



**Empowering customer aspirations  
with thoughtful financial solutions.**

***TVS*****CREDIT**

The logo for TVS CREDIT. The word "TVS" is in a bold, italicized blue font, and "CREDIT" is in a bold, italicized green font. To the right of the text is a green square icon with a white curved line on its left side, resembling a folded corner or a stylized 'C'.





## First we walk with our customers, then we enable them to soar.

'Empowering India. One Indian at a time.' This is what TVS Credit stands for, it's our very reason for being. But how does empowerment actually happen?

It begins by understanding, by putting ourselves in the customer's place and asking the simple but priceless question, 'What would I want?' The many answers we've received have formed the basis of the financial solutions we offer. Products that improve life, and very often transform lives.

In this Annual Report, you will learn about some of these products and find out how we performed in the last financial year.

As of March 31, 2025, our Assets Under Management stood at ₹26,647 Crore. Our Total Income was ₹6,630 Crore, a 14% increment over the previous year. We also reported our highest-ever Profit After Tax of ₹767 Crore, a 34% increase over the previous year.

As we serve more customers, we learn more about their evolving needs. This enables us to empower our customers as they strive to achieve their aspirations.

**Empowering India.**  
**One Indian at a time.**

**BOARD OF DIRECTORS**

Sudarshan Venu, Chairman  
Venu Srinivasan  
Ashish Sapra  
Sanjiv Chadha  
R Gopalan  
K N Radhakrishnan  
B Sriram  
Kalpana Unadkat  
Dr. Deepali Pant Joshi  
T C Suseel Kumar

**AUDIT COMMITTEE**

R Gopalan, Chairman  
Sanjiv Chadha  
Kalpana Unadkat

**NOMINATION AND REMUNERATION COMMITTEE**

Kalpana Unadkat, Chairperson  
Sudarshan Venu  
B Sriram

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Venu Srinivasan, Chairman  
R Gopalan  
K N Radhakrishnan

**RISK MANAGEMENT COMMITTEE**

K N Radhakrishnan, Chairman  
R Gopalan  
Kalpana Unadkat

**ASSET LIABILITY MANAGEMENT COMMITTEE**

Ashish Sapra, Chairman  
Sudarshan Venu  
B Sriram

**INFORMATION TECHNOLOGY STRATEGY COMMITTEE**

B Sriram, Chairman  
K N Radhakrishnan  
Ashish Sapra

**CREDIT SANCTION COMMITTEE**

B Sriram, Chairman  
Sudarshan Venu  
K Gopala Desikan  
Ashish Sapra

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

K N Radhakrishnan, Chairman  
R Gopalan  
Kalpana Unadkat

**DIRECTOR AND CHIEF EXECUTIVE OFFICER**

Ashish Sapra

**CHIEF FINANCIAL OFFICER**

Roopa Sampath Kumar

**COMPANY SECRETARY**

Chetan Nage

**STATUTORY AUDITORS**

CNGSN & Associates LLP  
Chartered Accountants  
Agastyar Manor, No.20,  
Raja Street, T. Nagar,  
Chennai - 600017  
info@cngsn.com

Suri & Co.,  
Chartered Accountants  
Guna Complex, No. 443 & 445,  
4th Floor, Main Building,  
Anna Salai, Teynampet,  
Chennai - 600018  
chennai@suriandco.com

**SECRETARIAL AUDITOR**

B. Chandra & Associates  
AG 3 Ragamalika,  
No. 26, Kumaran Colony Main Road,  
Vadapalani, Chennai - 600 026  
bchandraandassociates@gmail.com

**REGISTERED OFFICE**

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

**BANKERS / FINANCIAL INSTITUTIONS**

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

**SUBSIDIARY COMPANIES**

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

**DEBENTURE TRUSTEES**

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

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

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**NOTICE** is hereby given that the Seventeenth Annual General Meeting (AGM) of Shareholders of the TVS Credit Services Limited (the Company) will be held at the Registered Office of the Company at "Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai – 600 006 on Wednesday, 30<sup>th</sup> July 2025 at 4.00 P.M. to transact the following business:

### **ORDINARY BUSINESS**

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

**RESOLVED THAT** the standalone and consolidated audited Financial Statements for the year ended 31<sup>st</sup> March 2025, together with the Directors' Report and the Auditors' Report thereon as circulated to the members and presented to the meeting be and the same are hereby approved and adopted.

