	A leading AI-powered credit underwriting decisioning platform company	21.7%

The company did not perform equity accounting of the results of the associate as the holding company, TVS Motor Company Ltd will be preparing the consolidated financial statements, which are available for public use at their registered office at No.12, Chaitanya Building, Khader Nawaz Khan Road, Chennai 600 006, India.

11. TRADE AND OTHER RECEIVABLES

	2022
	S$
Trade receivables third parties	5,842
Other receivable third party	1,680
Amount due from holding company (Note 6)	18,234
	25,756

Trade receivables are non-interest bearing and they are normally settledon 30 day's 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:

	2022
	S$
Not past due	5,436
Less than 30 days	406
	5,842

Other investments are denominated in United States dollar.

At the end of the financial year, management had assessed and determined that the expected credit losses on trade receivables is insignificant.

Trade and other receivables are denominated in United States dollar.

12. BANK BALANCES

	2022
	S$
Cash at bank	745,009

Bank balances are denominated in the following currencies:

	2022
	S$
Singapore dollar	714,955
United States dollar	30,054
	745,009

13. SHARE CAPITAL

	2022	2021
	Number of ordinary shares	S$
Issued and paid up:		
At date of incorporation	1	1
Issued during the year	25,158,917	25,158,917
At the end of the year	25,158,918	25,158,918

At date of incorporation, the company issued 1 ordinary shares for S$1 to the subscriber according to the Memorandum of Association.

During the financial year,

1) the company issued 1,100,000 ordinary shares in the capital of the company to TVS Motor (Singapore) Pte. Limited, holding company as consideration shares for a business transfer agreement.

2) the company issued 24,058,917 ordinary shares to TVS Motor (Singapore) Pte. Limited, holding company for the purchase of shares of the associates (Note 10).

The ordinary shares with no par value, carry one vote per share and carry a right to dividends as and when declared by the company.

14. SHARE APPLICATION MONEY

The share application money is advance receipt for application for shares in the company.

15. OTHER PAYABLES

	2022
	S$
Amount due to intermediate holding company (Note 6)	141,968
Amount due to a related party (Note 7)	625,567
Accrued expenses	1,728,598
	2,496,133

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2022 (Continued)

Amounts due to intermediate holding company and a related party are unsecured, interest free and repayable on demand.

Other payables are denominated in the following currencies:

	2022
	S$
Indian rupee	141,968
Singapore dollar	2,354,165
	2,496,133

16. REVENUE

Disaggregation of revenue from contracts with customers:

	23 Apr 2021 To 31 Mar 2022
	S$
Service income	68,788
Timing of transfer of good or service Over time	68,788

17. INCOME TAX

The income tax benefit varied from the amount of income tax determined by applying the Singapore income tax rate of 17% to loss before income tax as a result of the following differences:

	23 Apr 2021 To 31 Mar 2022
	S$
Loss before income tax	(5,271,060)
Income tax benefit at statutory rate of 17%	(896,080)
Income tax effect of:	
- non-deductible expense	28,081
- tax losses carried forward	867,999
	-

18. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	23 Apr 2021 To 31 Mar 2022
	S$
Amortisation of intangible assets	161,570
Depreciation of plant and equipment	3,615
Foreign currency exchange loss	269
Manpower costs	707,535
Professional and consultancy fees	874,297
Short-term employee's benefits	3,361,051
Cost of defined benefits plans included in employee benefits expenses	100,721

19. COMPARATIVE FIGURES

The financial statements cover the financial period since incorporation on 23 April 2021 to 31 March 2022. This being the first set of financial statements, there are no comparative figures.

20. 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.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2022 (Continued)

DETAILED STATEMENT OF PROFIT OR LOSSFOR THE FINANCIAL PERIOD FROM 23 APRIL 2021 (DATE OF INCORPORATION) TO 31 MARCH 2022

	23 Apr 2021 To 31 Mar 2022
	S$
Revenue	
68,788	
Cost of service	
Amortisation of intangible assets	(161,570)
Gross loss	(92,782)
Less: expenses	
Administrative expenses	
Auditors' remuneration	13,000
Bank charges	8,533
Book keeping charges	5,400
Cloud service cost	17,045
CPF contribution	100,721
Insurance expense	11,599
Legal and professional fee	2,800
Manpower costs	707,535
Office expense	80,523
Office rental	60,000
Professional and consultancy fees	874,297
Printing & Stationery	3,155
Salary and bonus	3,258,940
SDL	888
Service cost	1,724
Software development expense	11,036
Staff welfare	1,390
Subscription and membership fee	999
Training and development expense	14,809
Other expense	
Depreciation of plant and equipment	3,615
Foreign currency exchange loss	269
	(5,178,278)
Loss before income tax	(5,271,060)

This schedule does not form part of the statutory audited financial statements.

RE-STATED ACCOUNTS OF
TVS DIGITAL PTE. LTD.

BALANCE SHEET AS AT 31ST MARCH 2022

	Notes	SGD in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Property, plant and equipment	1	0.23	1.26
Other intangible assets	1	0.71	3.99
Intangible assets under development		0.45	2.50
Non-current investments	2	24.06	127.93
		25.45	135.68
Current assets			
Financial assets			
Trade receivables	3	0.02	0.13
Cash and cash equivalents	4	0.75	4.17
Other current assets	5	-	0.01
		0.77	4.31
Total Assets		26.22	139.99
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6	25.16	138.78
Other equity	7	(5.27)	(42.25)
		19.89	96.53
Share application money pending allotment		3.83	29.50
Liabilities			
Current liabilities			
Financial liabilities			
(i) Trade payables	8		
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (i) (a) above		2.50	13.96
		2.50	13.96
Total liabilities		2.50	13.96
Total equity and liabilities		26.22	139.99

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

		Notes	SGD in Mn.	Rupees in crores
I	Revenue from operations	9	0.07	0.38
II	Other income		-	-
III	Total Income (I +II)		0.07	0.38
IV	Expenses:			
	Employee benefits expense	10	4.09	22.56
	Depreciation and amortisation expense	11	0.16	0.91
	Other expenses	12	1.09	6.02
			5.34	29.49
V	Profit before exceptional items (III - IV)		(5.27)	(29.11)
VI	Exceptional items		-	-
VII	Profit before tax (V+ VI)		(5.27)	(29.11)
VIII	Tax expense			
	i) Current tax		-	-
	ii) Deferred tax		-	-
IX	Profit for the year (VII - VIII)		(5.27)	(29.11)
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		-	(13.14)
			-	(13.14)
XI	Total Comprehensive Income (IX + X)		(5.27)	(42.25)
XII	Earnings per equity share (Face value of SGD 1/- each)			
	Basic & Diluted earnings per share (in SGD / in rupees)		(0.21)	(11.57)

Notes on Accounts

1. PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

SGD in Mn.

Description	Property, Plant & Equipment			Other Intangible	
	Building	Office equipment	Total	Software	Total
	1	2	3	4	5
Cost of assets					
Gross carrying value as at 01-04-2021	-	-	-		
Additions	0.22	0.01	0.23	0.87	0.87
Sub-total	0.22	0.01	0.23	0.87	0.87
Sales / deletion	-	-	-	-	-
Total	0.22	0.01	0.23	0.87	0.87
Depreciation / Amortisation					
Upto 31-03-2021	-	-	-	-	-
For the year	-	-	-	0.16	0.16
Sub-total	-	-	-	0.16	0.16
Withdrawn on assets sold / deleted	-	-	-	-	-
Total	-	-	-	0.16	0.16
Carrying value					
As at 31-03-2022	0.22	0.01	0.23	0.71	0.71
				-	-

1 Property, Plant & Equipment

Rupees in crores

Description	Property, Plant & Equipment			Other Intangible	
	Building	Office equipment	Total	Software	Total
	1	2	3	4	5
Cost of assets					
Gross carrying value as at 01-04-2021			-	-	-
Additions	1.22	0.07	1.29	4.90	4.90
Foreign Currency translation reserve difference	-	-	-	-	-
Sub-total	1.22	0.07	1.29	4.90	4.90
Sales / deletion	-	-	-	-	-
Total	1.22	0.07	1.29	4.90	4.90
Depreciation / Amortisation					
Upto 31-03-2020	-	-	-	-	-
For the year	-	0.02	0.02	0.89	0.89
Foreign Currency translation reserve difference	-	0.01	0.01	0.02	0.02
Sub-total	-	0.03	0.03	0.91	0.91
Withdrawn on assets sold / deleted	-	-	-	-	-
Total	-	0.03	0.03	0.91	0.91
Carrying value					
As at 31-03-2021	1.22	0.04	1.26	3.99	3.99
				-	-

Notes on accounts - *(continued)*

		As at 31-03-2022	
		SGD in Mn.	Rupees in crores
2	NON-CURRENT INVESTMENTS		
	Investment in Equity instruments		
	Investment in Associates		
	2,43,243 fully paidup equity shares of Tagbox Pte Limited, Singapore (face value of SGD 9.25 each)	3.01	15.42
	24,827 fully paidup equity shares of Predictronics Corp, USA (face value of USD 0.01 each)	4.36	22.36
	8,06,429 fully paidup equity shares of Altizon Inc, USA (face value of USD 0.00001 each)	4.66	25.34
	28,05,357 fully paidup equity shares of Scienaptic Systems Inc, USA (face value of USD 0.001 each)	12.03	64.81
		24.06	127.93
3	TRADE RECEIVABLES		
	Unsecured, considered good	0.02	0.13
		0.02	0.13
4	CASH AND CASH EQUIVALENTS		
	Balances with banks in current accounts	0.75	4.17
		0.75	4.17
5	OTHER CURRENT ASSETS		
	Prepaid expenses		
	Trade deposits	-	0.01
	Others		
		-	0.01
6	EQUITY SHARE CAPITAL		
	Issued, subscribed and fully paid up:		
	25,158,918 Ordinary shares of SGD 1 each	25.16	138.78
		25.16	138.78
7	OTHER EQUITY		
	Retained earnings	(5.27)	(29.11)
	Foreign currency translation reserve	-	13.14
		(5.27)	(15.97)
8	TRADE PAYABLES		
	Dues to Micro and Small Enterprises**		
	Dues to enterprises other than Micro and Small Enterprises	2.50	13.96
		2.50	13.96

** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information received by the management.

		For the Year Ended 31-03-2022	
		SGD in Mn.	Rupees in crores
9	REVENUE FROM OPERATIONS		
	Sale of service	0.07	0.38
		0.07	0.38
10	EMPLOYEE BENEFITS EXPENSE		
	Salaries, wages and bonus	3.97	21.91
	Contribution to provident and other funds	0.10	0.56
	Staff welfare expenses	0.02	0.09
		4.09	22.56
11	DEPRECIATION		
	Depreciation on property plant and equipment	-	0.02
	Amortisation on intangible assets	0.16	0.89
		0.16	0.91
12	OTHER EXPENSES		
	(a) Rent	0.06	0.33
	(b) Insurance	0.01	0.06
	(c) Audit fees	0.01	0.07
	(d) Miscellaneous expenses	1.01	5.56
		1.09	6.02

General information

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 2021/2022 amounts to a loss of USD 84,585 (2020/2021: a loss of USD 88,441).

Summary of activities

The principal activities of the Company are to act as a holding and finance company.

BALANCE SHEET AS AT 31 MARCH 2022

(Before appropriation of result)

	31 March 2022		31 March 2021	
	USD	USD	USD	USD
ASSETS				
Fixed assets				
Financial fixed assets	3,754,748		3,754,748	
		3,754,748		**3,754,748**
Current assets				
Receivables and prepayments	-		11,572	
Cash and cash equivalents	10,855		82,283	
		10,855		**93,855**
		3,765,603		**3,848,603**
LIABILITIES				
Equity				
Share capital	25,010,664		26,416,542	
Other reserves	(21,253,302)		(22,574,594)	
		3,757,362		**3,841,948**
Current liabilities	8,241		6,655	
		8,241		**6,655**
		3,765,603		**3,848,603**

PROFIT AND LOSS ACCOUNT FOR THE YEAR 2021/2022

	2021/2022		2020/2021	
	USD	USD	USD	USD
Gross margin		(864)		(2,976)
Other general expenses	83,722		85,465	
Total general expenses		83,722		85,465
		(84,585)		(88,441)
Result before taxation		(84,585)		(88,441)
Taxation result		-		-
Result after taxation		(84,585)		(88,441)

General notes

1. General

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 Company is registered at the Chamber of Commerce under number 34229984.

Activities

The principal activities of the Company are to act as a holding and finance company.

Going concern

The accounting policies used are based on the going concern assumption. However, as a result of the worldwide outbreak of the Coronavirus, drastic measures have been taken by the Dutch government to control the spread of this virus. These measures and possible further measures are expected to have important financial consequences for companies in the Netherlands. Consequences are not clear at this time. The measures taken by the Dutch government may have an impact on the development of net turnover and thus the development of the result of the Company. This can also put pressure on the financial position (liquidity and solvency) of the Company, resulting in a possible (serious) uncertainty about the going concern assumption. The Dutch government has taken a wide range of measures to support companies and additional measures may still be taken. Due to the financial position of the Company at the balance sheet date and given the positive impact of government support measures that will limit the negative financial consequences of the Coronavirus outbreak, the board of the Company considers a sustainable continuation of the business operations not impossible.

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.

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 to meet the legal requirement to provide a true and fair view.

Valuation of assets and liabilities and determination of the result take place under the historical cost convention, unless presented otherwise.

Income and expenses are accounted for on accrual basis. 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

Items included in the financial statements of the Company are valued with due regard for the currency in the economic environment in which the Company carries out most of its activities (the functional currency).

The financial statements are denominated in USD, this is both the functional currency and presentation currency of the Company.

Transactions, receivables and liabilities

Transactions in foreign currency during the financial year are recognized in the financial statements at the exchange rates prevailing at transaction date. The exchange differences resulting from the translation as at balance sheet date, taking into account possible hedge transactions, are recorded in the profit and loss account.

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

Participations

Participations over which no significant influence can be exercised are valued at historical cost. The result represents the dividend declared in the reporting year, whereby dividend not distributed in cash is valued at fair value.

In the event of an impairment loss, valuation takes place at the realizable value (see also section "Impairment of non-current assets"); an impairment is recognized and charged to the profit and loss account.

Impairment of non-current 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.

If 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.

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 at banks

Cash at banks and in hand represent cash in hand, bank balances 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

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

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.

Income tax

Tax on the 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.

Notes to the balance sheet as at 31 March 2022

ASSETS

Financial fixed assets	**31 March 2022**
	USD
A summary of the financial fixed assets is included below:	
Subsidiaries	
PT. TVS Motor Company Indonesia	3,754,748
	3,754,748

	Place, Country	**Valuation method**	**Share in issued capital**
			%
PT. TVS Motor Company Indonesia	Kuningan, Indonesia	cost price	17.09

PT. TVS Motor Company Indonesia

Gedung Wirausaha Lt. 3, Jl. H.R. Rasuna Said Kav. C5, Kuningan - Jakarta Selatan, Indonesia (office address)

The proportional net assets value of PT. TVS Motor Company Indonesia per 31 March 2022 amounted to IDR 82,596,165,254 equal to USD 5,749,820 based on the annual accounts of the Participation for the year ended 31 March 2021 (31 March 2020: IDR 69,128,989,416 equal to USD 4,759,312 based). The Board of Directors decided not to impair the investment in the Participation in the current year.

Receivables and prepayments	**31 March 2022**	**31 March 2021**
	USD	**USD**
Other receivables	-	11,572
	-	**11,572**

EQUITY AND LIABILITIES

Equity

Share capital

The issued and fully paid up 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 into USD at spot rate 1.1101 (2020/2021: 1.1725). The conversion result for the year (USD 1,405,878) is carried directly to other reserves.

Proposed appropriation of result for the financial year 2021/2022

Management proposes to add the entire result 2022 amounting to a loss of USD 84,585 to the other reserve. This proposal has been incorporated in the financial statements.

Current liabilities	**31 March 2022**	**31 March 2021**
	USD	**USD**
Trade payables and trade credit	2,241	655
Other payables	6,000	6,000
	8,241	**6,655**

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 annual report.

Notes to the profit and loss account for the year 2021/2022

	2021/2022	**2021/2022**
	USD	**USD**
Gross margin		
Finance expenses	864	2,976
	864	**2,976**
The Finance income consists of:		
Interest income and similar income		
Currency exchange loss	864	2,976
	864	**2,976**
General expenses		
Management fee	25,500	18,042
Tax advisory fees	6,052	2,204
Administration fees	45,018	49,596
Legal fees	-	8,238
Bank charges	7,151	7,260
Salary administration fees	-	125
	83,722	**85,465**

Average number of employees

The Company had no employees during the year under review (2020/2021: none).

Events after balance sheet date

No other major activities have occurred after balance sheet date that could have a material effect on the annual accounts.

Amsterdam, 02 June 2022

R.C. Elshout
Director

H. Lakshmanan
Director

A. Bhugra
Director

V.N. Venkatanathan
Director

IQ EQ Management (Netherlands) B.V.
Director

RE-STATED ACCOUNTS OF
TVS MOTOR COMPANY (EUROPE) B.V.

BALANCE SHEET AS AT 31ST MARCH 2022

	Notes	USD in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Non-current investments	1	-	-
		-	-
Current assets			
Financial assets			
Cash and cash equivalents	2	0.01	0.08
		0.01	0.08
Total Assets		0.01	0.08
EQUITY AND LIABILITIES			
Equity			
Equity share capital	3	31.06	126.52
Other equity	4	(31.06)	(126.51)
		-	0.01
Liabilities			
Current liabilities			
Financial liabilities			
Trade payables	5		
a. Total outstanding dues of micro and small enterprises		0.01	0.07
b. Total outstanding dues of other than (iii) (a) above			
		0.01	0.07
Total equity and liabilities		0.01	0.08

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

		Notes	USD in Mn.	Rupees in crores
I	Revenue from operations		-	-
II	Other income		-	-
III	Total Income (I +II)		-	-
IV	Expenses:			
	Other expenses	6	0.08	0.63
			0.08	0.63
V	Profit before exceptional items (III - IV)		(0.08)	(0.63)
VI	Exceptional items		-	-
VII	Profit before tax (V+ VI)		(0.08)	(0.63)
VIII	Tax expense			
	i) Current tax		-	-
	ii) Deferred tax		-	-
IX	Profit for the year (VII - VIII)		(0.08)	(0.63)
X	Other Comprehensive Income			
	A. Items that will not be reclassified to profit or loss		-	-
	B. Items that will be reclassified to profit or loss			
	Foreign currency translation adjustments		-	-
			-	-
XI	Total Comprehensive Income (IX + X)		(0.08)	(0.63)
XII	Earnings per equity share (Face value of EUR 100/- each)			
	Basic & Diluted earnings per share (in USD / in rupees)		(0.36)	(27.96)

Notes on Accounts

		USD in Mn. As at 31-03-2022	Rupees in crores As at 31-03-2022
1	NON-CURRENT INVESTMENTS		
	Investment in Equity instruments		
	28,70,000 fully paidup equity shares of PT.TVS Motor		
	Company Indonesia (face value of IDR 97,400 each)	-	-
		-	-
2	CASH AND CASH EQUIVALENTS		
	Balances with banks in current accounts	0.01	0.08
		0.01	0.08
3	EQUITY SHARE CAPITAL		
	Authorised, issued, subscribed and fully paid up:		
	Authorised:		
	500,000 Ordinary shares of EURO 100/- each	66.78	311.64
	Issued, subscribed and fully paid up:		
	225,301 Ordinary shares of Euro 100/- each	31.06	126.52
		31.06	126.52

		USD in Mn. As at 31-03-2022	Rupees in crores As at 31-03-2022
4	OTHER EQUITY		
	Retained earnings	(31.06)	(138.22)
	Foreign currency translation reserve	-	11.71
		(31.06)	(126.51)
5	TRADE PAYABLES		
	Current		
	Dues to Micro and Small Enterprises**	-	-
	Dues to enterprises other than Micro and Small Enterprises	0.01	0.07
	Trade payables to related parties (note XXX)		
		0.01	0.07

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

		USD in Mn. For the year ended 31-03-2022	Rupees in crores For the year ended 31-03-2022
6	OTHER EXPENSES		
	(a) Foreign exchange loss (Net)	-	0.01
	(b) Miscellaneous expenses	0.08	0.62
		0.08	0.63

Independent Auditors' Report

No. 000309/2.1265/AU.1/04/1208-2/1/V/2022

The Stockholders, Board of Commissioners and Director
PT. TVS Motor Company Indonesia

We have audited the accompanying financial statements of PT. TVS Motor Company Indonesia, which comprisethe statement of financial position as of March 31, 2022, and the statement of profit or loss and othercomprehensive income, statement of changes in equity and statement of cash flows for the year then ended, anda summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordancewith Indonesian Financial Accounting Standards, and for such internal control as management determines isnecessary to enable the preparation of the financial statements that are free from material misstatement,whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted ouraudit in accordance with Standards on Auditing established by the Indonesian Institute of Certified PublicAccountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in thefinancial statements. The procedures selected depend on the auditor's judgment, including the assessment of therisks of material misstatement of the financial statements, whether due to fraud or error. In making those riskassessments, the auditor considers internal control relevant to the entity's preparation and fair presentation ofthe financial statements in order to design audit procedures that are appropriate in the circumstances, but not forthe purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includesevaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates madeby management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial positionof PT. TVS Motor Company Indonesia as of March 31, 2022, and its financial performance and cash flows for theyear then ended, in accordance with Indonesian Financial Accounting Standards.