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

**RESOLVED THAT** Mr. Sudarshan Venu (holding DIN: 03601690), Director, who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a director of the Company.

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

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

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

**RESOLVED THAT** pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Circular issued by Reserve Bank of India vide no. RBI/2021-22/25 Ref. No.Dos.CO.ARG/SEC.01/08.91.001/2021-22 dated 27<sup>th</sup> April 2021 ('RBI Guidelines'), and any other applicable laws issued from time to time, including any amendments, modifications, variations or re-enactments thereof, M/s. Brahmayya & Co., Chartered Accountants, Chennai, having Firm Registration No. 000511S allotted by the Institute of Chartered Accountants of India who have offered themselves for appointment and have confirmed their eligibility to be appointed as joint statutory auditors in terms of Section 141 of the Companies Act, 2013, applicable rules thereunder and RBI Guidelines, be and are hereby appointed as Joint Statutory Auditors of the Company to hold office for a continuous period of three years i.e., from the conclusion of the 17<sup>th</sup> Annual General Meeting until the conclusion of 20<sup>th</sup> Annual General Meeting of the Company to be held for the financial year ending on 31<sup>st</sup> March 2028, subject to their continuity of fulfilment of the applicable eligibility norms;

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

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



## SPECIAL BUSINESS:

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

**RESOLVED THAT** pursuant to the provisions of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), Circular issues thereunder from time to time and Section 204 and all other provisions of the Companies Act, 2013, if any, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and any other applicable laws issued from time to time, including any amendments, modifications, variations or re-enactments thereof, M/s. B Chandra & Associates, Company Secretaries, Chennai, a peer reviewed firm having Firm Registration No. P2017TN065700 allotted by the Institute of Company Secretaries of India, who have offered themselves for appointment, be and are hereby appointed as Secretarial Auditors of the Company for a term of 5 (Five) consecutive years, commencing from financial year 2025-26 till financial year 2029-30;

**RESOLVED FURTHER THAT** the Board of Directors, be and are hereby severally authorised to decide and finalise the terms and conditions of appointment including the overall audit fees for the Secretarial Audit.

**RESOLVED FURTHER THAT** approval of the Members is hereby accorded to the Board to avail or obtain from the Secretarial Auditor, such other services or certificates or reports which the Secretarial Auditors may be eligible to provide or issue under the applicable laws.

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

By order of the Board  
For TVS Credit Services Limited

Place : Chennai  
Date : 28<sup>th</sup> April 2025

**Chetan Nage**  
Company Secretary  
Membership No. ACS 18074

## **NOTES:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts concerning the special business under Item No. 5 of the Notice is annexed hereto.
2. **A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself and the Proxy or Proxies so appointed need not be a member or members, as the case may be, of the Company. The instrument appointing the Proxy and the power of attorney or other authority, if any, under which it is signed or a notary certified copy of that power of attorney or other authority shall be registered office of the Company, not later than 48 hours before the time fixed for holding the meeting.**
3. During the period beginning 24 hours before the time fixed for commencement of AGM and ending with the conclusion of the AGM, a Member is entitled to inspect the Proxies lodged, at any time during the business hours of the Company.
4. Proxy form and information pursuant to the provisions of the Secretarial Standard on General Meetings ('SS-2'), pertaining to Directors seeking re-appointment are annexed hereto.
5. All the relevant documents referred to in this Notice shall remain open for inspection by the Members of the Company at the Registered Office from 10:00 AM to 4:00 PM on all working days up to the date of this Annual General Meeting.

The following Explanatory statement sets out all material facts relating to the special business mentioned in the accompanying Notice dated 28<sup>th</sup> April 2025 and shall be taken as forming part of the Notice.