IMELDA & REKAN

Theodorus Bambang Dwi K.A
License of Public Accountant No. AP.1208

May 04, 2022

STATEMENT OF FINANCIAL POSITION
MARCH 31, 2022

	Notes	March 31, 2022	March 31, 2021
		Rp	Rp
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	84,752,191,380	24,377,134,810
Trade accounts receivable	6		
Related party	25	1,529,986,908	1,230,707,258
Third parties - net		383,236,201,551	325,812,454,194
Other accounts receivable			
Related party	7,25	2,628,437,734	10,800,872,704
Third parties		4,887,616,814	-
Inventories - net	8	318,251,282,690	274,890,935,466
Prepaid taxes	9	105,180,152,225	61,235,675,211
Advances to suppliers	10	17,695,358,184	16,257,055,777
Other current assets		4,748,570,131	3,996,441,462
Total Current Assets		922,909,797,617	718,601,276,882
NONCURRENT ASSETS			
Trade accounts receivable from third parties	6	-	2,486,680,434
Deferred tax assets - net	24	26,426,175,998	-
Right-of-use assets		1,822,019,256	2,098,130,480
Property, plant, and equipment - net	11	411,197,437,743	414,950,851,410
Security deposits		735,032,465	770,631,632
Other noncurrent assets		-	358,299,448
Total Noncurrent Assets		440,180,665,462	420,664,593,404
TOTAL ASSETS		1,363,090,463,079	1,139,265,870,286

See accompanying notes to financial statements which are an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION
MARCH 31, 2022 *(Continued)*

	Notes	March 31, 2022 Rp	March 31, 2021 Rp
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Bank loans	12	390,857,189,876	370,870,203,368
Trade accounts payable	13		
Related party	25	350,120,803,126	221,398,653,071
Third parties		46,901,317,950	45,376,906,009
Other accounts payable	14		
Related party	25	8,900,742,990	2,091,348,230
Third parties		7,186,446,734	7,512,468,492
Taxes payable	15	754,219,285	817,660,650
Accrued expenses	16	38,989,696,304	41,453,822,656
Deposit from customers		3,999,451,801	8,481,748,748
Contract liabilities		8,254,294,414	6,528,834,901
Lease liabilities		1,515,026,434	1,647,927,289
Total Current Liabilities		857,479,188,914	706,179,573,414
NONCURRENT LIABILITY			
Lease liabilities		-	322,506,893
Deferred tax liabilities - net	24	-	7,936,231,537
Post-employment benefits obligation	17	22,375,157,000	20,382,336,000
Total Liabilities		879,854,345,914	734,820,647,844
EQUITY			
Capital stock - Rp 97,400 (US$ 10) par value per share Authorized - 17,500,000 shares Subscribed and paid-up - 16,791,187 ordinary shares at March 31, 2022 and March 31, 2021	18	1,635,461,613,800	1,635,461,613,800
Foreign exchange rate difference on paid-in capital	19	216,192,517,840	216,192,517,840
Revaluation surplus	20	276,495,214,244	276,495,214,244
Other comprehensive income		7,471,671,140	6,993,774,500
Deficit		(1,652,384,899,859)	(1,730,697,897,942)
Total Equity		483,236,117,165	404,445,222,442
TOTAL LIABILITIES AND EQUITY		1,363,090,463,079	1,139,265,870,286

See accompanying notes to financial statements which are an integral part of the financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended March 31, 20212

	Notes	2022	2021
		Rp	Rp
NET SALES	21,25	1,164,515,080,355	767,774,548,041
COST OF GOODS SOLD	22,25	(1,031,413,632,664)	(669,207,622,183)
GROSS PROFIT		133,101,447,691	98,566,925,858
Marketing expenses	23	(8,788,075,363)	(14,318,116,298)
General and administrative expenses	23,25	(67,325,103,609)	(59,676,895,894)
Finance cost		(22,876,832,949)	(29,627,121,991)
Gain on foreign exchange - net		2,267,193,756	40,808,828,941
Interest income		116,980,974	530,710,664
Gain (loss) on disposal of property, plant and equipment	11	116,644,219	(37,534,640)
Others - net		7,203,785,469	9,315,956,661
PROFIT BEFORE TAX		43,816,040,188	45,562,753,301
INCOME TAX BENEFIT (EXPENSE)	24	34,496,957,895	(29,888,010,496)
PROFIT FOR THE YEAR		78,312,998,083	15,674,742,805
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified			
subsequently to profit or loss:			
Remeasurement of defined benefits obligation	17	612,688,000	(2,271,647,000)
Related tax (expense) benefit	24	(134,791,360)	454,329,400
Total other comprehensive income (loss), net of tax		477,896,640	(1,817,317,600)
TOTAL COMPREHENSIVE INCOME			
FOR THE YEAR		78,790,894,723	13,857,425,205

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, 2022

	Notes	Capital stock	Foreign exchange rate difference on paid-in capital	Other comprehensive income: Revaluation surplus	Other comprehensive income: Remeasurement of defined benefits obligation	Deficit	Total equity
		Rp	Rp	Rp	Rp	Rp	Rp
Balance as of March 31, 2020		1,586,761,613,800	191,710,517,840	276,495,214,244	8,811,092,100	(1,746,372,640,747)	317,405,797,237
Issuance of shares	18,19	48,700,000,000	24,482,000,000	-	-	-	73,182,000,000
Remeasurement on defined							
benefits obligation, net of tax		-	-	-	(1,817,317,600)	-	(1,817,317,600)
Profit for the year		-	-	-	-	15,674,742,805	15,674,742,805
Balance as of March 31, 2021		1,635,461,613,800	216,192,517,840	276,495,214,244	6,993,774,500	(1,730,697,897,942)	404,445,222,442
Remeasurement on defined							
benefits obligation, net of tax		-	-	-	477,896,640	-	477,896,640
Profit for the year		-	-	-	-	78,312,998,083	78,312,998,083
Balance as of March 31, 2022		1,635,461,613,800	216,192,517,840	276,495,214,244	7,471,671,140	(1,652,384,899,859)	483,236,117,165

See accompanying notes to financial statements which are an integral part of the financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2022

	Note	2022 Rp	2021 Rp
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax per statement of profit or loss			
and other comprehensive income		43,816,040,188	45,562,753,301
Adjustments for:			
Interest and finance charges		20,039,652,081	29,615,156,225
Depreciation of property, plant and equipment and right of use assets		17,087,169,919	14,189,882,852
(Gain) loss on sale and disposal of property, plant and equipment	11	(116,644,219)	37,534,640
Provision for employee benefits expense	17	4,486,672,000	(248,019,000)
Provision for inventory obsolescence	8	1,696,862,504	1,512,624,697
Provision for credit losses	6	11,066,752,331	9,529,908,237
Interest income		(116,980,974)	(530,710,664)
Net unrealized gain on foreign exchange		(766,418,685)	(46,816,366,067)
Operating cash flows before changes in working capital		97,193,105,145	52,852,764,221
Changes in working capital:			
Trade accounts receivable		(72,451,610,976)	28,757,941,015
Other accounts receivable		3,284,818,156	11,198,171,627
Inventories		(45,057,209,728)	(64,192,867,467)
Prepaid taxes		(96,403,914,472)	(56,464,240,587)
Advances to suppliers		(1,438,302,407)	(6,852,244,667)
Other current assets		(752,128,670)	3,094,394,817
Trade accounts payable		135,877,220,905	(72,787,820,474)
Other accounts payable		6,647,304,337	1,675,536,756
Taxes payable		(63,441,365)	(124,298,507)
Accrued expenses		(2,397,288,760)	13,881,209,872
Deposit from customers		(4,482,296,947)	7,091,873,118
Contract liabilities		1,725,459,513	5,458,995,799
Net cash generated from (Used in) operations		21,681,714,731	(76,410,584,477)
Income tax paid	24	(5,125,879,729)	(1,562,797,365)
Employee benefits paid	17	(1,881,163,000)	(295,205,000)
Proceeds from tax refund		57,943,375,635	64,809,706,998
Net Cash Provided by (Used in) Operating Activities		72,618,047,637	(13,458,879,844)
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in security deposits		33,879,478	292,810,675
Interest received		116,980,974	530,710,664
Acquisitions of property, plant and equipment	11	(11,191,011,376)	(3,245,215,967)
Proceeds from sale of property, plant and equipment	11	242,272,727	-
Net Cash Used in Investing Activities		(10,797,878,197)	(2,421,694,628)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from stock issuance	18	-	73,182,000,000
Proceeds from bank loans		1,731,676,946,198	1,103,256,724,704
Payments of bank loans		(1,709,517,412,584)	(1,174,025,239,303)
Payments of lease liabilities		(2,691,517,000)	(1,786,517,000)
Interest and finance charges paid		(19,795,804,989)	(29,291,125,654)
Net Cash Used in Financing Activities		(327,788,375)	(28,664,157,253)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		61,492,381,065	(44,544,731,725)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		24,377,134,810	70,361,133,361
Effect of foreign exchange rate changes		(1,117,324,495)	(1,439,266,826)
CASH AND CASH EQUIVALENTS AT END OF YEAR		84,752,191,380	24,377,134,810

See accompanying notes to financial statements which are an integral part of the financial statements

NOTES TO FINANCIAL STATEMENTS
March 31, 2022 and for the year then ended

1. **GENERAL**

PT. TVS Motor Company Indonesia (the "Company") was established within the framework of theForeign Capital Investment Law No. 1 year 1967 as amended by Law No. 11 year 1970 based onnotarial deed No. 21 dated August 8, 2005 of Siti Rayhana, S.H., substitute of Bandoro Raden AyuMahyastoeti Notonagoro, S.H., notary in Jakarta. The Deed of Establishment was approved bythe 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 Associationhave been amended several times, most recently by notarial deed No. 40 dated March 19, 2021 ofSusana Tanu, S.H., notary in Jakarta, regarding the reappointment of Board of Commissioners bythe 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 activitiesincludes production of motorcycles, motorcycle component parts and accessories, three wheelers andits components. The Company started commercial operations on April 29, 2007.

The Company is domiciled 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, 2022, the Company has 490 employees (2021: 470 employees).

The Company's management consists of the following:

		March 31, 2022	March 31, 2021
President Commissioner	:	Kunnath Narayanan Radhakrishnan	Kunnath Narayanan Radhakrishnan
Commisioners	:	Ramgopal Dilip	Ramgopal Dilip
		Ramaswami Anandakrishnan	Ramaswami Anandakrishnan
President Director	:	Jeyanandan Thangarajan	Jeyanandan Thangarajan
Director	:	Rajesh Ramani	Rajesh Ramani

2. **ADOPTION OF NEW AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS ("PSAK") AND INTERPRETATIONS OF PSAK ("ISAK")**

a. **Standards and Amendments/Improvements to Standards Effective in the Current Year**

In the current year, the Company has applied new standards and a number of amendments/ improvements to PSAK that are relevant to its operations and effective for accounting periodbeginning on or after April 1, 2021. The adoption of these new/revised PSAKs does not result inchanges to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years, except as discussed below.

- Interest Rate Benchmark Reform - Phase 2 (Amendments to PSAK 71 FinancialInstruments, PSAK 55 Financial Instruments: Recognition and Measurement, PSAK 60 Financial Instruments: Disclosures, PSAK 62 Insurance Contracts, and PSAK 73 Leases).

  In the current year, the Company has adopted the Phase 2 amendments Interest Rate Benchmark Reform - Amendments to PSAK 71, PSAK 55, PSAK 60, PSAK 73 which was issued in December 2020. The adoption of these amendments enables the Company to reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as 'risk free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements.

  As of March 31, 2022, the alternative benchmark is not yet determined. Risks arising from the transition relate principally to the potential impact of rate differences if the debt do not transition to the new interest rate benchmark at the same time and/or the rates move by different amounts. Management will continue to monitor this and take the necessary actions to address related risks and uncertainties going forward.

  The Company will continue to apply the Phase 1 amendments to PSAK 55 until the uncertainty arising from the interest rate benchmark reform with respect to the timing and the amount of the underlying cash flows to which the Company is exposed ends. The Company expects this uncertainty will continue until the Company's contracts that reference IBORs are amended to specify the date on which the interest rate benchmark will be replaced and the basis for the cash flows of the alternative benchmark rate are determined including any fixed spread. Summary of the actions taken by the Company to manage the risks relating to the are disclosed in Note 26.

b. **Standards, Amendments/Improvements and Interpretations 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, 2022

- PSAK 57 (amendment) Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling the Contracts
- 2020 Annual Improvements to PSAK (amendments to PSAK 71 Financial Instruments and PSAK 73 Leases) Effective for periods beginning on or after January 1, 2023
- PSAK 1 (amendment) Presentation of financial statements: Classification of Liabilities as Current or Non-current
- PSAK 16 (amendment) Property, Plant and Equipment: Proceeds before Intended Use
- PSAK 25 (amendment) Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to PSAK 1 (amendment) Presentation of Financial Statements: Disclosure of Accounting Policies

As of the issuance date of the financial statements, the effects of adopting these standards, amendments and interpretations on the financial statements are not known nor reasonably estimable by management.

3. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a. **Statement of Compliance**

The financial statements have been prepared in accordance with Indonesian Financial Accounting Standards.

b. **Basis of Presentation**

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The statement of cash flows is prepared using the indirect method with classifications of cash flows into operating, investing and financing activities.

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

c. **Foreign Currency Transactions and Translation**

The financial statements are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Company are presented in Indonesian Rupiah, which is the functional currency for the financial statement.

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.

d. **Transactions with Related Parties**

A related party is a person or entity that is related to the Company (the reporting entity):

a. A person or a close member of that person's family is related to the reporting entity if that person:
   i. has control or joint control over the reporting entity;
   ii. has significant influence over the reporting entity; or
   iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b. An entity is related to the reporting entity if any of the following conditions applies:
   i. The entity, and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
   ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
   iii. Both entities are joint ventures of the same third party.
   iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
   v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity, or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
   vi. The entity is controlled or jointly controlled by a person identified in (a).
   vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
   viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

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. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

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 on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipt (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest is recognized using the effective interest method for debt instruments measured subsequently at amortized cost, except for short term balances when the effect of discounting is immaterial.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses ("ECL") on trade and other accounts receivable. 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 (i.e. the Company's trade and other receivables, finance lease receivables are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- 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.

Trade and other accounts payable

Trade, other accounts payable and accrued expense are initially measured at fair value and subsequently measured at amortized cost, using the effective interest method, except for shortterm balances when the effect of discounting is immaterial.

Bank loans

Interest-bearing bank loans are initially measured at fair value and subsequently measured at amortized cost, using the effective interest method. Interest expense calculated using the effective interest method is recognized over the term of the borrowing in accordance with the Company's accounting policy for borrowing costs.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

f. Cash and Cash Equivalents

For cash flow presentation purposes, cash and cash equivalents consist of cash on hand and in banks with maturities of three months or less from the date of placement.

g. Inventories

Inventories are stated at cost or net realizable value, whichever is lower. Cost is determined using the weighted average method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

h. Property, Plant and Equipment

Property, plant and equipment held for use in the production or supply of goods or services or for administrative purposes, are stated at cost less accumulated depreciation and any impairment losses.

Depreciation is recognized so as to write off the cost of assets less by residual values using the straight-line method based on the estimated useful lives of the assets as follows:

	Years
Buildings	20
Machinery and tools	4 - 10
Office equipment and furnitures	4
Vehicles	5

Moulds and dies are depreciated based on units of production of 125,000 - 150,000 units in 2021 and 2022.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Land stated in the statement of financial position at its revalued amount, being the fair value at the date of the revaluation. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting date.

Any revaluation increase arising on the revaluation of land is credited in other comprehensive income and accumulated in equity and presented as revaluation surplus, under other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit of loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation land is charged in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

The cost of maintenance and repairs is charged to operations as incurred. Other costs incurred subsequently to add to, replace part of, or service an item of property, plant and equipment, are recognized as asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. When assets are retired or otherwise disposed of, their carrying values and the related accumulated depreciation and any impairment loss are removed from the accounts and any resulting gain or loss is reflected in the current operations.

Items of property, plant, and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant, and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Fully depreciated assets still in use are retained in the financial statements.

i. Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amount of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Estimated recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of a non-financial asset (cash generating unit) is less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount and an impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

j. Leases

The Company as lessee

The Company assesses whether a contract is or contains a lease, at the inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect the interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of the exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurements of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying assets to the conditions required by the terms and conditions of the lease, a provision is recognized and measured under PSAK 57. 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 rightof-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.

NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and for the year then ended*(Continued)*

The right-of-use assets are presented as a separate line in the statement of financial position. The Company applies PSAK 48 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the impairment of assets policy.

Variable rents that do not depend on an index or rate are not included in the measurements of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occur and are included in the line 'Others - net' in the statement of profit or loss and other comprehensive income.

As a practical expedient, PSAK 73 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient.

k. After Sales Warranty

The Company makes a provision to cover possible cost on after sales warranty granted to customers. Such provision is recognized based on certain percentage of sales by comparing the actual claim with sales.

l. Revenue and Expense 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).

Expenses

Expenses are recognized when incurred.

m. Employee Benefits

The Company provides post-employment benefits as required under Labor Law No. 11/2020 (the “Labor Law”).

Defined benefit plan

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement comprising actuarial gains and losses are recognized immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurements recognized in other comprehensive income are reflected immediately in “retained earnings” and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss when the plan amendment or curtailment occurs, or when the Company recognizes related restructuring costs or termination benefits, if earlier. Curtailment gains and losses are accounted for as past service costs. Interest is calculated by applying a discount rate at the beginning of the period to the defined benefit liability. Defined benefit costs are divided into three categories:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements).
- Interest expense.
- Remeasurement.

The Company presents the first two components of defined benefit costs in profit or loss.

Termination

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognized any related restructuring costs

n. Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognized for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted, or substantively enacted, by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of their assets and liabilities.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside of profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside of profit or loss.

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity when there is an intention to settle its current tax assets and current tax liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

4. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

In the application of the Company 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 in 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

In the process of applying the accounting policies described in Note 3, management has not made any critical judgment that has significant impact on the amounts recognized in the financial statements, apart from those involving estimates, which are dealt with below.

Key Sources of Estimation Uncertainty

The key assumptions concerning future and other key sources of estimation 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.

- **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

NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and for the year then ended*(Continued)*

respect to the interpretation of complex tax regulations and the amount and timing of future taxable income.

The Company recognizes liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters is different from the amounts that were initially recognized, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The Company recognizes deferred tax assets on deductible temporary differences and fiscal loss carry forwards to the extent that it is probable that taxable income will be available in future periods against which the deductible temporary differences and fiscal loss can be utilized. In assessing whether deferred tax assets should be recognized, management makes judgement as to the assumptions used in estimating future taxable income. Any significant changes in the assumptions may materially affect the amount of deferred tax assets and ultimately will have an impact on its results of operations.

The carrying amounts of the prepaid taxes, taxes payable and deferred tax assets (net of deferred tax liabilities) at the end of the reporting period are disclosed in Notes 9, 15 and 24.

- **Fair Value of Land**

Effective April 1, 2013, the Company's land is measured at fair value. In estimating the fair value of land, management engages third party qualified appraisal to perform the valuation. Management works closely with the qualified external appraisal to establish the appropriate valuation techniques and inputs. Any changes in the inputs and valuation techniques may have a material effect in the financial statements.

The carrying value of land is disclosed in Note 11.

5. CASH AND CASH EQUIVALENTS

	March 31	
	2022	2021
	Rp	Rp
Cash on hand	80,299,336	103,617,830
Cash in banks		
Rupiah		
PT. Bank Danamon Indonesia Tbk	6,873,198,950	2,510,929,824
PT. Bank Mandiri (Persero) Tbk	2,236,227,554	4,119,396,063
PT. Bank DBS Indonesia	2,174,660,920	767,370,957
Deutsche Bank AG, Jakarta branch	1,331,440,999	127,560,000
PT. Bank SBI Indonesia	83,169,131	82,279,522
MUFG Bank, Jakarta branch	72,657,412	-
Standard Chartered Bank Indonesia	54,364,000	54,814,000
Subtotal	12,825,718,966	7,662,350,366
US Dollar		
PT. Bank DBS Indonesia	33,900,944,387	3,725,701,492
Deutsche Bank AG, Jakarta branch	29,448,570,649	729,717,964
Standard Chartered Bank Indonesia	6,159,063,887	4,477,393,449
MUFG Bank, Jakarta branch	2,284,894,726	-
PT. Bank Mandiri (Persero) Tbk	52,699,429	2,678,353,709
Subtotal	71,846,173,078	11,611,166,614
Total	84,752,191,380	19,377,134,810
Time deposit		
Rupiah		
PT. Bank SBI Indonesia	-	5,000,000,000
Total	84,752,191,380	24,377,134,810
Interest rate per annum:		
Rupiah	-	3.75%

6. TRADE ACCOUNTS RECEIVABLE

	March 31	
	2022	2021
	Rp	Rp
a. By debtor		
Related parties (Note 25) -		
TVS Motor Company Limited, India	1,529,986,908	1,230,707,258
Third parties		
TVS Global Automobile Traders FZCO	281,061,485,410	197,016,682,270
Sunshine., Ltd	46,018,347,264	32,087,922,581
Robustrade Dmcc	30,948,824,340	-
Wandel International Nigeria Limited	10,413,997,004	4,802,896,081
G-Two FZCO	9,491,866,808	-
Stargold Motorcycle Co	8,695,324,842	9,267,617,136
PT Super Sukses Anugerah	3,394,320,061	4,654,524,373
Car and General Trading	2,859,182,736	-
STE Top Shine	2,766,588,607	-
PT Utama Sulawesi Makmur	2,419,996,007	2,899,369,418
ETS Dk Motos	1,549,692,540	-
Agrocorp International Pte., Ltd.	525,788,438	20,480,951,100
PT Gamma Sakti Indonesia	2,605,064	21,035,243,925
Premier Top Trading Limited	-	38,328,061,288
Getu Tefera Sido	-	1,481,469,812
STE Mahira Distribution	-	1,393,876,208
Moon Princess Co., Ltd	-	1,098,495,648
Others (Below Rp 1,000,000,000 each)	5,663,661,104	5,281,933,025
Subtotal	405,811,680,225	339,829,042,865
Allowance for credit losses	(22,575,478,674)	(11,529,908,237)
Net	383,236,201,551	328,299,134,628
Total	384,766,188,459	329,529,841,886
Less: Noncurrent portion	-	2,486,680,434
Current portion	384,766,188,459	327,043,161,452
b. By currency		
US Dollar	395,645,819,115	307,906,579,746
Rupiah	11,695,848,018	33,153,170,377
Subtotal	407,341,667,133	341,059,750,123
Allowance for credit losses	(22,575,478,674)	(11,529,908,237)
Total	384,766,188,459	329,529,841,886

The average credit period on sale of goods is 95 days in 2022 (2021: 90 days). No interest is charged on the outstanding balance.

Allowance for credit losses for trade accounts receivable has been measured at an amount equal to lifetime ECL. The ECL on trade accounts receivable is estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The following table details the risk profile of trade accounts receivable from contracts with customers based on the Company's provision matrix.

NOTES TO FINANCIAL STATEMENTS
March 31, 2022 and for the year then ended *(Continued)*

		March 31, 2022						
		Past due						
	Not past due	< 30 days	31 – 60 days	61 – 90 days	91 – 120 days	121 - 180 days >	180 days	Total
	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp
Expected credit loss rate								
on collective assessment	28.39%	46.69%	82.76%	96.22%	96.94%	97.00%	98.50%	
Estimated total gross carrying								
amount at default	201,238,356,832	62,036,739,901	15,146,580,399	13,983,446,747	32,641,090,994	56,336,853,218	25,958,599,042	407,341,667,133
Lifetime ECL	(1,808,773,316)	(681,307,445)	(785,396,277)	(648,332,714)	(1,192,336,702)	(1,993,459,720)	(15,465,872,500)	(22,575,478,674)
Total								384,766,188,459

		March 31, 2022						
		Past due						
	Not past due	< 30 days	31 – 60 days	61 – 90 days	91 – 120 days	121 - 180 days >	180 days	Total
	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp
Expected credit loss rate								
on collective assessment	1.42%	2.97%	6.77%	7.19%	8.42%	9.57%	6.08%	
Estimated total gross carrying								
amount at default	180,722,580,999	34,516,554,534	10,536,930,851	3,077,303,398	2,054,775,867	4,081,455,953	106,070,148,521	341,059,750,123
Lifetime ECL	(2,559,061,288)	(1,025,399,940)	(713,752,396)	(221,399,408)	(172,970,953)	(390,729,969)	(6,446,594,284)	(11,529,908,237)
Total								329,529,841,886

The movements in allowance for credit losses are as follows:

	2022		
	Lifetime ECL - Not credit impaired		
	Assessed collectively	*Assessed individually*	*Total*
Balance at beginning of year	11,529,908,237	-	11,529,908,237
Loss allowance recognized in profit or loss			
during the year (Note 23)	21,181,894	11,045,570,437	11,066,752,331
Write off	(21,181,894)	-	(21,181,894)
Balance at end of year	11,529,908,237	11,045,570,437	22,575,478,674

	2021		
	Lifetime ECL - Not credit impaired		
	Assessed collectively	*Assessed individually*	*Total*
Balance at beginning of year	5,702,360,470	-	5,702,360,470
Loss allowance recognized in profit or loss			
during the year (Note 23)	9,529,908,237	-	9,529,908,237
Write-off	(3,702,360,470)	-	(3,702,360,470)
Balance at end of year	11,529,908,237	-	11,529,908,237

7. OTHER ACCOUNTS RECEIVABLE FROM A RELATED PARTY

Other accounts receivable from a related party represents service fees and claim for reimbursements in 2022 and 2021 from TVS Motor Company Limited, India (Note 25).

NOTES TO FINANCIAL STATEMENTS
March 31, 2022 and for the year then ended*(Continued)*

8. INVENTORIES

	March 31	
	2022	2021
	Rp	Rp
Finished goods	30,664,826,775	36,997,168,363
Materials, components and spare parts	291,561,897,632	242,204,798,676
Others	2,320,787,079	1,136,765,971
Total	324,547,511,486	280,338,733,010
Allowance for inventory obsolescence	(6,296,228,796)	(5,447,797,544)
Net	318,251,282,690	274,890,935,466

The change in allowance for inventory obsolescence is as follows:

	March 31	
	2022	2021
	Rp	Rp
Balance at beginning of year	5,447,797,544	4,826,111,946
Provision during the year	1,696,862,504	1,512,624,697
Write-off during the year	(848,431,252)	(890,939,099)
Balance at end of year	6,296,228,796	5,447,797,544

Management believes that allowance for inventory obsolescence is adequate.

All Inventory are insured with total coverage of USD 20,000,000 as of March 31, 2022 (2021: USD 15,000,000 and Rp 8,000,000,000) to PT. Asuransi Multi Artha Guna Tbk for both years.

Inventories are used as collateral for bank loans (Note 12).

9. PREPAID TAXES

	March 31	
	2022	2021
	Rp	Rp
Income tax (Note 24)	7,260,861,090	2,999,344,363
Value added tax (VAT)		
2022	96,776,770,175	-
2021	1,142,520,960	58,236,330,848
Total	105,180,152,225	61,235,675,211

VAT – 2020

In 2021, the Company received Rp 64,174,105,517 out of its total claim of Rp 64,330,820,351. The difference of Rp 156,714,834 was recorded as tax expense under Others-net in the statement of profit or loss and other comprehensive income.

VAT – 2021

In 2022, the Company received Rp 57,079,253,635 out of its total claim of Rp 58,236,330,848. The difference of Rp 14,556,253 was recorded as expense and Rp 1,142,520,960 was retained as prepaid tax.

Management believes that the above claims are recoverable.

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.

NOTES TO FINANCIAL STATEMENTS
March 31, 2022 and for the year then ended *(Continued)*

11. PROPERTY, PLANT AND EQUIPMENT

	April 1, 2021	Additions	Deductions	Reclassification	March 31, 2022
	Rp	Rp	Rp	Rp	Rp
Revalued amount:					
Land	304,162,000,000	-	-	-	304,162,000,000
Cost:					
Buildings	88,144,280,996	1,619,388,113	-	-	89,763,669,109
Machinery and tools	112,353,343,957	6,810,974,899	1,348,456,070	-	117,815,862,786
Moulds and dies	101,823,108,358	1,014,969,783	-	-	102,838,078,141
Office equipment and furnitures	11,946,266,649	1,448,674,224	539,107,413	-	12,855,833,460
Vehicles	1,219,363,584	297,004,357	-	-	1,516,367,941
Total	619,648,363,544	11,191,011,376	1,887,563,483	-	628,951,811,437
Accumulated depreciation:					
Buildings	56,130,204,773	4,433,319,073	-	-	60,563,523,846
Machinery and tools	98,878,603,643	2,948,131,065	1,222,827,563	-	100,603,907,145
Moulds and dies	38,583,075,603	6,505,145,549	-	-	45,088,221,152
Office equipment and furnitures	10,140,020,489	807,228,511	539,107,412	-	10,408,141,588
Vehicles	965,607,626	124,972,337	-	-	1,090,579,963
Total	204,697,512,134	14,818,796,535	1,761,934,975	-	217,754,373,694
Net Book Value	414,950,851,410				411,197,437,743

	April 1, 2020	Additions	Deductions	Reclassification	March 31, 2021
	Rp	Rp	Rp	Rp	Rp
Revalued amount:					
Land	304,162,000,000	-	-	-	304,162,000,000
Cost:					
Buildings	88,040,280,996	104,000,000	-	-	88,144,280,996
Machinery and tools	111,108,796,984	1,318,782,973	78,925,000	4,689,000	112,353,343,957
Moulds and dies	101,243,396,703	579,711,655	-	-	101,823,108,358
Office equipment and furnitures	10,649,295,310	1,242,721,339	-	54,250,000	11,946,266,649
Vehicles	1,219,363,584	-	-	-	1,219,363,584
Construction in Progress Machinery and tools	58,939,000	-	-	(58,939,000)	-
Total	616,482,072,577	3,245,215,967	78,925,000	-	619,648,363,544
Accumulated depreciation:					
Buildings	51,738,454,477	4,391,750,296	-	-	56,130,204,773
Machinery and tools	96,169,520,385	2,750,473,618	41,390,360	-	98,878,603,643
Moulds and dies	33,719,937,746	4,863,137,857	-	-	38,583,075,603
Office equipment and furnitures	9,660,136,229	479,884,260	-	-	10,140,020,489
Vehicles	845,960,186	119,647,440	-	-	965,607,626
Total	192,134,009,023	12,604,893,471	41,390,360	-	204,697,512,134
Net Book Value	424,348,063,554				414,950,851,410

NOTES TO FINANCIAL STATEMENTS
March 31, 2022 and for the year then ended *(Continued)*

Depreciation expense was allocated to the following:

	2022	2021
	Rp	Rp
Manufacturing cost	13,886,595,687	12,005,361,771
General and administrative expenses (Note 23)	932,200,848	599,531,700
Total	14,818,796,535	12,604,893,471

The Company owns a piece of land located in Karawang, Ciampel – Kutanegara, Jawa Barat with a total area of 126,541 square meters as of March 31, 2022 and 2021, with Building Use Rights (HGB) expiring on November 11, 2028. Management believes that there will be no difficulty in the extension of the landrights 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.

Property, plant and equipment except land were insured with PT. Asuransi Multi Artha Guna Tbk., FPG Insurance Indonesia and Lippo General Insurance Tbk against earthquake, fire, lightning, explosion and other possible risks for USD 48,000,000 as of March 31, 2022.

Property, plant and equipment except land were insured with PT. Asuransi Multi Artha Guna Tbk., PT Asuransi Harta Aman Pratama Tbk., and PT. Asuransi FPG against earthquake, fire, lightning, explosion and other possible risks for USD 33,000,000. Management believes that the insurance coverage is adequate to cover possible losses on the assets insured.

Disposal of property, plant and equipment are as follows:

	2022	2021
	Rp	Rp
Net book value	125,628,508	37,534,640
Proceeds from disposal of property, plant and equipment	(242,272,727)	-
Loss (gain) on disposal	(116,644,219)	37,534,640

12. BANK LOANS

	2022	2021
	Rp	Rp
Short-term bank loans		
Rupiah		
PT. Bank DBS Indonesia	2,987,801,312	19,193,392,235
Bank MUFG	15,488,756,399	-
U.S. Dollar		
PT. Bank SBI Indonesia (USD 4,386,518 in 2022 and USD 9,219,337 in 2021)	62,942,149,259	134,344,181,096
Deutsche Bank AG, Jakarta Branch (USD 1,716,256 in 2022 and USD 2,500,000 in 2021)	24,626,556,053	36,430,000,000
PT. Bank DBS Indonesia (USD 711,626 in 2022 and USD 1,835,109 in 2021)	10,211,120,657	26,741,202,811
Deutsche Bank AG, Singapore Branch (USD 12,000,000 and USD 10,500,000 in 2021)	172,188,000,000	153,006,000,000
Bank MUFG (USD 7,008,315 in 2022)	100,562,310,500	-
Chinese Yuan		
PT. Bank DBS Indonesia (CNH 819,972 in 2022 and CNH 521,234 in 2021)	1,850,495,695	1,155,427,226
Total	390,857,189,876	370,870,203,368

The amortized cost of the bank loans are as follows:

	2022	2021
	Rp	Rp
Bank loans	390,857,189,876	370,870,203,368
Accrued interest (Note 16)	3,227,060,337	3,502,034,115
Amortized cost	394,084,250,213	374,372,237,483

PT. Bank DBS Indonesia

In May 2013, the Company obtained the following loan facilities from PT. Bank DBS Indonesia:

- Trade finance facility for accounts payable financing with a maximum limit of USD 5,000,000 whichalso can be drawn in Indonesian Rupiah and Chinese Yuan.
- Overdraft working capital facility with a maximum credit of Rp 15,000,000,000.

The outstanding balances are as follows:

	2022	2021
	Rp	Rp
Trade finance facility		
Rupiah	-	15,636,390,507
US Dollar (USD 406,176 in 2022 and USD 1,359,620 in 2021)	5,828,220,042	19,812,383,515
Chinese Yuan (CNH 819,972 in 2022 and CNH 521,234 in 2021)	1,850,495,694	1,155,427,226
Subtotal	7,678,715,736	36,604,201,248
Overdraft working capital facility		
Rupiah	2,987,801,312	3,557,001,728
US Dollar (USD 305,450 in 2022 and USD 475,489 in 2021)	4,382,900,615	6,928,819,296
Subtotal	7,370,701,927	10,485,821,024
Total	15,049,417,663	47,090,022,272

In 2022, interest rate per annum is at 6.8% (2021: 7.80%) for US Dollar denominated loans, at 9.85% (2021: 10.50%) for IDR denominated loans and at 6.50% (2021: 6.50%) for CNH denominated loans.

Interest expense recognized in the statement of profit or loss and other comprehensive income amounting to Rp 2,301,419,921 in 2022 (2021: Rp 3,758,140,529). The facility is secured with lien on receivables and inventory to the extent of credit limit.

The above loan facilities with DBS Indonesia contains certain covenant such as maintaining gearing ratio not to exceed more than 6 times, computed based on the financial statements. The loan facilities require the Company to maintain certain positive covenants. As of March 31, 2022, and 2021, the Company is compliant to the loan covenants.

PT. Bank SBI Indonesia

In 2021, the Company renewed the revolving credit facility from PT. Bank SBI Indonesia with a maximum credit limit of USD 14,350,000, which is a combination of demand loan, foreign exchange facility and LC facility which is due within twelve months since the signing of the credit agreement. The facilities are secured by a Standby Letter of Credit (SBLC) issued by the State Bank of India, CAG, Chennai – India amounting to USD 10,000,000. The loan bears an interest rate of 7.00% per annum.

In 2022, the Company renewed the revolving credit facility from PT Bank SBI Indonesia with a maximum credit limit of USD 5,750,000 which is a combination of demand loan, foreign exchange facility and LC facility which is due within twelve months since the signing of the credit agreement. 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% per annum.

Interest expense recognized in the statement of profit or loss and other comprehensive income amounting to Rp 5,673,473,891 in 2022 (2021: Rp 9,758,754,355).

The above loan facilities with Bank SBI Indonesia contains certain covenant which, among others, submits a quarterly financial report, with submission no later than 30 days from the reporting date and annual financial statement, with submission no later than 90 days from reporting date. As of March 31, 2022, and 2021, the Company is compliant to the loan covenants.

Deutsche Bank AG, Singapore branch

In March 2019, the Company obtained a working capital loan facility of USD 15,000,000 from Deutsche Bank AG, Singapore branch. The loan bears an interest rate of three months SOFR + 3.95%. The Company availed and repaid several tranches and has outstanding balance of USD12,000,000 as of March 31, 2022 and USD 10,500,000 as of March 31, 2021. The facility is secured by lien on receivables and inventory to the extent of credit limit.

NOTES TO FINANCIAL STATEMENTS
March 31, 2022 and for the year then ended*(Continued)*

Interest expense recognized in the statement of profit or loss and other comprehensive income amounting to Rp7,030,549,643 in 2022 (2021: Rp 9,941,081,750).

Deutsche Bank AG, Jakarta branch

In 2021, the Company obtained a revolving credit facility with Deutsche Bank, Jakarta for USD 2,500,000 which is renewable. The interest rate is 4.82%. In 2022, Company obtained a credit facility from Deutsche Bank, Jakarta in association with Exim Bank of Indonesia under the Jaminah Program (Program Pemulihan Ekonomi Nasional (PEN) for USD 10,000,000 wherein the Exim Bank provide credit guarantee up to 80% credit limit. The loan outstanding is USD 1,716,256 for 2022. The interest rate is 4.68%.

Interest expense recognized in the statement of profit or loss and other comprehensive income amounting to Rp 1,578,156,213 in 2022 (2021: Rp 2,021,651,556).

The above loan facilities with Deutsche Bank AG, Singapore branch and Jakarta branch contains certain covenant which, among others, submits a semesterly financial report, with submission no later than 90 days from the reporting date, and annual financial statement, with submission no later than 180 days from reporting date. As of March 31, 2022, and 2021, the Company is compliant to the loan covenants.

Bank MUFG

In 2022, the Company signed a credit agreement with MUFG Bank Ltd, Jakarta for USD 10,000,000 which is an omnibus facilities with sub limits comprising of invoice financing, foreign exchange facilities, trade loan and uncommitted short term loan. The facility is valid for one year from date of signing. The facility is unsecured in nature without any collateral as on reporting date. The loan interest rate of 2.20% per annum.

Interest expense recognized in the statement of profit or loss and other comprehensive income amounting to Rp 2,517,904,150 in 2022 (2021: Rp nil).

As per loan agreements entered with banks, all the above short-term loans are renewable in nature and there are no fixed due dates.

13. TRADE ACCOUNTS PAYABLE

	2022	2021
	Rp	Rp
a. By Creditors		
Related party - TVS Motor Company Limited, India (Note 25)	350,120,803,126	221,398,653,071
Third parties		
PT. Setia Guna Sejati	5,345,974,474	5,839,228,841
PT. GS Battery	4,581,834,000	4,658,547,800
Chongqing Xinxing Gear Wheel Co., Ltd	4,391,736,825	-
PT. Gajah Tunggal Tbk	2,666,549,070	2,059,511,170
PT. Daijo Industrial	2,224,433,274	-
PT. Insako Jaya Sejahtera	1,349,012,730	2,007,734,375
PT. Dharma Polimetal	1,250,294,664	2,553,736,446
Others (below Rp 2,000,000,000 each)	25,091,482,913	28,258,147,377
Subtotal	46,901,317,950	45,376,906,009
Total	397,022,121,076	266,775,559,080
b. By Currency		
U.S. Dollar	362,322,888,905	228,879,555,903
Rupiah	33,084,407,542	37,882,248,460
Chinese Yuan	1,573,285,129	13,754,717
Rupee	41,539,500	-
Total	397,022,121,076	266,775,559,080

14. OTHER ACCOUNTS PAYABLE

	2022	2021
	Rp	Rp
Related party - TVS Motor Company Limited, India (Note 25)	8,900,742,990	2,091,348,230
Third parties		
PT. Talisman Insurance Brokers	1,121,882,125	1,070,078,195
Ecu Worldwide Indonesia	1,099,658,565	-
PT. Pan Asia Logistics Indonesia	720,864,377	1,787,866,918
PT. Senator International Indonesia	706,597,281	1,172,228,080
PT. Agility International	-	382,964,969
Others (below Rp 600,000,000 each)	3,537,444,386	3,099,330,330
Subtotal	7,186,446,734	7,512,468,492
Total	16,087,189,724	9,603,816,722

Other accounts payable to a related party represents information technology service fees.

15. TAXES PAYABLE

	2022	2021
	Rp	Rp
Income taxes		
Article 21	358,124,559	428,815,801
Article 26	118,275,311	222,131,945
Article 4(2) Final	108,557,240	92,257,038
Article 23	157,078,241	70,023,100
Article 22	12,183,934	4,432,766
Total	754,219,285	817,660,650

16. ACCRUED EXPENSES

	2022	2021
	Rp	Rp
Provision for sales and marketing	18,571,165,142	16,581,780,506
Warranty expense	3,375,033,190	2,690,925,288
Interest (Note 12)	3,227,060,337	3,502,034,115
Professional fees	518,700,000	2,548,400,000
Employees' social security	485,844,299	463,141,064
Others	12,811,893,336	15,667,541,683
Total	38,989,696,304	41,453,822,656

17. POST-EMPLOYMENT BENEFITS OBLIGATION

The Company calculates defined post-employment benefits for its employees in accordance with Labor Law No. 11/2020. This plan provides pension benefits based on years of service and salaries of the employees. The number of employees entitled to the benefits are 401 employees (2021: 385 employees).

The defined benefit pension 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's participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Amounts recognized in the statement of profit or loss and other comprehensive income with respect to these post-employment benefits are as follows:

NOTES TO FINANCIAL STATEMENTS
March 31, 2022 and for the year then ended*(Continued)*

	2022	2021
	Rp	Rp
Service cost:		
Current service cost (Note 23)	3,271,002,000	2,658,842,000
Past service cost and gain on settlements	(277,520,000)	(4,498,404,000)
Interest cost (Note 23)	1,493,190,000	1,591,543,000
Components of defined benefits cost recognised in profit or loss	4,486,672,000	(248,019,000)
Remeasurement on the net defined benefit obligation		
Actuarial loss (gains) arising from changes in financial assumptions	874,028,000	2,232,835,000
Actuarial loss (gains) arising from experience adjustments	(1,486,716,000)	38,812,000
Components of defined benefit costs recognised in other comprehensive income	(612,688,000)	2,271,647,000
Total	3,873,984,000	2,023,628,000

Past service cost and gain on settlement is recorded under Others – net in the statement of profit or loss and other comprehensive income

The amounts recognized in the statements of financial position arising from the Company's obligation with respect to its post-employment benefits are as follows:

	2022	2021
	Rp	Rp
Present value of post-employment benefits obligation	22,375,157,000	20,382,336,000

Changes in the present value of unfunded defined benefits obligations are as follows:

	2022	2021
	Rp	Rp
Balance at beginning of year	20,382,336,000	18,653,913,000
Component of defined benefit cost recognized in profit or loss	4,486,672,000	(248,019,000)
Component of defined benefit cost recognized in other comprehensive income	(612,688,000)	2,271,647,000
Benefits payment	(1,881,163,000)	(295,205,000)
Balance at end of year	22,375,157,000	20,382,336,000

Significant actuarial assumptions for the determination of the defined benefits obligation are discount rate and expected salary growth. 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 20,006,741,000 (increase to Rp 25,178,432,000) (2021: decrease to Rp 18,149,501,000 (increase to Rp 23,042,804,000)).
- · If the expected salary growth is 1% higher (lower), the defined benefits obligation would increase to Rp 25,392,368,000 (decrease to Rp 19,794,336,000) (2021: increase to Rp 23,247,298,000 (decrease to Rp 17,949,306,000)).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefits obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumption may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefits obligation has been calculated using the projected unit credit method at the end of the reporting year, which is the same as that applied in calculating the defined benefits obligation liability recognized in the statement of financial position.

The cost of providing post-employment benefits is calculated by an independent actuary, KKA Halim dan Rekan (2021: PT. Milliman Indonesia). The actuarial valuation was carried out using the following key assumptions:

	2022	2021
Discount rate per annum	7.25%	7.6%
Salary increment rate per annum	7.0%	7.0%
Normal retirement age	56 years old and can be extended up to 60 years old	56 years old and can be extended up to 60 years old
Mortality rate	TMI III	TMI III
Resignation rate	5% p.a. at age of 25 and decreasing linearly to 0% p.a. at age 45 and thereafter	5% p.a. at age of 25 and decreasing linearly to 0% p.a. at age 45 andthereafter
Disability	10% of TMI III	10% of TMI III

18. CAPITAL STOCK

	March 31, 2022 and 2021		
Name of Stockholders	Ordinary Shares	Percentage of Ownership	Total Capital Stock
		%	Rp
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
TVS Motor Company Limited, India	8,597,000	51%	837,347,800,000
Total	16,791,187	100%	1,635,461,613,800

Movements in paid-in capital are as follows:

	2022	2021
	Rp	Rp
Beginning of the year	1,635,461,613,800	1,586,761,613,800
Issuance of capital stock	-	48,700,000,000
End of the year	1,635,461,613,800	1,635,461,613,800

Changes in the Company's outstanding shares are as follows:

	2022	2021
	Number of Shares	Number of Shares
Beginning of the year	16,791,187	16,291,187
Issuance of capital stock for cash	-	500,000
End of the year 1	6,791,187	16,791,187

In 2021, the Company received additional capital stock subscription amounting to USD 5,000,000 (equivalent to Rp 73,182,000,000) from TVS Motor Company Limited, India.

19. FOREIGN EXCHANGE RATE DIFFERENCE ON PAID-IN CAPITAL

This account represents the difference between the exchange rate stated in the articles of association and the actual exchange rate at the date the payments for capital subscription were received, with details as follows:

	2022	2021
	Rp	Rp
Balance at beginning of year	216,192,517,840	191,710,517,840
Foreign exchange rate difference on issuance of shares	-	24,482,000,000
Balance at end of year	216,192,517,840	216,192,517,840

20. REVALUATION SURPLUS

This amount represents the increase in value of land due to revaluation.

NOTES TO FINANCIAL STATEMENTS
March 31, 2022 and for the year then ended*(Continued)*

21. NET SALES

A disaggregation of the Company's revenue for the year is as follows:

	2022	2021
	Rp	Rp
Type of goods		
Sale of vehicles	1,112,996,556,804	737,052,207,097
Sale of spare parts	51,518,523,551	30,722,340,944
Total	1,164,515,080,355	767,774,548,041
Geographical markets		
Export	1,083,916,327,043	677,315,597,598
Domestic	80,598,753,312	90,458,950,443
Total	1,164,515,080,355	767,774,548,041

The aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) for sales of goods at March 31, 2022 is Rp 8,254,294,414 (2021: Rp 6,528,834,901) and are presented as contract liabilities.

0.9% (2021: 0.9%) of the total revenues were made with related parties (Note 25).

Details of net sales to dealers representing more than 10% of the sales are as follows:

Name of Customers	2022	2021
	Rp	Rp
TVS Global Automobile Traders FZCO	323,732,716,705	129,438,467,573
Premier Top Trading Limited	220,318,728,100	253,963,412,857
Sunshine (Far East) Ltd	177,520,482,980	-
Robustrade DMCC	128,884,783,977	-
Total	850,456,711,762	383,401,880,430

22. COST OF GOODS SOLD

	2022	2021
	Rp	Rp
Raw materials and components used	903,395,195,173	565,655,387,016
Direct labor	19,443,044,418	16,579,082,684
Overhead	102,243,051,485	76,703,766,924
Total manufacturing cost	1,025,081,291,076	658,938,236,624
Finished goods		
At beginning of year	36,997,168,363	47,266,553,922
At end of year	(30,664,826,775)	(36,997,168,363)
Cost of goods sold	1,031,413,632,664	669,207,622,183

53% in 2022 (2021: 68%) of the total purchases of raw materials and components were made from TVS Motor Company Limited, India, the ultimate holding company (Note 25).

23. OPERATING EXPENSES

	2022	2021
	Rp	Rp
Marketing		
Advertising and market research	7,045,094,630	12,242,175,080
Free service charges	827,010,000	1,021,955,969
Warranty	668,947,421	943,425,249
Others	247,023,312	110,560,000
Total	8,788,075,363	14,318,116,298

	2022	2021
	Rp	Rp
General and administrative		
Salaries and allowances	22,965,985,581	18,438,601,590
Loss allowance (Note 6)	11,066,752,331	9,529,908,237
Short term and low value leases	5,909,569,953	4,664,024,048
Consultancy fees	5,020,991,134	5,473,091,420
Post-employment benefits (Note 17)	4,764,192,000	4,250,385,000
Training and development	4,373,700,611	4,365,629,223
Right-of-use assets depreciation	2,268,373,384	1,584,989,381
Travel and transportation	2,029,628,863	1,850,719,698
Taxes, permit and license	1,903,927,401	2,742,976,170
Data processing (Note 25d)	1,457,216,389	1,741,985,252
Insurance	1,452,868,546	1,434,769,840
Property, plant, and equipment depreciation (Note 11)	932,200,848	599,531,700
Professional fees	913,515,350	830,000,000
Office supplies	557,033,387	645,671,243
Telecommunication	313,026,677	334,323,579
Research and development	232,838,982	364,946,113
Recruitment	224,205,070	126,040,000
Postage and courier	148,269,431	105,837,703
Business meeting	19,409,600	7,720,000
Others	771,398,071	585,745,697
Total	67,325,103,609	59,676,895,894

24. INCOME TAX

The tax (benefit) expense of the Company consists of the following:

	2022	2021
	Rp	Rp
Current tax		
Adjustment of Tax Assessment Letter		
2020		
2019	241,000	1,159,000
Deferred tax	(34,497,198,895)	29,886,851,496
Total	(34,496,957,895)	29,888,010,496

Current tax

The reconciliation between profit before tax per statements of profit or loss and other comprehensive income and fiscal profit (loss) is as follows:

	2022	2021
	Rp	Rp
Profit before tax per statements of profit or loss and other comprehensive income	43,816,040,188	45,562,753,301
Temporary differences:		
Provision for employee benefits - net	2,605,509,000	(543,224,000)
Depreciation of property, plant and equipment	7,697,763,203	4,399,250,839
Provision for accrued expenses	2,673,492,538	(7,205,236,780)
Total	12,976,764,741	(3,349,209,941)
Permanent differences:		
Employee welfare	4,694,624,037	3,330,374,161
Tax expenses	837,314,451	1,557,886,963
Provision for inventory obsolescence	1,696,862,504	1,512,624,697
Interest income already subjected to final tax	(116,980,974)	(530,710,664)
Provision for credit losses	11,066,752,331	9,529,908,237
Others	296,286,349	302,488,166
Total	18,474,858,698	15,702,571,560
Fiscal profit before fiscal loss carryforward	75,267,663,627	57,916,114,919
Fiscal loss carryforward - net of expired portion	(298,217,673,418)	(356,133,788,337)
Total accumulated fiscal loss	(222,950,009,791)	(298,217,673,418)
Current tax	Nil	Nil

	2022	2021
	Rp	Rp
Prepaid taxes		
2022	5,125,879,729	-
2021	1,562,797,363	1,562,797,365
2020	-	864,363,000
2018	572,183,998	572,183,998
Prepaid taxes (Note 9)	7,260,861,090	2,999,344,363

Deferred Tax

The details of the Company's deferred tax assets (liabilities) are as follows:

	April 1, 2020	Credited to profit or loss for the year	Charged to Other Comprehensive Income	March 31, 2021	Charged (credited) to profit or loss for the year	Creditedto Other Comprehensive Income	March 31, 2022
	Rp	Rp	Rp	Rp	Rp	Rp	Rp
Deferred tax asset (liabilities):							
Fiscal loss	29,512,214,510	(28,227,122,043)	-	1,285,092,467	31,178,343,495	-	32,463,435,962
Accrued expenses	2,413,493,803	(1,441,047,356)	-	972,446,447	588,168,358	-	1,560,614,805
Property, plant and equipment	(14,160,200,354)	(110,037,297)	-	(14,270,237,651)	1,749,828,342	-	(12,520,409,309)
Post-employment benefits obligation	3,730,782,600	(108,644,800)	454,329,400	4,076,467,200	980,858,700	(134,791,360)	4,922,534,540
Deferred Tax Asset -Net	21,496,290,559	(29,886,851,496)	454,329,400	(7,936,231,537)	34,497,198,895	(134,791,360)	26,426,175,998

Based on the Company's estimates, the Company will be able to realize the fiscal loss against taxable income in any of the five years following the year in which the fiscal loss is incurred, thus a deferred tax asset of Rp 32,463,435,962 was recognized as of March 31, 2022 (2021: Rp 1,285,092,467).