**Item No. 5**

**Appointment of M/s. B Chandra & Associates, Practicing Company Secretaries, Chennai, as Secretarial Auditors of the Company**

Pursuant to the amended provisions of Regulation 24A of the SEBI Listing Regulations, a listed company shall appoint a Secretarial Auditor with the approval of its shareholders in its Annual General Meeting. Further, the tenure of appointment of a Secretarial Audit firm as Secretarial Auditor shall not be more than two terms of five consecutive years.

In compliance with the above-said provisions, and based on the evaluation and recommendation of the Audit Committee, the Board of Directors at its meeting held on 28<sup>th</sup> April, 2025, recommended the appointment of M/s. B Chandra & Associates, Practicing Company Secretaries, Chennai, a peer reviewed firm, having Firm Registration No. P2017TN065700, as Secretarial Auditors of the Company for a term of five consecutive years commencing from FY 2025-26 till FY 2029-30, for approval of the Members.

Brief Profile of M/s. B Chandra & Associates :

M/s. B Chandra & Associates, Practicing Company Secretaries, established as a sole proprietorship in 2008 and registered as a partnership firm in the year 2017 and has been advising about 40 to 50 small and medium companies, 15 to 20 Multinational Companies and 10 to 15 Listed Companies. All the senior partners have rich and deep experience for over 17 years in sectors like Automobiles, NBFC, Real Estate, Renewable Energy and rendering audit services.

The firm has qualified & experienced partners and staffs / smart collaborations to compliment geography reach and strong confluence of people, process and technology.

The Secretarial Auditors have reported their independence from the Company according to the standards issued by the Institute of Company Secretaries of India ('ICSI') and the ethical requirements relevant to audit.

M/s. B Chandra & Associates, Practicing Company Secretaries, Chennai, having Firm Registration No. P2017TN065700, have furnished their consent to act as Secretarial Auditors of the Company and have also provided a certificate to the effect that their appointment, if made, would be within the limits specified by ICSI and that they satisfy the criteria provided under the SEBI Listing Regulations.

They have further confirmed that they are not disqualified to be appointed as Secretarial Auditors in terms of the provisions of Companies Act, 2013, the Company Secretaries Act, 1980 and Rules and Regulations made thereunder and the SEBI Listing Regulations.

The fees in connection with the secretarial audit and other out-of-pocket expenses for FY 2025-26, and for subsequent year(s) of their term, shall be such fees as may be decided by the Board of Directors. In addition to the secretarial audit, M/s. B Chandra & Associates shall provide such other services in the nature of certifications and other professional work, as approved by the Board of Directors. The relevant fees will be determined by the Board, as recommended by the Audit Committee.

The Board recommends the Ordinary Resolution as set out in Item No. 5 of this Notice for approval of the Members.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, in the Resolution set out in Item No. 5 of this Notice.

By order of the Board  
For TVS Credit Services Limited

Place : Chennai  
Date : 28<sup>th</sup> April 2025

**Chetan Nage**  
Company Secretary  
Membership No. ACS 18074

Registered Office:  
"Chaitanya", No. 12, Khader Nawaz Khan Road,  
Nungambakkam, Chennai - 600 006.

The Directors have the pleasure of presenting the Seventeenth Annual Report and the audited accounts of the Company for the year ended 31<sup>st</sup> March 2025.

## 1. BUSINESS AND FINANCIAL PERFORMANCE

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

₹ in Crore

Particulars	Year ended	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Revenue from Operations	6,626.10	5,789.72
Other Income	3.93	5.47
<b>Total Income (A)</b>	<b>6,630.03</b>	<b>5,795.19</b>
Finance Costs	1,863.32	1,653.64
Fees & Commission, Employee Benefit, Administrative & Other Operating Expenses	2,399.70	2,225.17
Impairment of Financial Instruments	1,295.36	1,127.05
Depreciation and Amortisation Expenses	46.20	27.39
<b>Total Expenses (B)</b>	<b>5,604.59</b>	<b>5,033.25</b>
<b>Profit / (Loss) before Tax &amp; Exceptional Item (A) - (B)</b>	<b>1,025.44</b>	<b>761.94</b>
Less: Exceptional Items	-	-
<b>Profit / (Loss) before Tax</b>	<b>1,025.44</b>	<b>761.94</b>
Less: Tax Expense		
- Current Tax	323.80	307.64
- Deferred Tax	(65.61)	(117.53)
<b>Profit / (Loss) after Tax</b>	<b>767.25</b>	<b>571.83</b>
Other Comprehensive Income	(15.08)	(20.69)
<b>Total Comprehensive Income</b>	<b>752.17</b>	<b>551.14</b>

### Company's Performance

This fiscal year 2025, the Company has completed 15 years of operations, an important milestone to celebrate in this journey till date. The Company registered a growth of 5% in disbursements from ₹25,018 crore to ₹26,301 crore for the financial year ended 31<sup>st</sup> March 2025. The Company ended the year with assets under management (AUM) of ₹26,647 crore as against ₹25,900 crore as of the end of the previous year, registering a growth of 3%. AUM of the Company is well diversified with various portfolios and % of total loans as of 31<sup>st</sup> March 2025 are as follows: Retail Finance business - Two-Wheeler Loans (28%) and Used Car Loans (8%), Commercial Finance business - Tractor Loans (17%), Used Commercial Vehicle Loans (12%) and Business Loans (2%) and Consumer Finance business – Consumer Durable Loans (15%) and Personal Loans (17%).

Total income during the financial year ended 31<sup>st</sup> March 2025 increased to ₹6,630 crore from ₹5,795 crore, an increase of 14.4% over the previous year. The profit before tax and exceptional items for the year stood at ₹1,025 crore as against ₹762 crore during the previous year, registering a growth of 34.5%.

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

### **Key Product-wise Performance during the Financial Year**

**Two-Wheeler Loans:** AUM of two-wheeler loans have increased from ₹6,970 crore to ₹7,483 crore as of March 2025 registering a growth of 7.4%. The Company continues to be the leading financier for TVS Motor Company Ltd, the holding Company.

**Used Car Loans:** AUM of Used car loans as of March 2025 is at ₹2,235 crore against ₹2,132 crore as at March 2024, registering an increase of 4.8%.

**Tractor Loans:** There has been degrowth in the disbursements in both the New tractor loans and Used tractor loans during this fiscal, which resulted in the reduction in the AUM of New tractors from ₹2,798 crore to ₹1,809 crore as of March 2025 and in AUM of Used tractors from ₹2,685 crore to ₹2,591 crore as of March 2025, registering a decrease of 35% and 4% respectively. This is on primarily on account of the conscious decision taken by the Company to implement necessary credit interventions given the recent stress noted in this portfolio over the last two fiscal years in addition to the rundown of the earlier book.

**Used Commercial Vehicle Loans:** The Used commercial vehicle loans portfolio comprising medium, heavy, small and light commercial vehicles has increased marginally from ₹3,219 crore to ₹3,265 crore as of March 2025 on account of necessary credit interventions undertaken in the last one year due to stress in the segment.

**Consumer Durable Loans:** During this fiscal, the number of loans increased by 34% from 34 lakh loans to 46 lakh loans. AUM of consumer durable loans has increased from ₹2,734 crore to ₹4,047 crore, registering a growth of 48% over the corresponding previous year.

**Personal Loans:** The personal loans portfolio as of March 2025 is at ₹4,531 crore, registering a decrease of 5.6% from ₹4,802 crore as of March 2024, owing to the necessary credit interventions undertaken in the light of the recent stress noted in the portfolio coupled with the overleverage in the market across players.