A reconciliation between the tax expense and the amounts computed by applying the effective tax rates to profit before tax is as follows:

	2022	2021
	Rp	Rp
Profit before tax per statements of profit or loss and other comprehensive income	43,816,040,188	45,562,753,301
Tax expense at effective tax rates	9,639,528,841	10,023,805,726
Unrecognized deferred tax on fiscal loss	(47,737,229,493)	18,308,288,966
Tax effect of permanent differences	4,064,468,914	3,454,565,743
Adjustment of deferred tax asset beginning due to decrease in tax rate	(463,967,157)	(2,889,696,404)
Tax base correction	-	989,887,465
Adjustment of tax assessment	241,000	1,159,000
Tax expense (benefit)	(34,496,957,895)	29,888,010,496

The Company received Advance Tax Overpayment Refund Decree (SKPPKP) No. KEP- 00046/ SKPPKP/WPJ.07/KP.0303/2021 dated February 26, 2021 which stated that for fiscal year 2018, the Company has an overpayment related to income taxes amounting to Rp 516,943,000 instead of Rp 518,102,000 and the difference amounting to Rp 1,159,000 was recorded under tax expense.

The Company received Advance Tax Overpayment Refund Decree (SKPPKP) KEP- 00257. PPH/WPJ.07/KP.03/2021 dated September 29, 2021 which stated that for fiscal year 2020, the Company has an overpayment related to income taxes amounting to Rp 864,122,000 instead of Rp 864,363,000 and the difference amounting to Rp 241,000 was recorded under tax expense.

Changes in statutory tax rates

Government Regulation in Lieu of Law No. 1 Year 2020 on State Financial Policy and Stability of Financial Systems for the Management of Coronavirus Disease 2019 ("COVID-19") and/or Counter the Threat to National Economy and/or Stability of Financial Systems ("Perpu No. 1/2020") took effect on March 31, 2020. Perpu 1/2020 reduced the income tax rates for domestic corporations and permanent establishments to 22% applicable for fiscal years 2020 and 2021 and further reduction to 20% applicable for fiscal year 2022 and thereafter.

On October 29, 2021, the Government stipulated Law No.7 Year 2021 on the Harmonization of Tax Regulations ("HPP Bill"). One of the article in this HPP Bill is that the corporate income tax rate applicable in 2022 and so forth is 22%.

25. NATURE OF RELATIONSHIP AND TRANSACTIONS WITH RELATED PARTIES

Nature of Relationship

a. TVS Motor Company (Europe) B.V. and TVS Motor (Singapore) Pte., Limited, are stockholders of the Company.

b. TVS Motor Company Limited, India (TVS India) is the ultimate holding company of the Company and a stockholder.

c. Related party which conform to criteria on Note 3d is TVS Auto Bangladesh Ltd.

Transactions with Related Parties

The Company entered into certain transactions with related parties, including the following:

a. Compensation paid to the Board of Commissioners and Directors of the Company amounted to Rp 4,535,309,098 in 2022 (2021: Rp 3,884,135,930).

b. Net sales to related parties accounted for 0.9% in 2022 (2021: 0.9%), of the total net sales. At reporting date, the receivables for these sales were presented as trade accounts receivable which constituted 0.1% of the total assets as of March 31, 2022 (2021: 0.1%).

c. Purchases from a related party constituted 53% in 2022 (2021: 68%) 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 40% as of March 31, 2022 (2021: 30%) of the total liabilities.

d. The Company also entered non-trade transactions such as service fee (Note 26b), claim for reimbursements (Note 7), and information technology services fees with a related party (Notes 14 and 23).

26. SIGNIFICANT CONTRACTS AND AGREEMENTS

a. On April 1, 2017, the Company and TVS Motor Company Limited entered into a new License and Technical Assistance Agreement, wherein the Company obtains the right to use industrial property rights and technical information in connection with the manufacture, assembly, sale and service of TVS two and three-wheeler brands. As per agreement, the Company has to pay royalty of 2% on the net ex-factory price of every product sold. The payment of royalty will only begin when the combined production of two and three-wheelers exceeds 20,000 units per month. This agreement will be valid for 5 years from effective date. As of the issuance date of the financial statements, the extension of the agreement is still in process.

b. The Company and TVS Motor Company Limited entered into a Memorandum of understanding with TVS Motor Company Limited on February 9, 2019, which has been further amended on September 1, 2020. As per memorandum, the Company is entitled to receive service fee of every vehicle, both two and three wheelers, sold by TVS Motor Company Limited in the ASEAN region except for sale of TVS XL 100 in Philippines. During the year, the income from such service fee amounted to Nil in 2022 (2021: Rp 2,013,438,030). As of the issuance date of the financial statements, the agreement is expired.

NOTES TO FINANCIAL STATEMENTS
March 31, 2022 and for the year then ended *(Continued)*

27. MONETARY ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

		2022		2021	
		Foreign Currency	Equivalent in Rp	Foreign Currency	Equivalent in Rp
Monetary Assets					
Cash and cash equivalents	USD	5,007,047	71,846,173,078	796,814	11,611,166,614
Trade accounts receivable					
Related parties	USD	106,627	1,529,986,908	84,457	1,230,707,258
Third parties	USD	27,488,994	394,115,832,207	21,045,558	306,675,872,488
Other accounts receivable					
Related parties	USD	183,179	2,628,437,734	741,207	10,800,872,704
Security deposits	USD	7,712	110,658,914	7,912	115,293,081
Total Monetary Assets			470,231,088,841		330,433,912,145
Monetary Liabilities					
Bank loans	USD	25,822,697	370,530,136,470	24,054,446	350,521,383,907
	CNH	819,972	1,850,495,695	521,234	1,155,427,226
Trade accounts payable					
Related party	USD	24,400,346	350,120,803,126	15,193,429	221,398,653,071
Third parties	USD	850,378	12,202,085,779	513,375	7,480,902,832
CNH	697,137	1,573,285,129	6,204	13,754,717	
	RMB	18,382		41,539,500	-
Other accounts payable					
Related party	USD	620,304	8,900,742,990	143,518	2,091,348,230
Third parties	USD	114,847	1,647,946,921	330,801	1,070,912,163
Accrued expenses	USD	299,734	4,300,880,227	431,561	6,288,711,992
Total Monetary Liabilities			751,167,915,837		590,021,094,138
Net Monetary Liabilities			(280,936,826,996)		(259,587,181,993)

The conversion rates used by the Company are as follows:

	2022	2021
	Rp	Rp
USD	14,349	14,572
RMB	2,259	-
CNH	2,257	2,217

28. FINANCIAL INSTRUMENTS, FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

a. Categories and Classes of Financial Instruments

	2022	
	Financial assets at amortized cost	Financial liabiities at amortized cost
	Rp	Rp
Financial Assets		
Cash and cash equivalents	84,752,191,380	-
Trade accounts receivable		
Related parties	1,529,986,908	-
Third parties	383,236,201,551	-
Other accounts receivable		
Related parties	2,628,437,734	-
Third parties	4,887,616,814	-
Other current assets	2,424,961,839	-
Security deposits	735,032,465	-
Financial Liabilities		
Trade accounts payable		
Related party	-	350,120,803,126
Third parties	-	46,901,317,950
Other accounts payable		
Related party	-	8,900,742,990
Third parties	-	7,186,446,734
Accrued expenses	-	38,989,696,304
Deposit from customers	-	3,999,451,801
Lease Liabilities	-	1,515,026,434
Bank loans	-	390,857,189,876
Total	480,194,428,691	848,470,675,215

	2021	
	Financial assets at amortized cost	Financial liabiities at amortized cost
	Rp	Rp
Financial Assets		
Cash and cash equivalents	24,377,134,810	-
Trade accounts receivable		
Related parties	1,230,707,258	-
Third parties	328,299,134,628	-
Other accounts receivable		
Related parties	10,800,872,704	-
Other current assets	2,158,646,480	-
Security deposits	770,631,632	-
Financial Liabilities		
Trade accounts payable		
Related party	-	221,398,653,071
Third parties	-	45,376,906,009
Other accounts payable		
Related party	-	2,091,348,230
Third parties	-	7,512,468,492
Accrued expenses	-	41,453,822,656
Deposit from customers	-	8,481,748,748
Lease Liabilities	-	1,970,434,182
Bank loans	-	370,870,203,368
Total	367,637,127,512	699,155,584,756

NOTES TO FINANCIAL STATEMENTS
March 31, 2022 and for the year then ended*(Continued)*

b. Capital Risk Management

The Company manages capital risk to ensure that it will be able to continue as a going concern, in addition to maximizing the profits of the shareholders through the optimization of the balance of debt and equity. The Company strategy remains unchanged from 2021. The Company's capital structure consists bank loans (Note 12) offset by cash and cash equivalents (Note 5), lease liabilities and equity consisting of capital stock (Note 18), foreign exchange rate difference on paid-in capital (Note 19), revaluation surplus (Note 20), other comprehensive income and deficit.

The gearing ratio at reporting date is as follows:

	2022	2021
	Rp	Rp
Debt	392,372,216,310	372,840,637,550
Cash and cash equivalents	84,752,191,380	24,377,134,810
Debt - net	307,620,024,930	348,463,502,740
Equity	483,236,117,165	404,445,222,442
Net debt to equity ratio	64%	86%

c. Financial risk management objectives and policies

The Company's overall financial risk management and policies seek to ensure that adequate financial resources are available for operations and development of its business, while managing its exposure to foreign exchange, interest rate, credit and liquidity risks. The Company operates within defined guidelines that are approved by the Directors.

i. Interest rate risk management

The interest rate risk exposure relates to the amount of assets or liabilities which is subject to a risk that a movement in interest rates will adversely affect the profit or loss for the year. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. The Company has a policy of obtaining financing from banks which offer the most favorable interest rate. Approvals from the Directors and Commissioners must be obtained before committing the Company to any of the instruments to manage the interest rate risk exposure.

Financial instruments that are exposed to interest rate risk are included in the liquidity table in item (iv).

The sensitivity analysis below had been determined based on the exposure of the financial liabilities to floating interest rates at reporting date. The analysis is prepared assuming the amount of the liabilities outstanding at the end of the reporting period was outstanding for the whole year.

In 2022, if interest rate had been 298 basis points (2021: 497 basis points) higher (lower) and the other variables held constant, the Company's profit after tax would decrease (increase) by Rp 4,570,470,594 (2021: Rp 7,324,032,282).

The Company is exposed to USD LIBOR or similar interest rate benchmark, which are subject to interest rate benchmark reform. For the Company's floating rate debt, the Company has started discussion with its lenders to amend the reference benchmark interest rate. The Company has closely monitored the market and the output from the various industry working groups managing the transition to new benchmark interest rates. This includes announcements made by LIBOR regulator. In 2020, the regulator has made clear that, at the end of 2021, it will no longer seek to persuade, or compel, banks to submit IBORs. In March 2021, the Financial Conduct Authority (FCA) has announced the dates that panel bank submissions for all LIBOR settings will cease, after which representative LIBOR rates will no longer be available. The FCA has confirmed that all LIBOR settings will either cease to be provided by any administrator or no longer be representative:

- immediately after December 31, 2021, in the case of all Sterling, Euro, Swiss Franc and Japanese Yen settings, and the 1-week and 2- month USD settings; and
- immediately after June 30, 2023, in the case of the remaining USD settings.

The following are the key risks for the Company arising from the transition:

Interest rate basis risk

If the bilateral negotiations with the Company's counterparties are not successfully concluded before the cessation of LIBOR, there are significant uncertainties with regard to the interest rate that would apply. This gives rise to additional interest rate risk that was not anticipated when the contracts by our interest rate risk management strategy. For example, in some cases the fallback clauses in LIBOR loan contracts may result in the interest rate becoming fixed for the remaining term at the last LIBOR quote. The Company is working closely with all counterparties to avoid this from occurring, however if this does arise, the Company's interest rate risk management policy will apply as normal and may result in closing out or entering into new interest rate swaps to maintain the mix of floating rate and fixed rate debt.

Liquidity risk

There are fundamental differences between LIBOR and the alternative benchmark rates which the Company will be adopting. LIBOR is forward-looking term rates published for a period (e.g. 3 months) at the beginning of that period and include an inter-bank credit spread, whereas alternative benchmark rates are typically risk free overnight rates published at the end of the overnight period with no embedded credit spread. These differences will result in additional uncertainty regarding floating rate interest payments which will require additional liquidity management.

Litigation risk

If no agreement is reached to implement the interest rate benchmark reform on existing contracts (e.g. arising from differing interpretation of existing fallback terms), there is a risk of prolonged disputes with counterparties which could give rise to additional legal and other costs. The Company is working closely with all counterparties to avoid this from occurring.

Operational risk

None of the Company's LIBOR legacy contracts include adequate and robust fallback clauses for a cessation of the referenced benchmark interest rate. Various working groups in the industry are working on fallback provisions for different instruments and IBORs, which the Company is monitoring closely. The Company is planning to transition the majority of its IBOR-linked contracts to risk free rates through introduction of, or amendments to, fallback clauses into the contracts which will change the basis for determining the interest cash flows from IBOR to RFR at an agreed point in time.

ii. Foreign currency risk management

The Company is exposed to the effects of foreign currency exchange rate fluctuations mainly because of foreign currency denominated transactions such as sales and purchases of goods, and borrowings denominated in foreign currency.

The Company manages the foreign currency exposure by matching, as far as possible, receipts and payments in each individual currency. The Company's net open foreign currency exposure as of reporting date is disclosed in Note 27.

The Company is mainly exposed to the US Dollar. The following table details the Company's sensitivity to changes in Indonesian Rupiah against US Dollar. The sensitivity analysis represents management's assessment of the effect to the financial statements caused by the reasonably possible change in foreign exchange rates, on outstanding foreign currency denominated monetary financial assets and liabilities.

	2022		2021	
	Percentage of change in exchange rate	Effect on profit or loss after tax	Percentage of change in exchange rate	Effect on profit or loss after tax
		Rp		Rp
US Dollar	1%	2,164,276,998	4%	8,193,183,321

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year-end exposure does not reflect the exposure during the year.

iii. Credit risk management

The Company develops and maintains its credit risk gradings to categorize exposures according to their degree of risk of default. The Company uses its own trading records to rate its major customers and other debtors.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognizing ECL
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >120 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is >365 days past due or there is evidence indicating the asset is creditimpaired.	Lifetime ECL – creditimpaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery.	Amount is written off

NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and for the year then ended*(Continued)*

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:

	2022				
	Internal Credit Rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
			Rp	Rp	Rp
March 31, 2022					
Cash in banks (Note 5)	Performing	12-month ECL	84,671,892,044	-	84,671,892,044
Trade accounts receivable (Note 6)	(i)	Lifetime ECL (simplified approach)	407,341,667,133	(22,575,478,674)	384,766,188,459
Other accounts receivable	Performing	12-month ECL	7,516,054,548	-	7,516,054,548
				(22,575,478,674)	

(i) The Company determines the ECL on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

	2021				
	Internal Credit Rating	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
			Rp	Rp	Rp
March 31, 2021					
Cash in banks and time deposit (Note 5)	Performing	12-month ECL	24,273,516,980	-	24,273,516,980
Trade accounts receivable (Note 6)	(i)	Lifetime ECL (simplified approach)	341,059,750,123	(11,529,908,237)	329,529,841,886
Other accounts receivable from related party (Note 7)	Performing	12-month ECL	10,800,872,704	-	10,800,872,704
				(11,529,908,237)	

(i) The Company determines the ECL on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

The Company has adopted procedures in extending credit terms to customers and in monitoring its credit risk. The Company only grants credit to creditworthy counterparties. Cash is held with creditworthy institutions and is subject to immaterial credit loss.

The Company's credit exposure has no significant concentration of credit risk with any single customer or group of customers.

Further details of credit risks on trade and other accounts receivable and contract assets are disclosed in Notes 6 and 7, respectively.

iv. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Directors, which has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company receives support from shareholders to finance its ongoing working capital requirements.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

	March 31, 2022					
	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Total
		Rp	Rp	Rp	Rp	Rp
Non-interest bearing						
Trade accounts payable						
Related party	-	14,810,761,437	76,616,853,632	258,693,188,057	-	350,120,803,126
Third party	-	18,319,378,636	17,906,824,899	10,675,114,415	-	46,901,317,950
Other accounts payable						
Related party	-	8,900,742,990	-	-	-	8,900,742,990
Third party	-	4,433,318,141	1,567,941,495	1,185,187,098	-	7,186,446,734
Accrued expense	-	23,295,536,687	298,382,567	9,373,676,404	6,022,100,646	38,989,696,304
Variable interest rate instruments						
Bank loans	3% - 6%	1,370,536,875	2,741,073,749	395,821,284,726	-	399,932,895,350
Fixed interest rate instruments						
Bank loans	6% - 13.5%	66,335,327	132,670,655	7,967,719,873	-	8,166,725,855
Lease liabilities	10.85%	58,167,711	1,557,513,597	-	-	1,615,681,308
Total		71,254,777,804	100,821,260,594	683,716,170,573	6,022,100,646	861,814,309,617

NOTES TO FINANCIAL STATEMENTS
March 31, 2021 and for the year then ended*(Continued)*

	March 31, 2021					
	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	Total
		Rp	Rp	Rp	Rp	Rp
Non-interest bearing						
Trade accounts payable						
Related party	-	-	704,559,887	220,694,093,184	-	221,398,653,071
Third party	-	11,106,002,864	24,035,156,751	10,235,746,394	-	45,376,906,009
Other accounts payable						
Related party	-	-	651,269,252	1,440,078,978	-	2,091,348,230
Third party	-	1,554,103,699	3,894,335,507	2,064,029,286	-	7,512,468,492
Accrued expense	-	4,757,976,381	17,630,167,541	19,065,678,734	-	41,453,822,656
Variable interest rate instruments						
Bank loans	6% - 7%	70,042,948,145	59,704,171,927	64,614,784,439	-	194,361,904,510
Fixed interest rate instruments						
Bank loans	6% - 13.5%	16,232,843,709	19,525,514,460	157,265,687,366	-	193,024,045,536
Lease liabilities	10.85%	81,470,467	1,853,636,244	344,691,107	-	2,279,797,818
Total		103,775,345,265	127,998,811,569	475,724,789,488	-	707,498,946,322

The Company's management believes that they maintain considerable financial resources, including continuous support from the Company's ultimate shareholder. In addition, the Company has been able to significantly improve its performance over the last three years through increase in sales volume, sales turnover and generating gross profit because management has implemented and continues to implement the following measures:

- Continuing focus on export markets through consolidation of existing markets and entry into new markets;
- Collaborate with e-commerce and distribution company in Indonesia to increase its threewheeler cargo sales;
- Increase the sales of three-wheeler both passenger and cargo versions which was launched recently, including exports of these products;
- Focus on margin improvement and control of fixed costs.

The Company's management believes that it is well placed to manage the Company's business risks successfully.

d. Fair Value Measurements

Management considers that the carrying amounts of the Company's financial assets and liabilities recognized in the financial statements approximate their fair values because they have short-term maturities.

29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities

	April 1, 2021	Financing cash flows	Non-cash transaction changes	March 31, 2022
	Rp	Rp	Rp	Rp
Bank loans	370,870,203,368	22,159,533,614	(2,172,547,106)	390,857,189,876
Lease Liabilities	1,970,434,182	(2,691,517,000)	2,236,109,252	1,515,026,434
	372,840,637,550	19,468,016,614	63,562,146	392,372,216,310

	April 1,2020	Financing cash flows	Non-cash transaction changes	March 31, 2021
	Rp	Rp	Rp	Rp
Bank loans	498,483,813,857	(70,768,514,599)	(56,845,095,890)	370,870,203,368
Lease Liabilities	-	(1,786,517,000)	3,756,951,182	1,970,434,182
	498,483,813,857	(72,555,031,599)	(53,088, 144,708)	372,840,637,550

30. MANAGEMENT'S RESPONSIBILITY AND APPROVAL OF FINANCIAL STATEMENTS

The preparation and fair presentation of the financial statements on pages 1 to 44 were the responsibilities of the management and were approved by the Directors and authorized for issue on May 4, 2022.

RE-STATED ACCOUNTS OF
PT. TVS MOTOR COMPANY INDONESIA

BALANCE SHEET AS AT 31ST MARCH 2022

	Notes	IDR in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Property, plant and equipment	1	4,37,310.24	181.80
Other Non Current Assets	2	734.98	0.39
Deferred tax Assets		26,426.18	13.94
		4,64,471.40	196.13
Current assets			
Inventories	3	3,18,251.29	167.88
Financial assets			
i. Trade receivables	4	3,88,123.82	204.74
ii. Cash and cash equivalents	5	84,752.19	44.70
Current tax assets (Net)			
Other current assets	6	1,27,624.08	67.31
		9,18,751.38	484.63
Total Assets		13,83,222.78	680.76
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	16,35,461.61	906.08
Other equity	8	(11,27,934.75)	(687.25)
		5,07,526.86	218.83
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Lease Liabilities			
Provisions	9	22,375.16	11.80
		22,375.16	11.80
Current liabilities			
Financial liabilities			
i. Borrowings	10	3,90,857.20	206.18
ii. Lease Liabilities		1,515.03	0.80
iii. Trade payables	11		
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues other than (iii) (a) above		4,44,227.67	234.33
iv. Other financial liabilities	12	7,226.51	3.81
Other current liabilities	13	9,494.35	5.01
		8,53,320.76	450.13
Total liabilities		8,75,695.92	461.93
Total equity and liabilities		13,83,222.78	680.76

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

		Notes	IDR in Mn.	Rupees in crores
I	Revenue from operations	14	11,65,689.98	603.28
II	Other income	15	7,099.82	3.67
III	Total Income (I +II)		11,72,789.80	606.95
IV	Expenses:			
	Cost of material consumed	16	8,57,304.71	444.54
	Changes in inventories of finished goods, stock-in -trade and work-in-progress	16	6,332.34	2.41
	Employee benefits expense	17	1,03,008.23	53.31
	Finance costs	18	20,609.65	10.67
	Depreciation and amortisation expense	19	19,668.99	10.17
	Other expenses	20	1,24,631.94	64.49
			11,31,555.86	585.59
V	Profit before exceptional items,(III - IV)		41,233.94	21.36
VI	Exceptional items		-	-
VII	Profit before tax (V+ VI)		41,233.94	21.36
VIII	Tax expense			
	i) Current tax		-	-
	ii) Deferred tax		(26,560.97)	(13.75)
IX	Profit for the year (VII - VIII)		67,794.91	35.11
X	Other Comprehensive Income			
	A. Items that will not be reclassified to profit or loss			
	Remeasurements of post employment benefit obligations		612.69	0.32
	Income tax relating to the above items		(134.79)	(0.07)
	B. Items that will be reclassified to profit or loss			
	Foreign currency translation adjustments		-	12.48
			477.90	12.73
XI	Total Comprehensive Income (IX+X)		68,272.81	47.84
XII	Earnings per equity share (Face value of IDR.97,400/- each)			
	Basic & Diluted earnings per share (in IDR / in rupees)		4,037.53	20.91

Notes to Accounts

1 Property, Plant & Equipment

IDR in Millions

Description	Property, Plant & Equipment						
	Land	Buildings	Plant & equipment	Vehicles	Furniture, fixtures and eqipments	Right of use asset	Total
	1	2	3	4	5	6	7
Cost of assets							
Gross carrying value as at 01-04-2021	2,22,928.86	1,02,205.56	3,26,107.70	1,219.65	11,946.26	3,683.12	6,68,091.15
Additions	-	1,619.39	7,825.94	297.00	1,448.67	1,992.26	13,183.26
Sub-total	2,22,928.86	1,03,824.95	3,33,933.64	1,516.65	13,394.93	5,675.38	6,81,274.41
Sales / deletion	-		1,348.46		539.11		1,887.57
Total	2,22,928.86	1,03,824.95	3,32,585.18	1,516.65	12,855.82	5,675.38	6,79,386.84
Depreciation / Amortisation							
Upto 31-03-2021	-	61,652.02	1,49,826.92	965.61	10,140.01	1,584.99	2,24,169.55
For the year	-	5,136.39	11,332.03	124.97	807.23	2,268.37	19,668.99
Sub-total	-	66,788.41	1,61,158.95	1,090.58	10,947.24	3,853.36	2,43,838.54
Withdrawn on assets sold / deleted	-	-	1,222.83	-	539.11		1,761.94
Total	-	66,788.41	1,59,936.12	1,090.58	10,408.13	3,853.36	2,42,076.60
Carrying value							
As at 31-03-2022	2,22,928.86	37,036.54	1,72,649.06	426.07	2,447.69	1,822.02	4,37,310.24

Rupees in crores

Description	Property, Plant & Equipment						
	Land	Buildings	Plant & equipment	Vehicles	Furniture, fixtures and eqipments	Right of use asset	Total
	1	2	3	4	5	6	7
Cost of assets							
Gross carrying value as at 01-04-2021	112.02	51.11	160.39	0.61	6.00	1.86	331.99
Additions		0.85	4.13	0.16	0.76	1.03	6.93
Foreign Currency translation reserve difference	5.57	2.21	5.36	0.03	0.30	0.05	13.52
Sub-total	117.59	54.17	169.88	0.80	7.06	2.94	352.44
Sales / deletion			0.71		0.28	-	0.99
Total	117.59	54.17	169.17	0.80	6.78	2.94	351.45
Depreciation / Amortisation							
Upto 31-03-2021	-	30.69	118.05	0.49	5.09	0.81	155.13
For the year		2.63	5.89	0.06	0.42	1.17	10.17
Foreign Currency translation reserve difference		1.45	3.53	0.03	0.27		5.28
Sub-total	-	34.77	127.47	0.58	5.78	1.98	170.58
Withdrawn on assets sold / deleted			0.65		0.28	-	0.93
Total	-	34.77	126.82	0.58	5.50	1.98	169.65
Carrying value							
As at 31-03-2022	117.59	19.40	42.35	0.22	1.28	0.96	181.80

Notes on accounts - *(continued)*

		IDR in Mn. As at 31-03-2022	Rupees in crores As at 31-03-2022
2	OTHER NON-CURRENT ASSETS		
	Advances other than capital advances:		
	Deposits made	734.98	0.39
		734.98	0.39
3	INVENTORIES		
	Raw materials and components	2,85,265.67	150.48
	Finished goods	30,664.83	16.18
	Stores and spares	2,320.79	1.22
		3,18,251.29	167.88
4	TRADE RECEIVABLES		
	Secured, considered good		
	Unsecured, considered good	4,10,699.30	216.65
		4,10,699.30	216.65
	Less : Loss allowance	22,575.48	11.91
		3,88,123.82	204.74
5	CASH AND CASH EQUIVALENTS		
	Balances with banks in current accounts	84,671.89	44.66
	Cash on hand	80.30	0.04
		84,752.19	44.70
6	OTHER CURRENT ASSETS		
	Vendor advance	17,695.36	9.33
	VAT receivable	1,05,180.15	55.48
	Others	4,748.57	2.50
		1,27,624.08	67.31
7	EQUITY SHARE CAPITAL		
	Authorised, issued, subscribed and fully paid up:		
	Authorised:		
	17,500,000 Ordinary shares of IDR.97,400 each	17,04,500.00	944.33
	Issued, subscribed and fully paid up:		
	16,791,187 Ordinary shares of IDR.97,400 each	16,35,461.61	906.08
		16,35,461.61	906.08

		IDR in Mn. As at 31-03-2022	Rupees in crores As at 31-03-2022
8	OTHER EQUITY		
	General reserve	(8,135.60)	(0.81)
	Retained earnings	(13,35,991.67)	(665.20)
	Foreign currency translation reserve	2,16,192.52	(21.24)
		(11,27,934.75)	(687.25)
9	NON - CURRENT LIABILITIES - PROVISIONS		
	Provision for employee benefits - Pension	22,375.16	11.80
		22,375.16	11.80
10	FINANCIAL LIABILITIES - BORROWINGS (CURRENT)		
	Borrowings repayable on demand from banks		
	Secured	2,74,806.13	144.96
	Unsecured	1,16,051.07	61.22
		3,90,857.20	206.18
11	TRADE PAYABLES		
	Current		
	Dues to Micro and Small Enterprises **		
	Dues to enterprises other than Micro and Small Enterprises	4,44,227.67	234.33
		4,44,227.67	234.33

** 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.

		IDR in Mn. As at 31-03-2022	Rupees in crores As at 31-03-2022
12	OTHER FINANCIAL LIABILITIES		
	Interest accrued but not due on loans	3,227.06	1.70
	Trade deposits	3,999.45	2.11
		7,226.51	3.81
13	OTHER CURRENT LIABILITIES		
	Statutory dues	754.22	0.40
	Employee related	485.84	0.26
	Advance received from customers	8,254.29	4.35
		9,494.35	5.01

Notes on accounts - *(continued)*

	IDR in Mn. For the year ended 31-03-2022	Rupees in crores For the year ended 31-03-2022
14 REVENUE FROM OPERATIONS		
Sale of products	11,64,515.08	602.67
Sale of service	532.96	0.28
Other operating revenue	641.94	0.33
	11,65,689.98	603.28
15 OTHER INCOME		
Interest income	116.98	0.06
Profit on sale of fixed asset	116.64	0.06
Other non-operating income	6,866.20	3.55
	7,099.82	3.67
16 MATERIAL COST :		
Cost of Materials Consumed		
Opening stock of raw materials and components	2,36,757.00	118.97
Add: Purchases	9,05,813.38	476.05
	11,42,570.38	595.02
Less: Closing stock of raw materials and components	2,85,265.67	150.48
Consumption of raw materials and components	8,57,304.71	444.54
Changes in inventories of finished goods, work-in-progress and stock-in-trade:		
Opening stock:		
Finished goods	36,997.17	18.59
(A)	36,997.17	18.59
Closing stock:		
Finished goods	30,664.83	16.18
(B)	30,664.83	16.18
(A)-(B)	6,332.34	2.41

	IDR in Mn. For the year ended 31-03-2022	Rupees in crores For the year ended 31-03-2022
17 EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	88,248.73	45.67
Contribution to provident and other funds	6,053.35	3.13
Staff welfare expenses	8,706.15	4.51
	1,03,008.23	53.31
18 FINANCE COSTS		
Interest	22,632.99	11.71
Exchange differences	(2,267.19)	(1.17)
Interest on lease liabilities	243.85	0.13
	20,609.65	10.67
19 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on property plant and equipment	17,400.62	7.67
Depreciation on right of use asset	2,268.37	1.17
	19,668.99	8.84
20 OTHER EXPENSES		
(a) Consumption of stores, spares and tools	2,694.21	1.39
(b) Power and fuel	3,426.60	1.77
(c) Rent	9,892.45	5.12
(d) Repairs - buildings	2,754.96	1.43
(e) Repairs - plant and equipment	4,548.48	2.35
(f) Insurance	1,452.87	0.75
(g) Rates and taxes (excluding taxes on income)	2,741.49	1.42
(h) Audit fees	699.26	0.36
(i) Packing and freight charges	45,436.21	23.51
(j) Advertisement and publicity	8,788.08	4.55
(k) 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)	42,197.33	21.84
	1,24,631.94	64.49

Report of the auditor to the General Assembly of the GO corporation, Zurich

Bassersdorf, January 27, 2022

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, 2021.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements and the proposed appropriation of available earnings do not comply with Swiss law and the company's articles of incorporation.

Further we draw your attention to the fact that the GO corporation is over-indebted on the date of the review in the sense of Art. 725 para. 2 by the Swiss Code of obligations (OR). Since shareholder loans to the company in the amount of CHF 360'000.00 have been subordinated and furthermore a capital increase of at least CHF 1'500'000.00 is planned to be performed in Q1 2022, the Board of Directors has refrained from further steps.

renius revisions ag
Tanja Jager
licensed audit expert RAB

Enclosures:

- Financial Statements (Balance Sheet, Income Statement, Notes)
- Proposed appropriation of available earnings

BALANCE SHEET AS OF 31. DECEMBER

(in Swiss francs)

	2021	%	2020	%
Assets				
Current assets				
Cash and cash equivalents	3'660'566.15		308'696.08	
Trade receivables				
From third parties	46'917.37		86'389.05	
From associated companies	93'327.38		95'994.74	
Provision for doubtful accounts	-2'070.00		-9'592.64	
Other current receivables				
From third parties	49'219.00		22'343.85	
From Shareholders	0.00		20'207.55	
Inventories and non-invoiced services	2'871'814.15		1'096'221.50	
Accrued income and prepaid expenses	373'592.49		1'069'019.80	
Total Current assets	**7'093'366.54**	**86 %**	**2'689'279.93**	**78 %**
Non-current assets				
Financial assets				
Longterm receivables				
From associated companies	268'651.61		286'565.94	
Shareholdings	458'632.31		58'830.72	
Tangible fixed assets				
Property, plant and equipment				
Office equipment	181'691.31		171'116.56	
Computer equipment	54'637.65		65'818.57	
Vehicles	11'628.71		4'800.00	
Intangible fixed assets	218'331.47		189'758.43	
Total Non-current assets	**1'193'573.06**	**14 %**	**776'890.22**	**22 %**
Total Assets	**8'286'939.60**	**100 %**	**3'466'170.15**	**100 %**

	2021	%	2020	%
Liabilities and shareholders' equity				
Current liabilities Trade creditors To third parties	460'357.46		113'832.69	
Other current liabilities				
To third parties	31'747.33		168'469.62	
To associated companies	0.00		32'582.10	
Deferred income and accrued expenses	355'222.84		79'496.25	
Total Current liabilities	**847'327.63**	**10 %**	**394'380.66**	**11 %**
Noncurrent liabilities				
Interest (Capital I) To third parties	2'625'000.00		2'225'000.00	
Other noncurrent financial liabilities To Shareholders	5'841'867.40		241'867.40	
Total Noncurrent liabilities	**8'466'867.40**	**102 %**	**2'466'867.40**	**71 %**
Shareholders' equity				
Share capital	114'010.72		114'010.72	
Statutory capital reserves	2'390'965.21		2'390'965.21	
Voluntary retained earnings				
Balance to be carried forward				
Brought forward from previous year	-1'900'053.84		-1'227'106.37	
Annual loss	-1'632'177.52		-672'947.47	
	-3'532'231.36	-43 %	-1'900'053.84	-55 %
Total Shareholders' equity	**-1'027'255.43**	**-12 %**	**604'922.09**	**17 %**
Total Liabilities and shareholders' equity	**8'286'939.60**	**100 %**	**3'466'170.15**	**100 %**

INCOME STATEMENT FOR THE YEAR ENDED 31. DECEMBER

(in Swiss francs)

	2021	%	2020	%
Operating income				
Net revenue from sales of goods and services	3'065'239.07		4’151’815.23	
Other operating income	61'630.03		28’984.69	
Deductions and discounts	-10'023.89		-7’592.64	
Total Operating income	**3'116'845.21**	**100 %**	**4’173’207.28**	**100 %**
Direct Expense				
Expense for materials goods and services	-1'440'351.09		-2’218’568.38	
Expense services	-1'379.69		-18’776.75	
Total Direct Expense	**-1'441'730.78**	**-46 %**	**-2’237’345.13**	**-54 %**
Gross profit I	**1'675'114.43**	**54 %**	**1’935’862.15**	**46 %**
Employee expenses				
Personnel expenses	-2'128'252.27		-1’440’825.61	
Social security expenses	-254'276.00		-199’536.40	
Other personnel expenses	-64'307.35		-63’726.12	
Total Employee expenses	**-2'446'835.62**	**-79 %**	**-1’704’088.73**	**-41 %**
Gross profit II	**-771'721.19**	**-25 %**	**231’773.42**	**6 %**
Other operating expense				
Rental expense	-571'411.81		-347’557.25	
Repairs, maintenance, leasing	-100'237.56		-71’142.05	
Vehicle expense	-23'231.63		-19’834.97	
Business Insurance	-12'456.65		-11’700.55	
Administrative	-147'214.97		-180’274.12	
Advertising expense	-305'478.16		-266’934.87	
Other operational expense	-11'540.89		-30’008.10	
Total Other operating expense	**-1'171'571.67**	**-38 %**	**-927’451.91**	**-22 %**
Earnings before interest, taxes, depreciation (EBITDA)	**-1'943'292.86**	**-62 %**	**-695’678.49**	**-17%**
Depreciation on fixed asset items	-107'045.13		-72’202.29	
Earnings before interest, taxes (EBIT)	**-2'050'337.99**	**-66 %**	**-767’880.78**	**-18 %**
Financial expense	-60'861.76		-24’736.34	
Leasing expenses	-33'621.40		-27’924.86	
Financial income	1'357.83		5’813.61	
Operating result	**-2'143'463.32**	**-69 %**	**-814’728.37**	**-20 %**
Extraordinary expense	0.00		-22’966.05	
Extraordinary income	512'344.30		167’137.00	
Profit before tax (EBT)	**-1'631'119.02**	**-52 %**	**-670’557.42**	**-16 %**
Direct taxes	-1'058.50		-2’390.05	
Annual loss (EAT)	**-1'632'177.52**	**-52 %**	**-672’947.47**	**-16 %**

Notes to the financial statements December 31, 2021 (in Swiss francs)

1. Accounting policies used in the preparation of the financial statements

These financial statements 2021 were prepared under the provisions of the Swiss accounting law in particular the articles of the Swiss Code of Obligations about commercialbookkeeping 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

2.1 Inventories

	2021	2020
Inventorieschandise	2'871'814	1'096'222

3. Further details required by law

3.1 Net release of hidden reserve

	2021	2020
Total net release of hidden reserves	0	0

3.2 Number of employees

	2021	2020
Headcount in full-time equivalents on annual average	-	-
up to **10** full-time employees	-	-
not over 50 full-time employees	-	-
not over 250 full-time employees	-	-
over 250 **full-time employees**	**-**	-

3.3 Investments

	2021	2020
Business name, legal form, registered office		
EGO Movement Stuttgard GmbH (in EURO)		
Sharecapital	25'000	25'000
Paid in	100%	50%
Capital share in %	100%	100%
Voting share in %	100%	100%

3.4 own shares

		2021		2020
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 rentlal liabilities, with a term of more than twelve months after the balance sheet date.

	2021	2020
Purchase like leasing with a term of more than 12 months after the balance sheet date.	2'325'482	1'812'679

3.6 Liabilities towards pension funds

	2021	2020
Total liabilities towards pension funds	214	31

3.7 Total amount pledged as security for own liabilities or for those of third parties

none

3.8 Contingent liabilities

	2021	2020
Rental guarantee Aargauische Kantonalbank	68'930	68'930

3.9 Explanations about extraordinary, one-off items or items relating to other periods, in the income statement

	2021	2020
remaining items	0	-22'966
Total expenses	0	-22'966
hardship allowance and others	512'344	167'137
Total income	512'344	167'137
Total extraordinary, one-off items or items relating to other periods	512'344	144'171

3.10 Significant events after the balance sheet date

No 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 the financial statements or which would have to be disclosed here.

The Company was also severely affected by the Corona pandemic in 2020 and 2021 and has therefore submitted an application for assistance from the Hardship Program in February 2021. The Financial Directorate of the Canton of Zurich approved the application on March 31, 2021 and made a payment of a non-refundable amount of CHF 660,827.00. In fiscal year 2020, an amount of CHF 167,137.00 was recognized as extraordinary income due to the closure from March to May. The remaining amount resulted in extraordinary income in fiscal year 2021.

3.11 Deviations from the going-concern assumption and their effect on the economic situation

The GO corporation has suffered a large loss in the past year. A capital increase of at least CHF 1'500'000 is planned to be performed in Q1 2022. The Board of Directors is therefore convinced that this will ensure the company's ability to continue as a going concern

	2021
Profit carried forward from previous year	-1'900'053.84
Net income (loss) for the perdiod	-1'632'177.52
Total at disposal of General Meeting	**-3'532'231.36**
Carried forward to next financial year	**-3'532'231.36**

RE-STATED ACCOUNTS OF
THE GO CORPORATION

BALANCE SHEET AS AT 31ST MARCH 2022

	Notes	CHF in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Property, plant and equipment	1	0.44	3.58
Capital work-in-progress			
Goodwill			
Other Intangible assets	1	0.22	1.83
Deferred tax Assets			
		0.66	5.41
Current assets			
Inventories	2	4.42	36.26
Financial assets			
Trade receivables	3	0.55	4.45
Cash and cash equivalents	4	1.01	8.31
Other current assets	5	1.15	9.45
		7.13	58.47
Total Assets		7.79	63.88
EQUITY AND LIABILITIES			
Equity			
Equity share capital	6	0.11	0.91
Other equity	7	(2.29)	(18.74)
		(2.18)	(17.83)
Liabilities			
Non-Current liabilities			
Financial liabilities			
(i) Borrowing	8	8.17	66.99
		8.17	66.99
Current liabilities			
Financial liabilities			
(i) Trade payables	9		
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (i) (a) above		1.10	8.93
Other current liabilities	10	0.70	5.79
		1.80	14.72
Total liabilities		9.97	81.71
Total equity and liabilities		7.79	63.88

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

		Notes	CHF in Mn.	Rupees in crores
I	Revenue from operations	11	2.02	16.41
II	Other income	12	0.02	0.15
III	Total Income (I +II)		2.04	16.56
IV	Expenses:			
	Purchases of stock-in-trade		5.26	43.08
	Changes in inventories of Stock-in -trade		(4.42)	(36.26)
	Employee benefits expense	13	1.55	12.56
	Finance costs	14	0.06	0.51
	Depreciation and amortisation expense	15	0.05	0.41
	Other expenses	16	0.82	6.61
			3.32	26.91
V	Profit before exceptional items (III - IV)		(1.28)	(10.35)
VI	Exceptional items		-	-
VII	Profit before tax (V+ VI)		(1.28)	(10.35)
VIII	Tax expense			
	i) Current tax		-	-
	ii) Deferred tax		-	-
IX	Profit for the year (VII - VIII)		(1.28)	(10.35)
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		(0.20)	(1.86)
			(0.20)	(1.86)
XI	Total Comprehensive Income (IX + X)		(1.48)	(12.21)
XII	Earnings per equity share (Face value of CHF .01/- each)			
	Basic & Diluted earnings per share (in CHF/ in rupees)		(0.11)	(9.08)

Notes on Accounts

		CHF in Mn. As at 31-03-2022	Rupees in crores As at 31-03-2022
2	INVENTORIES		
	Stock in trade	4.42	36.26
		4.42	36.26
3	TRADE RECEIVABLES		
	Unsecured, considered good	0.55	4.47
	Less: Loss allowance	-	0.02
		0.55	4.45
4	CASH AND CASH EQUIVALENTS		
	Balances with banks in current accounts	1.01	8.31
		1.01	8.31
5	OTHER CURRENT ASSETS		
	GST/VAT/IT/Excise receivable	0.16	1.33
	Vendor advance	0.75	6.14
	Prepaid expenses	0.13	1.05
	Trade deposits	0.10	0.82
	Others	0.01	0.11
		1.15	9.45
6	EQUITY SHARE CAPITAL		
	Issued, subscribed and fully paid up:		
	1,14,01,072 Ordinary shares of CHF 0.01 each	0.11	0.91
		0.11	0.91
7	OTHER EQUITY		
	Retained earnings	(4.48)	(35.99)
	Captal reserve	2.39	19.11
	Foreign currency translation reserve	(0.20)	(1.86)
		(2.29)	(18.74)
8	FINANCIAL LIABILITIES - BORROWINGS (NON CURRENT)		
	Unsecured		
	Term Loan from :		
	Bank	2.63	21.53
	Others	5.54	45.46
		8.17	66.99
9	TRADE PAYABLES		
	Dues to Micro and Small Enterprises**	-	-
	Dues to enterprises other than Micro and Small Enterprises	1.10	8.93
		1.10	8.93

** Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information received by the management.

		CHF in Mn. As at 31-03-2022	Rupees in crores As at 31-03-2022
10	OTHER CURRENT LIABILITIES		
	Statutory dues	0.01	0.10
	Advance from customers	0.63	5.16
	Employee related	0.06	0.53
		0.70	5.79

		CHF in Mn. For the year ended 31-03-2022	Rupees in crores For the year ended 31-03-2022
11	REVENUE FROM OPERATIONS		
	Sale of Product	1.71	13.92
	Sale of service	0.20	1.64
	Other operating revenues	0.11	0.85
		2.02	16.41
12	OTHER INCOME		
	Interest Income	0.01	0.07
	Other non operating income	0.01	0.08
		0.02	0.15
13	EMPLOYEE BENEFITS EXPENSE		
	Salaries, wages and bonus	1.33	10.78
	Contribution to provident and other funds	0.17	1.37
	Staff welfare expenses	0.05	0.41
		1.55	12.56
14	FINANCE COST		
	Interest	0.04	0.31
	Other borrowing cost	0.02	0.20
		0.06	0.51
15	DEPRECIATION		
	Depreciation on property plant and equipment	0.03	0.27
	Amortisation on intangible assets	0.02	0.14
		0.05	0.41
16	OTHER EXPENSES		
	(a) Rent	0.39	3.18
	(b) Insurance	0.01	0.09
	(c) Other marketing expenses	0.23	1.83
	(d) Miscellaneous expenses	0.19	1.51
		0.82	6.61

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	Total	Software	Design Development	Trade marks, patents, licences	Total
Cost of assets											
Gross carrying value as at 01-04-2021	-	-	-	-	-	-	-	-	-	-	-
Acquired on Business Combination	-	-	0.32	0.01	0.01	0.06	0.40	0.16	0.01	0.05	0.22
Additions during the year	-	-	0.07	-	-	-	0.07	0.01	-	0.01	0.02
Sub-total	-	-	0.39	0.01	0.01	0.06	0.47	0.17	0.01	0.06	0.24
Sales / deletion	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	0.39	0.01	0.01	0.06	0.47	0.17	0.01	0.06	0.24
Depreciation / Amortisation											
Upto 31-03-2021	-	-	-	-	-	-	-	-	-	-	-
For the year	-		0.03	-	-	-	0.03	0.01	-	0.01	0.02
Sub-total	-	-	0.03	-	-	-	0.03	0.01	-	0.01	0.02
Withdrawn on assets sold / deleted	-		-	-	-	-	-	-	-	-	-
Total	-	-	0.03	-	-	-	0.03	0.01	-	0.01	0.02
Carrying value As at 31-03-2022	-	-	0.36	0.01	0.01	0.06	0.44	0.16	0.01	0.05	0.22