## **2. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

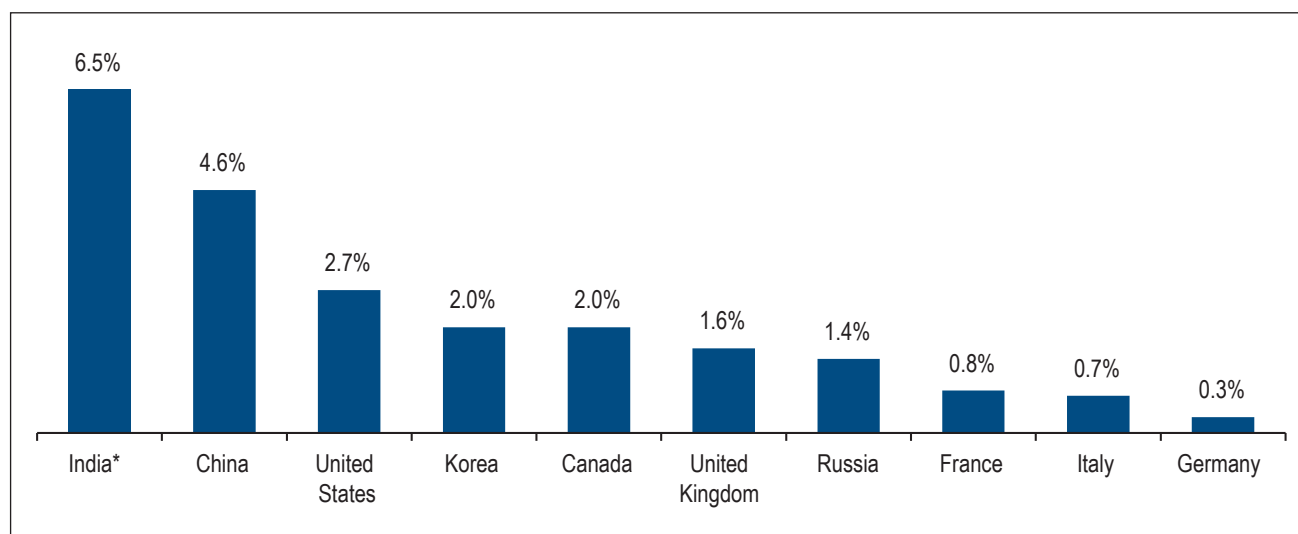
India's economic growth has been resilient against global headwinds consistently post COVID for the last four fiscals. India is the fifth-largest economy in the world in terms of GDP and it continues to maintain its position as one of the fastest-growing economies globally.

### **Indian economy's growth momentum to continue in fiscal 2025, outpacing global peers**

As per the estimates published by RBI and National Statistical Office (NSO), India's real gross domestic product (GDP) is estimated to have grown by 6.5% in Financial Year 2024-25 over last year. According to the NSO's estimates, India's real gross value added (GVA) is expected to grow at 6.4% in fiscal 2025, compared with 8.6% in fiscal 2024. The 'financial, real estate and professional services' sector maintained its dominant share in the sectoral composition of nominal GVA, with a growth rate of 7.2% in fiscal 2025.

Private consumption, driven by a rebound in rural demand amid improved agricultural prospects has largely supported India's economic growth in fiscal 2025. Services sector also remained steady during the fiscal. Another factor that supported growth in fiscal 2025 was softer headline consumer price inflation, which is estimated to be around 4.6%, a decline from 5.4% in fiscal 2024, due to lower food inflation. However, the second half of fiscal 2025 witnessed high global prices, import duties and a weaker currency.

**Real GDP growth for major global economies, CY25**



Note: \*For India, data is presented on a fiscal year basis (April 2024 – March 2025).

Source: IMF WEO January 2025, Crisil Intelligence

**GDP growth to hold steady in fiscal 2026**

India's GDP is forecasted to normalise at 6.5% in fiscal 2026, assuming the upcoming monsoon season to be normal and commodity prices to remain soft. Private consumption is expected to recover further, while investment growth hinges on the capex investments by the private sector.

Private consumption is expected to register growth supported by strong agricultural production and lower food inflation, leading to increased discretionary spending. The Reserve Bank of India's (RBI) recent easing of monetary policy is also expected to support consumer spending. After a 25-basis point rate cut in February 2025, the RBI made another 25-basis point cut in April 2025, bringing the repo rate down to 6.00%.

The Monetary Policy Committee has adopted an 'accommodative stance', citing low inflation and moderate growth, and is expected to bring in two more 25 basis point rate cuts in fiscal 2026. However, the RBI remains vigilant about global economic challenges and expected to leverage necessary liquidity management tools to mitigate potential volatility.