Rupees in crores

Description	Property, Plant & Equipment							Other Intangible			
	Land	Building	Plant & equipments	Furniture and fixtures	Vehicles	Office equipment	Total	Software	Trade marks, patents, licences	Design Development	Total
Cost of assets											
Gross carrying value as at 01-04-2021							-	-			-
Acquired on Business Combination			2.65	0.04	0.10	0.49	3.28	1.35	0.37	0.11	1.83
Foreign Currency translation reserve difference			0.55	-	-	0.02	0.57	0.12	0.03		0.15
Sub-total	-	-	3.20	0.04	0.10	0.51	3.85	1.47	0.40	0.11	1.98
Sales / deletion							-				-
Total	-	-	3.20	0.04	0.10	0.51	3.85	1.47	0.40	0.11	1.98
Depreciation / Amortisation											
Upto 31-03-2021	-						-	-			-
For the year			0.21	0.01	0.01	0.04	0.27	0.11	0.03	-	0.14
Foreign Currency translation reserve difference			-	-	-	-	-	0.01			0.01
Sub-total	-	-	0.21	0.01	0.01	0.04	0.27	0.12	0.03	-	0.15
Withdrawn on assets sold / deleted	-	-	-	-	-	-	-	-			-
Total	-	-	0.21	0.01	0.01	0.04	0.27	0.12	0.03	-	0.15
Carrying value As at 31-03-2022	-	-	2.99	0.03	0.09	0.47	3.58	1.35	0.37	0.11	1.83

CONSOLIDATED INCOME STATEMENT 2021 IN TCHF

	Notes	2021	2020
Net sales from goods and services	1	66'302	58'207
Other income	2	817	7'736
Total income		**67'119**	**65'943**
Manufacturing costs / cost of goods		-42'160	-36'637
Gross profit		**24'959**	**29'306**
Personnel expenses	3	-13'103	-11'908
Rental expenses		-2'817	-2'748
Logistics expenses		-2'109	-2'508
Marketing expenses		-1'483	-2'651
Other operating expenses	4	-2'653	-2'395
EBITDA		**2'794**	**7'096**
Depreciation on tangible fixed assets	10	-550	-427
Amortization of intangible assets	11	-2'345	-1'554
Profit from disposal of property, plant and equipment		-10	3
EBIT		**-111**	**5'118**
Financial result	5	-608	-373
Ordinary result		**-719**	**4'745**
Extraordinary result		0	-31
EBT		**-719**	**4'714**
Income taxes	6	6'046	85
Net result		**5'327**	**4'799**

CONSOLIDATED BALANCE SHEET 2021 IN TCHF

	Notes	31.12.2021	31.12.2020
Assets			
Cash and cash equivalents	7	1'377	3'103
Trade receivables	8	4'809	4'723
Other current receivables	9	463	807
Prepayments to vendors		6'230	3'500
Inventories	10	18'272	15'271
Accrued income and prepaid expenses		1'576	179
Current assets		**32'727**	**27'583**
Property, plant and equipment	11	1'393	1'700
Financial assets		0	1
Intangible assets	12	15'351	10'992
Deferred tax assets	6	6'158	0
Non-current assets		**22'902**	**12'693**
Total assets		**55'629**	**40'276**
Liabilities and shareholder's equity			
Current financial liabilities	14	9'000	4'500
Trade payables		13'618	11'402
Prepayments from clients		3'466	2'852
Other current liabilities	13	2'668	732
Accrued liabilities and deferred income		1'427	336
Provisions - current	15	0	0
Current liabilities		**30'179**	**19'822**
Non-current financial liabilities	14	6'250	7'250
Other liabilities		8	138
Provisions - non current	15	0	0
Non-current liabilities		**6'258**	**7'388**
Total Fremdkapital		**36'437**	**27'210**
Share capital		153	152
Capital reserves		10'238	9'848
Treasury shares	17	0	-327
Retained earnings, accumulated losses		8'801	3'393
Equity		**19'192**	**13'066**
Total liabilities and equity		**55'629**	**40'276**

CONSOLIDATED CASH FLOW STATEMENT 2021 IN TCHF

	Notes	2021	2020
Net profit		**5'327**	**4'799**
Depreciation and amortization	**11, 12**	2'895	1'981
Income tax expenses	**6**	-6'046	-85
Change in provisions	**15**	0	-7'730
Other non-cash adjustments		153	-17
Profit from disposal of property, plant and equipment		10	-3
Cash flow before changes in net working capital and provisions		**2'339**	**-1'055**
Change in trade receivables		-58	-3'739
Change in inventories		-2'311	-4'257
Change in other current receivables, prepayments and accrued income		-3'838	-2'193
Change current liabilities		4'681	6'257
Change of other non-current liabilities		-124	99
Paid income taxes (net)		324	0
Operating cash flow		**1'013**	**-4'888**
Investment in property, plant and equipment	**11, 12**	-3'519	-1'710
Inflows from disposal of tangible and intangible assets	**11, 12**	8	7
Investment in financial assets (net)		0	533
Acquisitions	**18**	-3'240	0
Cash flow from investing activities		**-6'751**	**-1'170**
Capital increase		102	0
(Purchase)/sale of treasury shares	**17**	416	-327
Issuance/repayment of short-term financial liabilities		4'500	3'500
Issuance/repayment of long-term financial liabilities		-1'000	-2'530
Cash flow from financing activities		**4'018**	**643**
Total cash flow		**-1'720**	**-5'415**
Cash and cash equivalents at the beginning of the period		**3'103**	**8'516**
Total cash flow		-1'720	-5'415
Currency translation effect on cash		-6	2
Cash and cash equivalents at the end of the period		1'377	3'103
Paid interest (included in cash flow from operating activities)		-359	-292
Received interest (included in cash flow from operating activities)		0	0

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN TCHF

	Share capital*	Capital reserves	Treasury shares	Retained earnings, accumulated losses			Equity
				Profit/losses carried forward	Accumulated translation differences	Total	
01.01.2020	152	9'848 0	-	-1'368	-27	-1'395	8'605
Net result				4'799		4'799	4'799
Currency translation differences					-11	-11	-11
Purchase/sale treasury shares			-327			-	-327
31.12.2020	152	9'848	-327	3'431	-38	3'393	13'066
Net result				5'327		5'327	5'327
Currency translation differences					81	81	81
Capital increase	1	102				-	103
Purchase/sale treasury shares		288	327			-	615
31.12.2021	153	10'238	-	8'758	43	8'801	19'192
Total non-distributable statutory or legal reserves							-

* The share capital is divided into 152,875 (previous year: 152,243) registered shares of CHF 1,--.

CONSOLIDATED FINANCIAL STATEMENTS 2021

Principles of consolidation

General information

Swiss E-Mobility Group (Holding) AG ("SEMG") is an investment of the CONSTELLATION V SCSp, SICAVRAIF (Lux) fund. The latter is advised by CONSTELLATION CAPITAL AG based in Freienbach at lake of Zurich. SEMG, as a comprehensive and market-leading provider of e-mobility solutions in the e-bike segment, maintains in Switzerland, in addition to a strong B2B business, more than 30 POS under the name m-way, which represent the B2C part of SEMG. In the e-commerce business, SEMG is represented by its German subsidiary Colag E-Mobility GmbH and thus acts as a comprehensive omni-channel provider for e-bike products in the market.

SEMG is a stock corporation incorporated and domiciled in Switzerland. The registered office is located in Freienbach.

Accounting principles

The consolidated financial statements are based on the financial statements of the SEMG and its subsidiaries as of December 31, 2021, prepared in accordance with uniform accounting principles.

The Group prepares its accounts in compliance with all existing guidelines of Swiss GAAP FER (Swiss Accounting and Reporting Recommendations) and the provisions of Swiss law.

Valuation is based on historical cost (acquisition cost or production cost) or actual value. The section "Principles of valuation" contains the valuation principles of specific balance sheet items. The income statement is presented using the classification of expenses based on their nature. The consolidated financial statements are based on economic values and present a true and fair view of the company's assets, financial position, and results of operations. They are prepared under the assumption of a going concern.

The consolidated financial statements are presented in Swiss francs (CHF). Except where stated otherwise, all amounts in the financial report are presented in thousands of Swiss francs.

Accounting estimates and judgements

The preparation of consolidated financial statements in conformity with Swiss GAAP FER requires the use of certain accounting estimates and judgments which have an impact on the assets and liabilities, income and expenses reported, as well as the disclosure of contingent liabilities. These estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations and assessments of future events that are assumed to be reasonable under the given circumstances. Real results may differ from these estimates.

Management continuously reviews and, if necessary, adapts the estimates and underlying assumptions. Any changes are recognized in the period in which the estimate is revised.

Scope of consolidation

The consolidated financial statements include the financial statements of the SEMG and the Group companies in which SEMG directly or indirectly holds more than 50% of the voting rights or exercises control by contractual agreement (control principle). The companies included in consolidation are listed in Note 24 to the consolidated financial statements.

Changes in scope of consolidation

…in the year under review (2021)

On April 1, 2021, the activities and assets of Bike Evasion Sports SA in Saxon were acquired by means of an asset deal and integrated into Swiss E-Mobility Group (Switzerland) Ltd.

…in the previous year (2020)

There were no changes in the scope of consolidation in the previous year.

Consolidation method

Capital consolidation is performed using the AngloSaxon purchase method. Assets and liabilities as well as income and expenses of the fully consolidated companies are recognized at 100%. Minority interests in the consolidated equity and in the results of operations are disclosed separately.

Companies and businesses acquired during the year are revalued as at the date of acquisition in accordance with uniform Group principles and consolidated as of this date. Any goodwill remaining after such revaluation (difference between the purchase price and the Group's share of the equity reported) is capitalized and amortized over the useful life of generally ten years. Badwill (negative goodwill) is reversed over a period depending on the economic reasons for its occurrence. Companies sold during the year are excluded from the consolidated financial statements from the date of sale.

Translation of foreign currencies

Foreign currency transactions in Group companies

The foreign currency transactions and items contained in the individual financial statements of the consolidated companies are translated as follows: foreign currency transactions are translated into the functional currency at the exchange rate valid on the transaction date (current rate). At year-end, monetary assets and liabilities in foreign currency are measured using the exchange rate valid at the balance sheet date, with any profit or loss from such valuation taken to the income statement. Foreign exchange gains and losses resulting from the measurement of intercompany loans that are part of the net investment in a subsidiary are recognised in equity.

Exchange differences resulting from the revaluation of shares in associates are recognised in equity.

Translation of financial statements to be consolidated

Group financial statements are presented in Swiss francs. Assets and liabilities of Group companies with a functional currency other than the Swiss franc are translated at year-end rates (rates on balance sheet date); equity is translated at historical rates, while the income statement and cash flow statement are translated using average rates for the year. Any resulting exchange differences are recognised in shareholders' equity.

Accumulated exchange differences of foreign companies recognised in equity resulting from the translation of annual statements and loans between Group companies that are part of the net investment in a subsidiary are derecognised upon sale of the company and repatriated in the income statement as part of the gain or loss resulting from the sale.

Year-end rates in CHF

	31.12.21	31.12.20
1 EUR	1.0331	1.0802

Annual average rates in CHF

	2021	2020
1 EUR	1.0811	1.0708

Debt consolidation, intercompany sales and intercompany profits

All intercompany transactions and transactions between consolidated companies are mutually offset and eliminated. Intercompany profits on intercompany transactions are eliminated.

Cash flow statement

Cash and cash equivalents form the basis for the presentation of the cash flow statement.

Cash flow from operating activities is calculated using the indirect method.

Principles of valuation

Income statement

The consolidated income statement of Swiss E-Mobility Group AG has been prepared using the nature of expense method. The revenues from sales and services are compared with the direct expenses.

Net sales and revenue recognition

Net sales represent amounts received and receivable for goods supplied and for services rendered. Revenue from the sale of goods is recognised in the income statement at the moment when the risks and rewards of ownership of the goods have been transferred to the buyer, generally upon shipment. Revenue from services is recognised in the period when the services were rendered. Net sales consist of the amounts invoiced for products and services less credits, deductions and sales tax.

All intercompany sales are eliminated.

Income taxes

Taxes on the current income of companies included in the consolidation are calculated on the basis of local tax rates.

Impairment

The value of non-current assets is assessed on the reporting date for indicators of impairment. If there is evidence of any lasting reduction in value, the recoverable amount is calculated (impairment test). If the book value exceeds the recoverable amount, the difference is recognised in the income statement as an impairment charge. Major goodwill items are tested for impairment annually, based on a value-inuse calculation. The value-in-use calculation is based on cash flows for usually the next five years and the extrapolated values thereafter. Since the goodwill is already offset against retained earnings at the date of acquisition, any impairment to goodwill does not lead to a charge to the income statement, but only to disclosure in the notes.

Balance sheet - assets

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, postal giro and bank accounts, and short-term time deposits with a remaining term of less than three months. They are valued at nominal value.

Trade receivables

This item includes short-term receivables with a remaining term of generally up to one month from ordinary business activities. Receivables are recognized at nominal values. Allowance has been made for any value adjustments required for business reasons.

Inventories

Inventories are valued at the lower of cost or net realizable value. Discounts received are treated as reductions in acquisition cost. Appropriate allowance has been made for any value adjustments required for business reasons. Cost includes all directly attributable material and production costs. Acquisition costs are determined using the weighted average cost method.

CONSOLIDATED FINANCIAL STATEMENTS 2021 (Continued)

Property, plant and equipment

Property, plant and equipment are measured at cost less depreciation. Own work is only capitalized if it is clearly identifiable and the costs can be reliably determined, and if it provides the company with a measurable benefit over several years.

Depreciation is calculated on a straight-line basis over the useful life of the asset. This was determined as follows:

Machinery/technical equipment:	5-10 years
Vehicles:	3-5 years
Furniture and fittings:	5 years
IT hardware	3-5 years

Financial assets

In addition to non-consolidated participations, financial assets also include securities and long-term loans held with the intention of permanent investment. Listed and over-the-counter securities are valued at the lower of cost or market value at the balance sheet date. Securities without market value and loans are valued at acquisition cost less economically necessary value adjustments.

Intangible assets

This item includes licences and IT software as well as goodwill from acquisitions. Intangible assets are capitalised if they are clearly identifiable and the costs can be reliably determined and if they provide the company with a measurable benefit over several years. Intangible assets are valued at acquisition cost less economically necessary depreciation.

Depreciation is calculated on a straight-line basis. The useful life of licences and IT software is between three and five years. Goodwill from acquisitions is amortised over ten years (also see consolidation principles). The expected useful life of other intangible assets is determined on a case-by-case basis.

Liabilities

All liabilities in the Group are recorded at nominal value. Only liabilities that are due within one year are recognised in current liabilities.

Provisions

Provisions are recognised when there is a reasonable probable obligation as a result of a past event, the amount and/or timing of which is uncertain but can be estimated. The measurement of the provision is based on an estimate of the cash outflow to settle the obligation.

Badwill (negative Goodwill)

After the individual assets acquired have been adjusted and the necessary restructuring provisions have been created, badwill is deferred and reversed over time depending on the economic reasons for its occurrence. The costs incurred for the integration are taken into account in the reversal. The badwill is reported under provisions, depending on the planned reversal date under current or non-current.

Deferred taxes

The accrual of deferred income taxes is based on a balance sheet-oriented view and basically considers all future income tax effects. The calculation of deferred income taxes to be accrued annually is based on the future tax rate applicable to the respective taxable entity as at the balance sheet date.

A deferred tax asset for tax loss carryforwards is only recognised to the extent that it is probable that future profits will be available against which the tax loss carryforwards can be utilised.

Derivative financial instruments

Derivate financial instruments are used to hedge currency risks. They are recognised in the balance sheet

if they meet the definition of an asset or liability. Instruments used to hedge future cash flows are not

recognised in the balance sheet. They are disclosed

in the notes.

Employee benefit obligations

Employees and former employees receive various employee benefits and retirement pensions, which are paid in accordance with the legal provisions of the respective countries. At the Swiss Group companies, the obligations for employee benefits were covered by a collective foundation with full insurance until 31 December 2020. Shortfalls in cover were therefore excluded. Since 2021, a new insurance solution has been in place in which the investment risk is no longer insured. As of 31 December 2021, there is excess cover. Financing is provided by regular employer and employee contributions.

Regarding the application of Swiss GAAP FER 16 “Pension liabilities”, please refer to note 16 in the notes to the consolidated financial statements.

Leasing

A distinction is made between finance leases and operating leases. A finance lease exists when substantially all the risks and rewards incidental to ownership of an asset are transferred. Assets and liabilities from finance leases are recognised in the balance sheet. Currently, no contracts qualify as finance leases.

Lease obligations from operating leases that cannot be terminated within one year are disclosed in note 20 to the consolidated financial statements.

Contingent liabilities

Contingent liabilities are valued on the balance sheet date. If an outflow of resources is probable without a usable inflow of resources, a provision is made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

1. Net sales from goods and services

	2021	2020
Trading income E-bikes & bicycles	63'639	55'665
Other trading income	437	868
Service income	2'320	2'134
Reduction of income	-94	-460
Net sales from goods and services	**66'302**	**58'207**

2. Other income

	2021	2020
Income from release of badwill	-	7'691
A-fonds-perdu contributions COVID hardship program	750	-
Other income	67	45
Total	**817**	**7'736**

Swiss E-Mobility Group (Schweiz) AG has received TCHF 750 as à-fonds-perdue contributions as part of the 2nd allocation round of the COVID-19 hardship program of the Canton of Zurich as well as a loan of TCHF 2,000 (see note 13). These amounts are subject to the restrictions under the COVID-19 Act as well as the Hardship Case Ordinance.

In connection with the acquisition of the participation m-way ag, a badwill of TCHF 11'537resulted in total. This badwill was booked as provision. The amount includes a cash payment from the previous owner directly to m-way ag after the closing of TCHF 3,860 as compensation for the short-term acquisition, which did not allow to implement timely measures to reduce costs and improve margins. The badwill was released over a period of 12 months.

3. Personnel expenses

In the reporting period, short-time work compensation in the amount of TCHF 290 (full year 2020: TCHF 239) was recognised as a reduction in personnel expenses.

4. Other operative expenses

	2021	2020
Maintenance and repair	-182	-207
Duties, fees, permits, taxes	-83	-77
Administration expenses	-1'377	-1'283
IT expenses	-692	-518
Research and development	-159	-148
Energy and consumables	-113	-92
Exchange differences	191	14
Other	-238	-84
Total	**-2'653**	**-2'395**

5. Financial result

	2021	2020
Financial income	0	0
Total financial income	**0**	**0**
Interest expenses	-359	-292
Other financial expenses	-249	-81
Total financial expenses	**-608**	**-373**
Net financial result	**-608**	**-373**

6. Income taxes

	2021	2020
Current income tax expenses	-111	85
Deferred tax income/(expenses)	6'157	-
Total	**6'046**	**85**
Mathematically weighted average tax rate	840.9%	-1.8%

Deferred tax assets / deferred tax liabilities

	31.12.2021	31.12.2020
Deferred income tax asset for unused loss carryforwards	6'158	-
Deferred tax liabilities on valuation differences	-	-
Net deferred tax assets	**6'158**	**-**
Tax rate	19.7%	

Eligible loss carryforwards expire after 7 years.

In addition, there are the following non-capitalized tax advantages on loss carryforwards:

Loss carryforwards as per 31.12.	-	37'575
Theoretical tax asset (not capitalized)	**-**	**7'515**
(average tax rate)	-	20.0%

7. Cash and cash equivalents

As at 31 December 2021, a WIR credit balance of TCHF 462 is included as a component of cash and cash equivalents because it is accepted in the same amount for the final payment according to the purchase agreement on the asset deal with Bike Evasion and Sports SA.

8. Trade receivables

	31.12.2021	31.12.2020
Trade receivables, nominal	4'814	4'725
Allowance for doubtful accounts	-5	-2
Trade receivables, net	**4'809**	**4'723**

9. Other current receivables

	31.12.2021	31.12.2020
Claims against government agencies	315	165
Employee benefit assets	0	0
Transfer account	10	-6
Other current receivables	138	648
Total	**463**	**807**

10. Inventories

As at 31 December 2021, the Group has inventories worth CHF 18.3m (CHF 15.3m as at 31 December 2020). CHF 16.9m or almost 90% of the total inventory is located in Switzerland (as at 31 December 2020: CHF 15.3m, also around 90%). The remaining inventory is held by the German company Colag E-Mobility GmbH. Roughly 80% of all inventories are e-bikes that were delivered for the season 2022.

In the course of the merger and SAP harmonisation, it was possible for the first time in 2021 to make exact accruals of ancillary costs (freight, customs, assembling, quality control and homologation costs), which had previously been recorded in the company's expenses and led to inaccuracies in profitability. The corresponding value capitalised on the inventory amounts to TCHF 396, on which costs were incurred in the corresponding period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. Property, Plant & Equipment

	Leasehold improvements	Machinery and technical equipment	IT hardware	Assets under construction	Furniture and fittings	Vehicles	Total
Historical cost, 31.12.19	**16**	**3'611**	**216**	**0**	**4'025**	**20**	**7'888**
Additions	0	157	1	984	133	189	1'464
Disposals	0	0	0	0	-1	0	-1
Reclassifications	0	216	-10	-216	0	0	-10
Currency translation differences	0	1	0	-1	2	1	2
Historical cost, 31.12.20	**16**	**3'985**	**207**	**767**	**4'159**	**210**	**9'343**
Additions	0	162	0	2'434	23	0	2'619
Disposals	0	0	0	0-	5	-36	-42
Reclassifications	0	874	-147	-3'185	0	0	-2'457
Currency translation differences	0	-1	0	0	-6	-2	-9
Historical cost, 31.12.21	**16**	**5'020**	**60**	**16**	**4'171**	**172**	**9'454**
Accum. depreciation, 31.12.19	**-16**	**-3'168**	**-131**	**0**	**-3'880**	**-20**	**-7'215**
Depreciations	0	-246	-1	0	-154	-26	-426
Currency translation differences	0	0	0	0	-1	0	-2
Accum. depreciation, 31.12.20	**-16**	**-3'414**	**-132**	**0**	**-4'035**	**-46**	**-7'643**
Depreciations	0-	460	0	0	-34	-57	-550
Disposals	0	0	0	0	4	23	27
Reclassifications	0	30	72	0	0	0	101
Currency translation differences	0	0	0	0	4	0	3
Accum. Depreciation, 31.12.21	**-16**	**-3'844**	**-60**	**0**	**-4'061**	**-80**	**-8'062**
Net book value, 31.12.2019	0	443	85	0	145	0	673
Net book value, 31.12.2020	0	571	75	767	124	164	1'700
Net book value, 31.12.2021	**0**	**1'176**	**0**	**16**	**110**	**92**	**1'393**

12. Intangible assets

	Software	Trade marks, patents, licences	Development costs	Goodwill	Total
Historical cost, 31.12.19	**1'689**	**749**	**149**	**13'648**	**16'235**
Additions	91	50	105	0	246
Disposals	-6	0	0	0	-6
Reclassifications	10	-51	51	0	10
Currency translation differences	0	0	2	0	2
Historical cost, 31.12.20	**1'784**	**748**	**307**	**13'648**	**16'487**
Addition in scope of consolidation	0	0	0	3'450	3'450
Additions	900	0	0	0	900
Disposals	0	0	-7	0	-7
Reclassifications	2'356	112	0	0	2'468
Currency translation differences	0	1	-6	1	-4
Historical cost, 31.12.21	**5'040**	**861**	**294**	**17'099**	**23'294**
Accum. amortisations, 31.12.2019	-1'514	-616	-103	-1'706	-3'939
Amortisations	-98	-34	-58	-1'365	-1'555
Currency translation differences	0	0	-1	0	-1
Accum. amortisations, 31.12.2020	**-1'612**	**-650**	**-162**	**-3'071**	**-5'495**
Amortisations	-611	-41	-69	-1'624	-2'345
Disposals	0	0	3	0	3
Reclassifications	0	-112	0	0	-112
Currency translation differences	1	0	4	1	6
Accum. amortisations, 31.12.2021	**-2'222**	**-803**	**-224**	**-4'694**	**-7'943**
Net book value, 31.12.2019	175	133	46	11'942	12'296
Net book value, 31.12.2020	172	98	145	10'577	10'992
Net book value, 31.12.2021	**2'818**	**58**	**70**	**12'405**	**15'351**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. Other current liabilities

	31.12.2021	31.12.2020
Tax liabilities	434	1
Other liabilities to government agencies	624	12
Liabilities from employee benefits	1'609	722
Other current liabilities third parties	1	-3
Total	**2'668**	**732**

14. Financial liabilities

31.12.2021

	Residual terms up to 1 year	Residual terms 1 to 5 years	Residual terms over 5 years	Total
Bank loans [1]	8'800	4'450	0	13'250
Covid19-loans [2]	200	1'800		2'000
Vendor loan (transaction m-way)	0	0	0	0
Total	**9'000**	**6'250**	**0**	**15'250**
Current financial liabilities	**9'000**			
Non-current financial liabilities			**6'250**	

31.12.2021

	Residual terms up to 1 year	Residual terms 1 to 5 years	Residual terms over 5 years	Total
Bank loans [1]	3'500	7'250	0	10'750
Vendor loan (transaction m-way)	1'000	0	0	1'000
Total	**4'500**	**7'250**	**0**	**11'750**
Current financial liabilities	**4'500**			
Non-current financial liabilities			**7'250**	

1) The registered shares of Swiss E-Mobility Group (Schweiz) AG are pledged as collateral for the financial liabilities to Crédit Suisse. The conditions of the credit agreement were complied with.

2) Swiss E-Mobility Group (Schweiz) AG received TCHF 750 as Covid-19 A-Fonds-perdu contributions (see note 2) and a loan of TCHF 2,000 as part of the 2nd allocation round of the COVID-19 hardship programme of the Canton of Zurich. These amounts are subject to the restrictions under the COVID-19 Act and the Hardship Case Ordinance.

15. Provisions

	Badwill	Other current provisions	Total provisions
As at 31.12.2019	**7'691**	**36**	**7'730**
Addition in scope of consolidation	0	0	0
Additions	0	6	6
Release (income statement)	0	-15	-18
Utilisation	-7'691	-27	-7'718
Currency translation differences	0	0	0
As at 31.12.2020	**0**	**0**	**0**
thereof current provisions	0	0	0
therof non-current provisions	0	0	0
As at 31.12.2020	**0**	**0**	**0**
Addition in scope of consolidation	0	0	0
Additions	0	0	0
Release (income statement)	0	0	0
Utilisation	0	0	0
Currency translation differences	0	0	0
As at 31.12.2021	**0**	**0**	**0**
Thereof current provisions	0	0	0
Thereof non-current provision	0	0	0

16. Employee benefit schemes

According to Swiss GAAP FER 16, the accumulated pension liabilities are as follows:

Economic benefit/economic obligation and pension expenses	Excess/insufficient cover as per Swiss GAAP FER 26	Economic benefit/obligation for the company		Change vs. previous year or taken to the income statement in the FY	Contributions limited to the period	Pension expenses in personnel expenses	
	31.12.21	**31.12.21**	31.12.20			**2021**	2020
Pension schemes with excess cover	-	-	-	-	-464	-464	-537
Total	**-**	**-**	**-**	**-**	**-464**	**-464**	**-537**

There were no employer contribution reserves either on 31 December 2021 or on 31 December 2020.

The surpluses in the corresponding pension plans are not intended for economic use by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

17. Treasury shares

Number of shares	2021	2020
Balance at 1 January	**3'732**	**0**
Acquisitions	0	3'732
Disposals	-3'732	0
Balance at 31 December	**0**	**3'732**

During the reporting period, the entire portfolio of treasury shares was sold at a price of CHF 165 per share. In 2020, 3'732 registered shares (at a nominal value of CHF 1.00) were purchased. The average transaction price per share was CHF 87.69. There are no repurchase or other contingent liabilities in connection with treasury shares.

Neither in the year under review nor in the previous year were treasury shares issued in connection with sharebased payments.

18. Acquisitions

	2021	2020
Inventories	754	0
Prepayments from clients	-38	0
Total net assets acquired	**716**	**0**
Goodwill	3'450	0
Settlement of purchase price obligation with treasury shares	-200	0
Remaining purchase price liability	-726	0
Net cash outflow for acquisitions made	**3'240**	**0**

On 1 April 2021, the activities and assets of Bike Evasion Sports SA in Saxon were acquired by means of an asset deal and integrated into Swiss E-Mobility Group (Switzerland) Ltd.

In the context of the acquisition of m-way, a negative purchase price difference (badwill) in the amount of TCHF 11,537 arose. The amount includes a liquidity subsidy in the amount of TCHF 3,860 from the previous owner directly to m-way ag as compensation for the short-term acquisition, which did not allow the new owner to implement measures to reduce costs and improve margins in a timely manner. The badwill was recognized as a provision and released over 12 months. In 2020, this had resulted in income of TCHF 7,691.

19. Contingent liabilities / contingent assets

	31.12.2021	31.12.2020
Pledge of assets to secure own obligations		
Cash and cash equivalents	0	979

There were no other material contingent liabilities or assets as at the balance sheet date.

20. Derivative financial instruments

Forward exchange transactions are used to hedge purchases of goods in foreign currencies. As at 31 December 2021, there were no open forward transactions. As at 31 December 2020, there were open EUR forward exchange contracts with a contract volume of EUR 4,200,000 and USD forward exchange contracts with a contract volume of USD 3,400,000. As at 31 December 2020, the negative replacement values totalled CHF 54,000. As these forward exchange contracts are used to hedge future cash flows, they are not recognised in the balance sheet.

21. Off-balance sheet leasing/rental obligations

	31.12.2021	31.12.2020
up to 1 year	2'658	2'303
1 to 5 years	7'625	5'351
> 5 years	533	363
Total	**10'816**	**8'017**

22. Transactions with related parties

Business transactions with related parties are based on customary contractual forms and conditions. All transactions are included in the consolidated financial statements. Business transactions with related parties are based on arm's length conditions. All transactions are reported in the consolidated financial statements.

	31.12.2021	31.12.2020
Transactions with shareholders		
Trade receivables	58	58

23. Subsequent events

From the balance sheet date until the consolidated financial statements were approved by the Board of Directors on 6 April 2022, no other major events occurred which could have adversely affected the validity of the consolidated financial statements for 2021 or which would have to be disclosed.

24. Summary of consolidated companies

Company	Head office	Business activity	Capital		Capital share (=voting share)	
			Currency	Amount	31.12.21	31.12.20
Swiss E-Mobility Group (Holding) AG	**Freienbach, CH**	**Holding**	**CHF**	**152'875**		
Swiss E-Mobility Group (Schweiz) AG (formerly: m-way ag)	Zürich, CH	Trading	CHF	1'000'000	100%	100%
Colag E-Mobility GmbH	Nürnberg, D	Trading	EUR	25'000	100%	100%

REPORT OF THE STATUTORY AUDITOR ON THE CONSOLIDATED FINANCIAL STATEMENTS TO THE GENERAL MEETING OF SHAREHOLDERS

Swiss E-Mobility Group (Holding) AG, Freienbach

As statutory auditor, we have audited the accompanying consolidated financial statements of Swiss E-Mobility Group (Holding) AG, which comprise the consolidated balance sheet as at December 31, 2021, and the consolidated statement of income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements for the year then ended.

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation of these consolidated financial statements in accordance with Swiss GAAP FER and the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financialstatements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements 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 entity's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended December 31, 2021 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER and comply with Swiss law.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 Code of Obligations (CO) and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a para. 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

OSTSCHWEIZERISCHE TREUHAND ZÜRICH AG

L. Vonarburg	R. Schmidhauser
Licensed Audit Expert	Licensed Audit Expert
Auditor in charge	

Zurich, April 6, 2022

Appendix:

- Consolidated Financial Statements (Balance Sheet, Income Statement, Statement of Changes in Equity, Statement of Cash Flows and Notes)

RE-STATED ACCOUNTS OF
SEMG

BALANCE SHEET AS AT 31ST MARCH 2022

	Notes	'CHF in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Property, plant and equipment	1	8.47	69.53
Capital work-in-progress		0.02	0.13
Goodwill		12.27	100.57
Other Intangible assets	1	2.70	22.14
Deferred tax Assets		6.16	50.51
		29.62	242.88
Current assets			
Inventories	2	21.45	175.91
Financial assets			
Trade receivables	3	3.42	28.16
Cash and cash equivalents	4	1.74	14.22
Other financial assets	5	1.09	8.90
Other current assets	6	6.73	55.32
		34.43	282.51
Total Assets		64.05	525.39
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	0.15	1.23
Other equity	8	17.44	143.07
		17.59	144.30
Liabilities			
Non-Current liabilities			
Financial liabilities			
(i) Borrowing	9	9.05	74.24
(ii) Lease liability		5.38	44.12
Provisions	10	0.01	0.10
		14.44	118.46
Current liabilities			
Financial liabilities			
(i) Borrowing	11	16.05	131.66
(ii) Lease liability		1.82	14.96
(iii) Trade payables	12		
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (iii) (a) above		9.54	78.20
Other current liabilities	13	4.61	37.81
		32.02	262.63
Total liabilities		46.46	381.09
Total equity and liabilities		64.05	525.39

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

		Notes	'CHF in Mn.	Rupees in crores
I	Revenue from operations	14	12.11	98.46
II	Other income	15	0.04	0.31
III	Total Income (I +II)		12.15	98.77
IV	Expenses:			
	Purchases of stock-in-trade		29.51	241.38
	Changes in inventories of Stock-in -trade		(21.45)	(175.91)
	Employee benefits expense	16	2.11	17.14
	Finance costs	17	0.24	1.96
	Depreciation and amortisation expense	18	0.83	6.76
	Other expenses	19	1.48	12.12
			12.72	103.45
V	Profit before exceptional items (III - IV)		(0.57)	(4.68)
VI	Exceptional items		-	-
VII	Profit before tax (V+ VI)		(0.57)	(4.68)
VIII	Tax expense			
	i) Current tax		-	-
	ii) Deferred tax		-	-
IX	Profit for the year (VII - VIII)		(0.57)	(4.68)
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		0.02	3.71
			0.02	3.71
XI	Total Comprehensive Income (IX + X)		(0.55)	(0.97)
XII	Earnings per equity share (Face value of CHF 1/- each)			
	Basic & Diluted earnings per share (in CHF/ in rupees)		(3.73)	(306.13)

Notes on accounts - *(continued)*

		'CHF in Mn. As at 31-03-2022	Rupees in crores As at 31-03-2022
2	INVENTORIES		
	Stock in trade	21.45	175.91
		21.45	175.91
3	TRADE RECEIVABLES		
	Unsecured, considered good	3.42	28.16
		3.42	28.16
4	CASH AND CASH EQUIVALENTS		
	Balances with banks in current accounts	1.59	13.02
	Cash on hand	0.15	1.20
		1.74	14.22
5	FINANCIAL ASSETS - OTHERS (CURRENT)		
	Unsecured, considered good :		
	Claims receivable	1.09	8.90
		1.09	8.90
6	OTHER CURRENT ASSETS		
	GST/VAT/IT/Excise receivable	0.05	0.41
	Vendor advance	5.91	48.46
	Prepaid expenses	0.31	2.56
	Others	0.46	3.89
		6.73	55.32
7	EQUITY SHARE CAPITAL		
	Issued, subscribed and fully paid up:		
	1,52,875 Ordinary shares of CHF 1 each	0.15	1.23
		0.15	1.23
8	OTHER EQUITY		
	Retained earnings	7.18	57.38
	Captal reserve	10.24	81.98
	Foreign currency translation reserve	0.02	3.71
		17.44	143.07

		'CHF in Mn. As at 31-03-2022	Rupees in crores As at 31-03-2022
9	FINANCIAL LIABILITIES - BORROWINGS (NON CURRENT)		
	Unsecured		
	Term Loan from :		
	Bank	1.80	14.77
	Others	7.25	59.47
		9.05	74.24
10	PROVISIONS		
	Provision for employee benefits:		
	(a) Pension	0.01	0.10
		0.01	0.10
11	FINANCIAL LIABILITIES - BORROWINGS (CURRENT)		
	Unsecured		
	Borrowings repayable on demand from banks:	15.35	125.92
	Current Maturities of long term borrowings:	0.70	5.74
		16.05	131.66
12	TRADE PAYABLES		
	Dues to Micro and Small Enterprises**	-	-
	Dues to enterprises other than Micro and Small Enterprises	9.54	78.20
		9.54	78.20

** 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.

13	OTHER CURRENT LIABILITIES		
	Statutory dues	0.09	0.74
	Advance from customers	3.28	26.90
	Employee related	1.24	10.17
		4.61	37.81

Notes on accounts - *(continued)*

		'CHF in Mn. For the Year ended 31-03-2022	Rupees in crores For the Year ended 31-03-2022
14	REVENUE FROM OPERATIONS		
	Sale of Product	11.70	95.09
	Sale of service	0.38	3.10
	Other operating revenues	0.03	0.27
		12.11	98.46
15	OTHER INCOME		
	Other non operating income	0.04	0.31
		0.04	0.31
16	EMPLOYEE BENEFITS EXPENSE		
	Salaries, wages and bonus	1.77	14.39
	Contribution to provident and other funds	0.27	2.19
	Staff welfare expenses	0.07	0.56
		2.11	17.14

		'CHF in Mn. For the Year ended 31-03-2022	Rupees in crores For the Year ended 31-03-2022
17	FINANCE COST		
	Interest	0.13	1.08
	Interest on lease liabilities	0.05	0.39
	Other borrowing cost	0.06	0.49
		0.24	1.96
18	DEPRECIATION		
	Depreciation on property plant and equipment	0.13	1.04
	Amortisation on right of use asset	0.35	2.84
	Amortisation on intangible assets	0.35	2.88
		0.83	6.76
19	OTHER EXPENSES		
	(a) Power and fuel	0.02	0.14
	(b) Rent	0.12	1.00
	(c) Repairs - plant and equipment	0.02	0.16
	(d) Rates and taxes (excluding taxes on income)	0.02	0.15
	(e) Other marketing expenses	0.49	3.99
	(f) Miscellaneous expenses	0.81	6.68
		1.48	12.12

Independent Auditor's Report

Board of Directors

Sundaram Holding USA, Inc. and subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of Sundaram Holding USA, Inc., and subsidiaries ('the Company'), which comprise the consolidated balance sheets as of March 31, 2022, and March 31, 2021, and the related consolidated statements of loss, changes in stockholders' equity and cash flows for the years then ended and the related notes to consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly in all material respects, the consolidated financial position of the Company as of March 31, 2022, and March 31, 2021, and the consolidated results of its operations and its cash flows for the years then ended, in accordance with the accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 required to be independent of Sundaram Holding USA, Inc, and subsidiaries, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- 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. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

  We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit..

Knav P.A.
Atlanta, Georgia
May 04, 2022

CONSOLIDATED BALANCE SHEET

(All amounts in United States Dollars, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents	4,901,762	2,115,451
Inventories	3,010,843	633,798
Accounts receivable, net of allowances	3,687,799	1,876
Other current assets	53,514	12,685
Total current assets	**11,653,918**	**2,763,810**
Property, plant and equipment, net	69,728,080	64,327,942
Capital work-in-progress	7,318,969	14,068,928
Capital advances	1,929,200	478,655
Total assets	**90,630,167**	**81,639,335**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	1,605,441	600,547
Payable to related parties (Refer note N)	3,665,768	37,212
Current maturities of long-term debt	8,000,000	7,200,000
Current obligations under capital leases	250,908	278,259
Other current liabilities	1,708,517	1,413,796
Total current liabilities	**15,230,634**	**9,529,814**
Other liabilities	1,300,000	1,300,000
Long term capital lease obligation	397,071	541,059
Long term borrowings	21,137,618	29,092,225
Total liabilities	**38,065,323**	**40,463,098**
Stockholders' equity		
Common stock, $1 par, authorized - 75,000,000 shares (previous year 75,000,000 shares); issued and outstanding – 93,350,000 shares (previous year 69,400,000 shares) (Refer note Q)	93,350,000	69,400,000
Accumulated deficit	(40,785,156)	(28,223,763)
Total stockholders' equity	**52,564,844**	**41,176,237**
Total liabilities and stockholders' equity	**90,630,167**	**81,639,335**

(The accompanying notes are an integral part of these consolidated financial statements)

CONSOLIDATED STATEMENT OF LOSS

(All amounts in United States Dollars, unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations	7,077,820	462,529
Cost of revenues	(6,585,915)	(403,628)
Gross Profit	**491,905**	**58,901**
Costs and expenses		
Depreciation	2,536,695	2,469,367
Finance charges	488,633	1,549,236
Payroll expenses	4,729,610	1,972,298
General and administrative expenses	5,298,360	2,931,781
Total costs and expenses	**13,053,298**	**8,922,682**
Operating loss	**(12,561,393)**	**(8,863,781)**
Other income	-	11,599
Net loss	**(12,561,393)**	**(8,852,182)**

(The accompanying notes are an integral part of these consolidated financial statements)

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

For the year ended March 31, 2022 and March 31, 2021 (All amounts in United States Dollars, except number of shares)

Particulars	Common stock - Authorized - Shares	Common stock - Authorized - Value	Common stock - Issued & outstanding - Shares	Common stock - Issued & outstanding - Value	Accumulated deficit	Total stockholders' equity
Balance as of April 01, 2020	**60,000,000**	**60,000,000**	**59,000,000**	**59,000,000**	**(19,371,581)**	**39,628,419**
Common stock issued	15,000,000	15,000,000	10,400,000	10,400,000	-	10,400,000
Net loss	-	-	-	-	(8,852,182)	(8,852,182)
Balance as of March 31, 2021	**75,000,000**	**75,000,000**	**69,400,000**	**69,400,000**	**(28,223,763)**	**41,176,237**
Balance as of April 01, 2021	**75,000,000**	**75,000,000**	**69,400,000**	**69,400,000**	**(28,223,763)**	**41,176,237**
Common stock issued	-	-	23,950,000	23,950,000	-	23,950,000
Net loss	-	-	-	-	(12,561,393)	(12,561,393)
Balance as of March 31, 2022	**75,000,000**	**75,000,000**	**93,350,000**	**93,350,000**	**(40,785,156)**	**52,564,844**

(The accompanying notes are an integral part of these consolidated financial statements)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(All amounts in United States Dollars, unless otherwise stated)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from operating activities		
Net loss	(12,561,393)	(8,852,182)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	2,536,695	2,469,367
Amortization of debt issuance cost	45,393	52,867
Gain on sale of property, plant, and equipment	-	(11,599)
Changes in assets and liabilities		
Account receivables, net of allowances	(3,685,923)	139,835
Inventories	(2,377,045)	197,586
Other current assets	(40,829)	99,102
Accounts payable & other current liabilities	4,633,450	483,780
Other current liabilities	294,721	(161,942)
Net cash used in operating activities	**(11,154,931)**	**(5,583,186)**
Cash flow from investing activities		
Purchase of property, plant, and equipment	(2,637,419)	(1,337,053)
Sale proceeds of property, plant, and equipment	-	47,000
Net cash used in investing activities	**(2,637,419)**	**(1,290,053)**
Cash flow from financing activities		
Issuance of common stock	23,950,000	10,400,000
Repayment of long-term borrowings	(7,200,000)	(3,600,000)
Repayment of finance lease	(171,339)	(106,241)
Net cash provided by financing activities	**16,578,661**	**6,693,759**
Net increase (decrease) in cash and cash equivalents	**2,786,311**	**(179,480)**
Cash and cash equivalents at the beginning of the year	2,115,451	2,294,931
Cash and cash equivalents at the end of the year	**4,901,762**	**2,115,451**
Supplemental cash information		
Interest paid	707,117	1,443,551
Income tax paid	61,315	60,000
Supplemental non-cash information		
Assets purchased on finance lease	-	17,953

The accompanying notes are an integral part of these consolidated financial statements)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(All amounts in United States Dollars unless otherwise stated)

NOTE A – NATURE OF OPERATIONS

Sundaram Holding USA Inc. (or the “Company”) was incorporated in the State of Delaware on September 09,2015. The Company is held by Sundaram Auto Components Limited and Sundaram Clayton Limited. The Company is the sole owner member of four single member limited liability companies - Green Hills Land Holding LLC, Component Equipment Leasing LLC, Sundaram Clayton USA LLC (erstwhile Workspace Projects LLC) (all incorporated on September 16, 2016) and Premier Land Holding LLC (incorporated on December 06, 2016). The Company and its subsidiaries are in a start-up phase, and they are in the process of commencing regular supplies and revenue generating activities.

Sundaram Holdings USA Inc (“SHUI”) along-with its subsidiaries Green Hills Land Holding LLC (“GHLH”), Component Equipment Leasing LLC (“CEL”), Sundaram Clayton USA LLC (“SCUSA”) and Premier Land Holding LLC (“PLHL”) are hereinafter referred to as the “Company”.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America (“US GAAP”). The significant accounting policies are detailed below.

1. Basis of presentation

a. The accompanying consolidated financial statements are prepared under the historical cost convention on accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States of America (“US GAAP”) to reflect the financial position, results of operations, stockholders’ equity, and cash flows. All amounts are stated in United States Dollars, except as otherwise specified.

b. The consolidated financial statements are presented for the years ended March 31, 2022, and March 31, 2021.

c. Certain reclassifications, regroupings and reworking have been made in the consolidated financial statements of prior year to confirm to the classifications used in the current year. This has no impact on the consolidated statement of loss.

2. Use of estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The management’s estimates for realization of deferred tax assets, determination of useful lives for property, plant and equipment and their impairment, inventory valuation and estimation relating to unsettled transactions and events at the consolidated balance sheet date represent certain of these particularly sensitive estimates. Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Any revisions in accounting estimates are recognized prospectively in the current and future periods.

3. Cash and cash equivalents

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. Cash balances in bank accounts are insured by Federal Deposit Insurance Corporation up to an aggregate of $ 250,000 per depositor at each financial institution.

4. Revenue recognition

The Company adopted Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606) as of April 01, 2019. Results for the year ended March 31, 2022, are presentedunder Topic 606, while earlier periods are presented under previous guidance. Please refer Note L “Revenue from contracts with customers” for further information on the Company’s revenue. Revenue is recognized when obligations under the terms of a contract with a customer are satisfied; generally, this occurs with the transfer of control of the Company’s products or services. The Company’s global payment terms are typically 90 days.

Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring goods or providing services. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in the contract. A contract’s transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. Revenue from warehousing service is recognized when services are completed in accordance with the contracts entered with the customers.

5. Inventories

Inventories are stated at the lower of cost and market value. Cost is determined using the weighted average method. Cost in the case of raw materials comprises the purchase price and attributable direct costs, less trade discounts. Cost in the case of work-in-progress and finished goods comprise direct labor, material cost and production overheads.

A write down of inventory to the lower of cost or market value at the close of a fiscal period creates a new

cost basis and is not marked up based on changes in underlying facts and circumstances.

6. Property, plant and equipment and depreciation

Property, plant, and equipment are stated at cost less accumulated depreciation. Cost of items of property, plant and equipment comprise cost of purchase and other costs necessarily incurred to bring it to the condition and location necessary for its intended use. The Company depreciates property, plant and equipment over the estimated useful life using the straight-line method. Upon retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is credited or charged to operations.

Major maintenance projects that extend the life of the related equipment are capitalized. Cost of maintenance and repairs are charged to expense when incurred.

The calculation of depreciation expense is based on the estimated economic useful lives of the underlying property and equipment and finite-lived intangible assets. The Company periodically obtains updated depreciation studies to evaluate whether certain useful lives remain appropriate.

The estimated useful life used to determine depreciation is:

Particulars	Useful life
Building	45 years
Machinery and equipment	10-25 years
Equipment under lease	8 years
Furniture and fixtures	10 years
Production tools and dies	4-8 years
Vehicles	6 years
Computers and office equipment	3 years

Deposits paid towards the acquisition of property, plant and equipment outstanding as of each consolidated balance sheet date and the cost of property, plant, and equipment not ready for use before such date are disclosed under capital work-in-progress.

7. Impairment of long-lived assets

Long-lived assets, including certain identifiable intangible assets, to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Such assets are considered to be impaired if the carrying amount of the assets is higher than the future undiscounted net cash flows expected to be generated from the assets. The impairment amount to be recognized is measured by the amount by which the carrying value of the assets exceeds its fair value.

8. Capitalized interest

The Company capitalizes interest costs for qualifying assets. Qualifying assets are assets that require a significant amount of time to prepare for their intended use, including projects that are in the development or construction stages. Capitalized interest costs are considered an element of the historical cost of the qualifying asset. Capitalization ceases when the asset is substantially complete or if construction is interrupted for an extended period. Where the funds used to finance a qualifying asset form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to the relevant borrowings during the period. Where funds borrowed are directly attributable to a qualifying asset, the amount capitalized represents the borrowing costs specific to those borrowings. Where surplus funds available out of money borrowed specifically to finance a project are temporarily invested, the total capitalized interest is reduced by income generated from short-term investments of such funds.

9. Leases

Operating leases

Lease rent expenses on operating leases are charged to expense over the lease term. Certain operating lease agreements provide for scheduled rent increases over the lease term. Rent expense for such leases is recognized on a straight-line basis over the lease term.

Capital leases

Capital leases, which effectively transfer substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between finance charges and reduction of the lease liability based on the implicit rate of return.