Growth in fiscal 2026 is expected to be driven by the following factors:

- On the fiscal front, the government's capex is budgeted at 3.1% of GDP, similar to that of previous fiscal. Capex for fiscal 2026 is budgeted at ₹11.2 lakh crore, up 10% from ₹10.2 lakh crore in fiscal 2025
- Healthy domestic consumption, particularly in fast-moving consumer goods, consumer durables and two-wheelers
- The government has reduced the income tax rates under the new tax regime, potentially increasing the disposable income in the hands of the middle class and the revision in tax slabs would potentially reduce the tax burden across income levels
- The policy rate cuts by RBI are expected to support consumption, as these will gradually get transmitted to other interest rates in the economy, thus lowering borrowing costs
- Along with measures to spur consumption in the short term, the Union Budget 2025-26 also looks to improve employment and skilling, as these two factors will help push up permanent incomes and strengthen consumption in the medium-to-long term

**Rural consumption momentum to persist in fiscal 2026, driving economic growth**

India's rural sector has been a key driver of the country's consumption growth in recent years and is expected to continue this trend in fiscal 2026. A normal monsoon, healthy farm income, and government support are anticipated to boost rural demand, with the agricultural sector's positive outlook having a ripple effect on the broader rural economy.



The government's increased allocation for rural development, including an increase of 8% year-on-year in the Department of Rural Development's budget, to support rural incomes and consumption. Key schemes such as Pradhan Mantri Awas Yojana (PMAY) and Pradhan Mantri Gram Sadak Yojana (PMGSY) received a 23.7% allocation increase, primarily benefiting lower-income households and driving consumption.

The rural sector would also benefit from sustained support under schemes, such as Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) and PM-Kisan, as well as an increased loan limit under the Kisan Credit Card, which will enhance the cash flow for about 7.7 crore farmers. Further, new initiatives aim to improve farmers' income and food security, while addressing food inflation through climate-resilient and sustainable crop production.

Growth in rural demand is also reflected in the sales of key products such as two-wheelers, three-wheelers and tractors. Domestic tractor sales projected to expand at a 4-6% compound annual growth rate (CAGR) during fiscals 2024 to 2029, while two-wheeler sales expected to record a CAGR of 7-9% during the same period.

Agriculture GVA is expected to close with a 3.8% growth in fiscal 2025, driving demand for two-wheelers and tractors, and the trend is expected to continue in fiscal 2026, contingent on a favourable monsoon. Furthermore, the 14% increase in reservoir storage levels would support the cultivation of Rabi crops, while the higher Minimum Support Prices (MSPs) is likely to enhance the profitability of these crops, thereby boosting the outlook for tractor and two-wheeler sales.

### **Growing middle-class population and financial inclusion to drive mid-term growth**

Over the past decade, the proportion of Middle India – households (annual income between ₹ 0.2 million and ₹ 1.0 million) has been steadily increasing, driven by rising GDP and household incomes. This trend is expected to continue, with India's per-capita Net National Income (NNI) at constant prices growing at a CAGR of 7.5% between fiscals 2021 and 2025.

Rising disposable income and changing lifestyles are driving a surge in discretionary spending, which is evident in the growing share of discretionary items in the consumption basket of both rural and urban areas. Between fiscals 2012 and 2024, this share has increased from 47% to 53% in rural areas and from 57% to 60% in urban areas, according to the Household Consumer Expenditure Survey (HCES) 2023-24 by the Ministry of Statistics and Programme Implementation (MoSPI).

Consumers are increasingly seeking value and convenience, driving demand for premium products – a trend that is expected to persist. As financial health improves, consumers are aspiring to upgrade their lifestyles, fuelling demand for credit to finance purchases such as vehicles and consumer durables.

Notably, data from the MoSPI shows a considerable uptick in household financial savings as a percentage of GDP, rising to 5.2% in fiscal 2024 from 5.0% in fiscal 2023. Despite this progress, credit penetration remains relatively low, offering a substantial opportunity for lenders to tap into this untapped market, expand their customer base and gain market share.

### **India's digital infrastructure remains a key driver of economic expansion**

The proliferation of digital platforms and the gig economy, fuelled by digitalisation, has significantly expanded the scope for economic growth in India. The development of foundational digital infrastructure, including Aadhaar, India Stack (unified software platform with set of open APIs), and payments infrastructure, has been a key driver of growth in the financial and other services sectors. Technology has played a vital role in reducing the cost of reaching smaller markets, and expedited the ability of the businesses to reach these markets thereby fostering greater financial inclusion.