10. Debt issuance cost

Debt issuance costs related to loans are reported in the consolidated balance sheet as a direct deduction from the face amount of the note. Amortization of debt issuance costs has been reported as financing costs. Further, the discount or premium resulting from the determination of present value in cash or noncash transactions is not presented as a separate asset or liability from the note that gives rise to it but is reported in the consolidated balance sheet as a direct deduction from or addition to the face amount of the note.

11. Government incentive

The incentive received from government for creation of asset is deferred and is classified as liability until the conditions based on which the incentives are granted, are met.

12. Income taxes

In accordance with the provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 740 “Income Taxes,” income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The deferred tax asset is reduced by a valuation allowance if it is more likely than not that some portion or all of the assets will not be realized.

13. Fair value measurements and financial instruments

Assets and liabilities recorded at fair value in the consolidated financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

The Company’s financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. The estimated fair value of cash, accounts receivable, accounts payable and accrued liabilities approximate their carrying amounts due to the short-term nature of these instruments. None of these instruments are held for trading purposes.

14. Commitments and contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the consolidated financial statements.

15. Liquidity

As on March 31, 2022, the Company has positive net worth of $ 52,564,844, pursuant to additional equity funding received from the stockholders during the year amounting to $ 23,950,000. The stockholders plan

to provide additional funding as and when required to meet the Company’s current anticipated cash needs for at least the next twelve months, including working capital needs and various contractual obligations. The Parent Company also provides support to the Company by financing trade payables.

16. Recently issued accounting standards not yet adopted

In February 2016, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2016-02, Leases. Under the new guidance, lessees are required to recognize a right-of-use asset and a lease liability on the consolidated balance sheet for all leases, other than those that meet the definition of a short-term lease. This update will establish a lease asset and lease liability by lessees for those leases classified as operating under current GAAP. Leases will be classified as either operating or finance under the new guidance. Operating leases will result in straight-line expense in the income statement, similar to current operating leases, and finance leases will result in more expense being recognized in theearlier years of the lease term, similar to current capital leases. This ASU is effective for the Company beginning January 1, 2022. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

NOTE C - INVENTORIES

Inventories comprise of:

	As at	
	March 31, 2022	**March 31, 2021**
Raw material	1,706,724	597,723
Work-in-progress	386,260	-
Stores and spares	138,068	19,122
Finished goods	779,791	16,953
Total	**3,010,843**	**633,798**

NOTE D - OTHER CURRENT ASSETS

Other current assets comprise of:	As at	
	March 31, 2022	**March 31, 2021**
Prepaid expenses	46,904	6,185
Security deposits	6,610	6,500
Total	**53,514**	**12,685**

NOTE E - PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant, and equipment of the Company comprise of:	As at	
	March 31, 2022	**March 31, 2021**
Land	2,934,860	2,934,860
Building	39,752,168	39,737,888
Equipment under lease	1,017,473	1,017,473
Machinery and equipment	27,914,610	20,369,315
Vehicles	542,970	539,892
Electrical equipment	9,819	9,819
Laboratory equipment	1,509,333	1,487,370
Furniture and fixtures	470,684	434,547
Computers and office equipment	1,606,273	1,592,247
Production tools and dies	1,251,208	957,241
Less: accumulated depreciation	(7,281,318)	(4,752,710)
Total	**69,728,080**	**64,327,942**

Depreciation for the year ended March 31, 2022, was $ 2,536,695 (March 31, 2021, was $ 2,469,367). The amount of interest capitalized as construction in progress during the year ended March 31, 2022, is $ NIL(March 31, 2021, was $ NIL). Depreciation includes expense for equipment taken under capital lease.

Land and building, machinery and equipment have been hypothecated against the loans obtained from the bank (Refer Note H)

NOTE F - CAPITAL WORK-IN-PROGRESS

The capital work in progress amounted to $ 7,318,969 as of March 31, 2022 (March 31, 2021, was $ 14,068,928). The balance as on March 31, 2022, and March 31, 2021, represents capital projects under construction which were yet to be installed.

During the year ended March 31, 2022, the capital work in progress transferred to property, plant and equipment amounted to $ 6,949,676. (March 31, 2021: NIL)

NOTE G - CAPITAL ADVANCES

Capital advance of $ 1,929,200 (March 31, 2021, was $ 478,655) has been provided towards the purchase of machinery, and other fixed assets to be acquired in the following financial year.

NOTE H - LONG-TERM BORROWING

Long term borrowing comprise of:

	As at	
	March 31, 2022	**March 31, 2021**
Loan from bank	29,200,000	36,400,000
Less: current maturities	(8,000,000)	(7,200,000)
Less: Unamortized debt issuance cost	(62,382)	(107,775)
Total	**21,137,618**	**29,092,225**

The Company obtained loan from a bank of $ 40,000,000 in the year 2019 for funding the acquisition of capital assets and for repayment of short-term borrowing. The amount of loan outstanding as of March 31, 2022, was $ 21,137,618 which included interest and unamortized portion of debt issuance cost. The refinancing transaction is treated as a modification of debt and the debt issuance costs paid to the bank are capitalized. The debt issuance cost on the new loan is $ 216,000 of which $ 62,382 (March 2021 $ 107,775) remains outstanding as at the consolidated balance sheet date. The Company has obtained deferral of certain financial covenants for a period of one year till March 31, 2023.

The loan is scheduled to be fully repaid by December 31, 2024. Below is the repayment schedule on the loan

For the year ended	**Amount ($)**
March 31, 2023	8,000,000
March 31, 2024	10,600,000
March 31, 2025	10,600,000
Total	**29,200,000**

The effective interest rate ("EIR") on the loan post the transaction costs is 1.95% for the year ended March 31, 2022 (March 31, 2021: 3.75%). The interest expense accrued for the year ended March 31, 2022, is $ 383,895(March 31, 2021, is $ 1,363,726) and the interest paid during the year ended March 31, 2022, $ 707,117 (March 31, 2021, is $ 1,443,551). The loan is secured by land, building and plant and machinery.

NOTE I - OTHER CURRENT LIABILITIES

Other current liabilities comprise of:

	As at	
	March 31, 2022	**March 31, 2021**
Employee related liability	373,356	86,995
Accrued state franchise taxes	93,365	69,415
Accrued property taxes	160,327	160,933
Interest payable	327,246	650,468
Advances from customers	687,250	214,143
Accrued expenses	66,973	231,842
Total	**1,708,517**	**1,413,796**

NOTE J - OTHER LIABILITIES

The Company received an incentive of $ 1,100,000 as of March 31, 2019, from the county of Dorchester, South Carolina for Project Gateway (the operating facility being built by the Company). The incentive was granted to the Company on the following terms:

- Project Gateway will locate an automotive component manufacturing facility in Dorchester County, South Carolina.
- Project Gateway will invest $50.5 million in the project, of which $15 million will be in real property (land and building) and $35.5 million will be in tangible personal property (machinery and equipment).
- Of the $35.5 million in tangible personal property (machinery and equipment), $1 million will be in pollution control equipment.
- Project Gateway will create 130 new jobs over 5 years.

The Company received advance incentive of $ 200,000 during the year from the county of Dorchester, South Carolina for the Project SC2 (the operating facility being built by the Company). The incentive was granted to the Company on the following terms:

• Project SC2, a "C" corporation, will locate an automotive component manufacturing facility in

Dorchester County, South Carolina.

- Project SC2 will invest additional $40 million in the project, of which $14 million will be in real property (land and building) and $26 million will be in tangible personal property (machinery and equipment).
- Project SC2 will create additional 100 new jobs over 5 years.

Other liabilities comprise of:

	As at	
	March 31, 2022	**March 31, 2021**
Grant from county	1,300,000	1,300,000
Total	**1,300,000**	**1,300,000**

NOTE K - LONG TERM CAPITAL LEASE OBLIGATION:

Long term capital lease obligation is calculated as follows:

	As at	
	March 31, 2022	**March 31, 2021**
Total capital lease obligation	647,979	819,318
Less: Current portion	(250,908)	(278,259)
Long term capital lease obligations	**397,071**	**541,059**

NOTE L - REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregated revenue information

	For the year ended	
	March 31, 2022	**March 31, 2021**
Type of goods or services		
Sale of manufactured products	6,902,508	342,241
Warehousing service	175,312	120,288
Total	**7,077,820**	**462,529**
Timing of revenue recognition		
Services transferred over a period of time	175,312	120,288
Goods transferred at a point of time	6,902,508	342,241
Total	**7,077,820**	**462,529**

NOTE M - INCOME TAXES

The Company files federal and state tax returns as per regulations applicable to Chapter C corporations in the United States of America.

The following is the summary of items giving rise to deferred tax assets and liabilities:

	As at	
	March 31, 2022	**March 31, 2021**
Non–current deferred tax assets		
Organization cost	2,943,644	3,173,019
Net operating losses	11,091,792	6,459,726
State credit	145,000	-
Donations	99	99
Accrued expense	107,886	3,890
Total non-current deferred tax asset	**14,288,420**	**9,636,734**
Non-current deferred tax liability		
Property, plant, and equipment	(3,548,464)	(2,356,377)
Total non-current deferred tax liability	**(3,548,464)**	**(2,356,377)**
Total deferred tax asset, net	**10,739,956**	**7,280,357**
Valuation allowance	(10,739,956)	(7,280,357)
Deferred tax asset, net	**-**	**-**

In assessing the realization of deferred tax assets, the likelihood of whether it is more likely than not that some portion or all of the deferred tax assets will not be realized must be considered. The ultimate realization of deferred tax assets is dependent on the generation of future taxable income during the periods in which temporary difference become deductible.

Management considers the projected future taxable income and tax planning strategies in making this assessment. Since the company has just started earning revenue, the management believes there exists significant uncertainties regarding the realization of deferred tax assets in US jurisdiction and accordingly the company has provided a valuation allowance of $ 10,739,956 and $ 7,280,357 as of March 31, 2022 and March 31, 2021 respectively.

The Company has federal net operating losses (NOLs) of $ 42,717,961 and $ 24,391,026 as at March 31,2022 and March 31, 2021. The NOLs generated till 2017-18 which if unutilized will expire by the year 2037 and the NOLs generated after 2018-19 will be carry forwarded indefinitely.

The Company has state (NOLs) carryforwards of approximately $ 42,420,400 and $ 24,186,830 as of March 31, 2022, and March 31, 2021, which if unutilized will expire based on the statutes of various states.

Accounting for uncertain tax position

The Company recognizes the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. The adoption of this standard had no material effect on the Company's financial position, results of operation or cash flows. For tax positions meeting the more-likelythan-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company has no unrecognized tax positions as of March 31, 2022, and March 31, 2021.

The tax year 2018 to 2020 remain subject to examination by the taxing authorities..

NOTE N - RELATED PARTY TRANSACTIONS

The Company had accounts receivable amounting to $ 175,312 from Sundaram Clayton Limited ("shareholder") on account of warehousing income charged from the parent as of March 31, 2022 (March 31, 2021: $ 124,593).

The payables for expenses incurred for tools & dies and casting samples amounted to $ 3,841,080 as of March 31, 2022 (March 31, 2021: $ 161,805).

The net payable to the Parent as of March 31, 2022, amounted to $ 3,665,768 and March 31, 2021, amounted to $ 37,212.

NOTE O - CONCENTRATION OF RISKS

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash equivalents. The cash resources of the Company are invested with banks after an evaluation of the credit risk. By their nature, all such cash equivalents involve risk including the credit risk of non-performance by counter parties. In management's opinion, as of the consolidated balance sheet date, there was no significant risk of loss in the event of non-performance of the counter parties to these cash equivalents.

NOTE P - COMMITMENTS AND CONTINGENCIES

Capital commitments

As of March 31, 2022, the Company has committed to spend $ 7,845,286 (as of March 31, 2021, amounting to $ 1,849,176) under agreements to purchase property and equipment and set up its operating facility.

Lease obligations

Operating leases

The Company occupies substantially all of its locations under short-term leases, most of which contain renewal options. The Company entered into lease for rented locations and forklifts as detailed below:

Premises A 1368 Wild Goose Trail

Rented for the period commencing from February 26, 2021, up to February 26, 2022, for rent amounting to $ 1,900per month.

Premises B, Summerville, SC 29483

Rented for the period commencing from February 27, 2022, up to February 27, 2023, for rent amounting to $ 1,975 per month.

Premises C, 701 Redbud Ln

Rented for the period commencing from March 1, 2022, up to May 31, 2023, for rent amounting to $ 2,130 per month.

Premises D, 5150 Trump Street

Rented for the period commencing from July 1, 2020, up to June 30, 2021, for rent amounting to $ 1,550 per month.

Premises E, North Charleston 29420

Rented for the period commencing from July 1, 2021, up to June 30, 2022, for rent amounting to $ 1,605 per month.

Premises F, 8800 Dorchester Road

Rented for the period commencing from April 1, 2021, up to March 31, 2022, for rent amounting to $ 1,750 per month.

Rental expense under all operating leases was $ 62,675 and $ 50,211 for the years ended March 31, 2022, and March 31, 2021, respectively.

As of March 31, 2022, future rental commitments for the non-cancelable leases are as follows:

For the year ending	Premises
March 31, 2023	56,360

Capital leases

The Company has obtained fifteen forklifts under capital lease. The minimum future lease payments under capital lease as of March 31, 2022, are as follows:

For the year ending	Forklifts
March 31, 2023	213,841
March 31, 2024	209,622
March 31, 2025	141,470
March 31, 2026	31,556
Total	**596,489**

NOTE Q - STOCKHOLDERS' EQUITY

Authorized common stock

The authorized common stock is 75,000,000 shares with a par value of $ 1 as of March 31, 2022 (March 31, 2021 – 75,000,000 shares with a par value of $ 1)

Common stock issued

Common stock issued and outstanding as of March 31, 2022, was 93,350,000 shares at $ 1 par value each. (March 31, 2021 – 69,400,000 shares at $ 1 par value each.)

The Company issued the following shares, $ 1 par value each, as below–

	Year ended	
	March 31, 2022	**March 31, 2021**
Sundaram Auto Components Limited	47,000,000	47,000,000
Sundaram Clayton Limited	46,350,000	22,400,000
Total number of shares issued	**93,350,000**	**69,400,000**

During the year ended March 31, 2022, the Company issued 23,950,000 shares at $1 par value, which were issued to Sundaram Clayton Limited.

Voting

Each holder of common stock is entitled to one vote in respect of each share held by him in the records of the Company for all matters submitted to a vote.

Liquidation

In the event of liquidation of the Company, the holders of common stock shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such amounts will be in proportion to the number of equity shares held by the shareholders.

NOTE R - EMPLOYEE BENEFIT PLAN

The Company set up a 401(k) plan for its employees on December 22, 2016. The Company made a matching contribution of $ 66,803 for the year ended March 31, 2022 (March 31, 2021, $ 9,661).

NOTE S - SUBSEQUENT EVENTS

The Company evaluated all events and transactions that occurred after March 31, 2022, through May 4, 2022, the date the financial statements are available to be issued. Based on the evaluation, the Company is not awareof any subsequent events or transactions, that would require recognition or disclosure in the financial statements.

RE-STATED ACCOUNTS OF
SUNDARAM HOLDING USA INC.

BALANCE SHEET AS AT 31ST MARCH 2022

	Notes	USD in Mn.	Rupees in crores
ASSETS			
Non-current assets			
Property, plant and equipment	1	96.33	730.12
Capital work in progress	1	7.32	55.47
Other non current assets	2	1.93	14.62
		105.58	800.21
Current assets			
Financial assets			
Inventories	3	3.01	22.82
Cash and cash equivalents	4	4.90	37.15
Trade receivables	5	3.69	27.95
Other current assets	6	0.06	0.41
		11.66	88.33
Total Assets		117.24	888.54
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	93.35	650.74
Other equity	8	(14.23)	(51.06)
		79.12	599.68
Liabilities			
Non-Current liabilities			
Financial liabilities			
(i) Borrowings	9	21.14	160.21
(ii) Lease liability		0.47	3.56
(iii) Other financial liabilities		1.30	9.85
		22.91	173.62
Current liabilities			
Financial liabilities			
(i) Borrowings	10	8.00	60.63
(ii) Lease liability		0.32	2.42
(iii) Trade payables	11		
a. Total outstanding dues of micro and small enterprises		-	-
b. Total outstanding dues of other than (iii) (a) above		5.52	41.82
(iv) Other financial liabilities	12	0.33	2.48
Other current liabilities	13	1.04	7.89
		15.21	115.24
Total Liabilities		38.12	288.86
Total Equity and Liabilities		117.24	888.54

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2022

		Notes	USD in Mn.	Rupees in crores
I	Revenue from operations	14	7.08	52.73
II	Other income	15	0.01	0.06
III	Total Income (I +II)		7.09	52.79
IV	Expenses:			
	Cost of material consumed		7.75	57.89
	Changes in inventories of finished goods, stock-in-trade and work-in-progress		(1.16)	(8.82)
	Employee benefits expense	16	3.82	28.48
	Finance costs	17	0.25	1.85
	Depreciation and amortisation expense	18	4.24	31.56
	Other expenses	19	3.33	24.87
			18.23	135.83
V	Profit before exceptional items (III - IV)		(11.14)	(83.04)
VI	Exceptional items		-	-
VII	Profit before tax (V+ VI)		(11.14)	(83.04)
VIII	Tax expense			
	i) Current tax		-	-
	ii) Deferred tax		-	-
IX	Profit for the year (VII - VIII)		(11.14)	(83.04)
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		-	19.12
			-	19.12
XI	Total Comprehensive Income (IX + X)		(11.14)	(63.92)
XII	Earnings per equity share (Face value of USD 1/- each)			
	Basic & Diluted earnings per share (in USD / in rupees)		(0.12)	(8.90)

Notes on accounts

1 Property, Plant & Equipment

USD in Millions

Description	Property, Plant & Equipment							
	Land	Building	Plant & Machinery	Vehicles	Furniture	Office Equipments	Right of use asset	Total
	1.00	2.00	3.00	4.00	5.00	6.00	7.00	8.00
Cost of assets								
Gross carrying value as at 01-04-2021	2.93			0.38	0.43	1.60	0.32	5.66
Additions	-	39.75	56.08	0.16	0.04	0.01	-	96.04
Sub-total	2.93	39.75	56.08	0.54	0.47	1.61	0.32	101.70
Sales / deletion	-	-	-	-	-	-	-	-
Total	2.93	39.75	56.08	0.54	0.47	1.61	0.32	101.70
Depreciation / Amortisation								
Upto 31-03-2021	-			0.05	0.10	0.84	0.14	1.13
For the year	-	0.79	2.82	0.06	0.04	0.48	0.05	4.24
Sub-total	-	0.79	2.82	0.11	0.14	1.32	0.19	5.37
Withdrawn on assets sold / deleted	-				-	-	-	-
Total	-	0.79	2.82	0.11	0.14	1.32	0.19	5.37
Carrying value								
As at 31-03-2022	2.93	38.96	53.26	0.43	0.33	0.29	0.13	96.33
Capital work-in-progress (at cost) as at 31-03-2022								
(a) Plant & equipment								7.32
Total								7.32

Rupees in crores

Description	Property, Plant & Equipment							
	Land	Building	Plant & Machinery	Vehicles	Furniture	Office Equipments	Right of use asset	Total
	1.00	2.00	3.00	4.00	5.00	6.00	7.00	8.00
Cost of assets								
Gross carrying value as at 01-04-2021	21.46			2.70	3.18	11.69	2.34	41.37
Additions		301.29	425.03	1.31	0.27	0.05		727.95
Foreign exchange translation reserve adjustments	0.78			0.11	0.12	0.43	0.01	1.45
Sub-total	22.24	301.29	425.03	4.12	3.57	12.17	2.35	770.77
Sales / deletion	-				-	-	-	-
Total	22.24	301.29	425.03	4.12	3.57	12.17	2.35	770.77
Depreciation / Amortisation								
Upto 31-03-2021	-			0.27	0.76	6.22	1.00	8.25
For the year	-	5.90	20.99	0.43	0.32	3.58	0.34	31.56
Foreign exchange translation reserve adjustments	-	0.11	0.36	0.03	0.03	0.29	0.02	0.84
Sub-total	-	6.01	21.35	0.73	1.11	10.09	1.36	40.65
Withdrawn on assets sold / deleted	-				-	-	-	-
Total	-	6.01	21.35	0.73	1.11	10.09	1.36	40.65
Carrying value								
As at 31-03-2022	22.24	295.28	403.68	3.39	2.46	2.08	0.99	730.12
Capital work-in-progress (at cost) as at 31-03-2022								
(a) Plant & equipment								55.47
Total								55.47

Notes on accounts - *(Continued)*

		USD in Mn. As at 31-03-2022	Rupees in crores As at 31-03-2022
2	OTHER NON CURRENT ASSETS		
	Capital advances	1.93	14.62
		1.93	14.62
3	INVENTORIES		
	Raw materials and components	1.71	12.95
	Work-in-progress	0.38	2.91
	Finished goods	0.78	5.91
	Stores and spares	0.14	1.05
		3.01	22.82
4	CASH AND CASH EQUIVALENTS		
	Balances with banks	4.90	37.13
	Cash on hand	-	0.02
		4.90	37.15
5	TRADE RECEIVABLE		
	Trade receivable	3.69	27.95
		3.69	27.95
6	OTHER CURRENT ASSETS		
	Prepaid expense	0.05	0.36
	Trade deposits	0.01	0.05
		0.06	0.41
7	EQUITY SHARE CAPITAL		
	Authorised, issued, subscribed and fully paid up:		
	Authorised:		
	9,33,50,000 Ordinary shares of USD 1/- each	93.35	650.74
	Issued, subscribed and fully paid up:		
	9,33,50,000 Ordinary shares of USD 1/- each	93.35	650.74
		93.35	650.74
8	OTHER EQUITY		
	Retained earnings	(14.23)	(104.26)
	Foreign currency translation reserve	-	53.20
		(14.23)	(51.06)
9	FINANCIAL LIABILITIES - BORROWINGS (NON-CURRENT)		
	From Banks (Secured)	29.14	220.84
	Total non current borrowings	29.14	220.84
	Less: Current maturities of non current borrowings	8.00	60.63
	Total non current financial liabilities (borrowings)	21.14	160.21
10	FINANCIAL LIABILITIES - BORROWINGS (CURRENT)		
	Current Maturities of long term borrowings	8.00	60.63
		8.00	60.63
11	TRADE PAYABLES		
	Current		
	Dues to Micro and Small Enterprises**	-	-
	Dues to enterprises other than Micro and Small Enterprises	5.52	41.82
		5.52	41.82

** 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.

		USD in Mn. As at 31-03-2022	Rupees in crores As at 31-03-2022
12	OTHER FINANCIAL LIABILITIES		
	Interest accrued but not due	0.33	2.48
		0.33	2.48
13	OTHER CURRENT LIABILITIES		
	Statutory dues		
	Employee related liability	0.36	2.68
	Advance received from customers	0.68	5.21
		1.04	7.89

		USD in Mn. For the year ended 31-03-2022	Rupees in crores For the year ended 31-03-2022
14	REVENUE FROM OPERATIONS		
	Sale of Product	7.08	52.73
		7.08	52.73
15	OTHER INCOME		
	Other non operating income	0.01	0.06
		0.01	0.06
16	EMPLOYEE BENEFITS EXPENSE		
	Salaries, wages and bonus	3.12	23.24
	Contribution to provident and other funds	0.25	1.83
	Staff welfare expenses	0.45	3.41
		3.82	28.48
17	FINANCE COSTS		
	Interest	0.22	1.62
	Interest on lease liabilities	0.01	0.07
	Other borrowing cost	0.02	0.16
		0.25	1.85
18	DEPRECIATION AND AMORTISATION EXPENSE		
	Depreciation on property plant and equipment	4.19	31.22
	Amortisation on right of use asset	0.05	0.34
		4.24	31.56
19	OTHER EXPENSES		
	(a) Consumption of stores, spares and tools	0.68	5.05
	(b) Power and fuel	0.69	5.15
	(c) Repairs - buildings	0.06	0.47
	(d) Repairs - plant and equipment	0.37	2.78
	(e) Insurance	0.10	0.74
	(f) Rates and taxes (excluding taxes on income)	0.45	3.32
	(g) Audit fees	0.01	0.11
	(h) Packing and freight charges	0.06	0.42
	(i) 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)	0.91	6.83
		3.33	24.87