The government's initiatives have been instrumental in promoting digital payments and financial inclusion. Between April 2024 and January 2025, India witnessed an impressive 18,121 crore transactions (in volume) worth ₹2,331 lakh crore of digital payments. The Unified Payments Interface (UPI) has been a game-changer facilitating easy transactions using a simple authentication method and linking smartphones with bank accounts. During the same period, UPI facilitated 15,146 crore transactions, amounting to ₹214 lakh crore, with a notable 84% share of total digital payment volumes. The government has continued to build on this momentum, with the RBI recently announcing plans to broaden the UPI scope by allowing transfers to and from pre-sanctioned credit lines with banks.

Over the past few years, the government has also taken various initiatives in accelerating digital infrastructure development through a range of initiatives, such as the Trade Receivables e-Discounting System (TReDS), E-KYC, Aadhaar-based authentication and DigiLocker. By leveraging cutting-edge technologies and integrating them, this digital revolution has strengthened the country's digital backbone, enabling faster, more-secure and more-efficient transactions.

### **Risks and concerns**

The recent surge in US tariffs poses a risk of dumping in the Indian market, which could potentially impact domestic prices. Moreover, the threat of extreme weather events, exacerbated by climate change, remains a concern.

Meanwhile, the considerable outflow of foreign portfolio investments and the rupee's sharp volatility against the US dollar have led to a liquidity drain in the banking system. The RBI maintains ample forex reserves to cushion domestic markets from excess volatility and is expected to continue using its liquidity and foreign exchange tools to support financial conditions. Rupee has seen depreciation against dollar by ~2.5% in Financial Year 2024-25, against an annual depreciation of 3% seen in Financial Year 2023-24.

Cyber risk has emerged as a significant threat to the continued digitalization. As more individuals, businesses and Government services rely on digital infrastructure, the potential impact of cyber-attacks has increased exponentially. The Corporate India should look to invest in strengthening the digital infrastructure and security framework to address the threats from time to time.

### **Systemic credit slowed down in Financial Year 2024-25 and expected to witness steady growth in fiscal 2026**

In fiscal 2025, India's systemic credit, comprising banks and non-banks, expanded about 15% as against 18% in fiscal 2024. Retail segments continued to drive the credit growth, although the unsecured lending segment normalised from an elevated base. The RBI's vigilant oversight and risk-weights circular on consumer loans tempered growth in unsecured portfolios, ensuring a more measured pace of expansion.

Systemic credit is expected to grow steadily at a CAGR of 14-15% between fiscals 2025 and 2027. The wholesale segment and secured retail segments, such as housing loans and vehicle loans, are poised to be the primary drivers of overall credit expansion in the near term. However, unsecured retail loans, including personal loans and microfinance, pose a downside risk, due to the prevailing asset quality concerns, which would require close monitoring.

### **Secured segments to propel NBFCs' credit growth, albeit at a moderate pace**

NBFCs continue to be a crucial part of India's financial ecosystem, bridging the credit gap in underserved areas. Their significance is underscored with their share in systemic credit (comprising both banks and NBFCs) increased to ~20.3% in fiscal 2025 from 17% in fiscal 2019. The same is expected to grow by 30 bps every year to reach ~21% in fiscal 2027.

NBFCs have successfully advanced financial inclusion to the unbanked and underbanked population by leveraging technology, targeting niche segments and building strong local networks. Harnessing artificial intelligence and machine learning to streamline processes and boost productivity, NBFCs are enhancing the customer journey and the customer experience.

Driven by their targeted focus on retail segments, NBFCs continue to outpace the overall systemic credit, clocking a CAGR of 14% between fiscals 2020 and 2025. In fiscal 2025, the retail segment was a key driver of credit growth, with strong expansion in secured asset classes, while the unsecured lending segments normalised from an elevated base. As a result, NBFCs expanded their outstanding credit by ~17% on-year in fiscal 2025 and are expected to grow at ~16% in fiscal 2026.

Within retail credit, the growth of NBFCs' vehicle finance portfolio moderated to 16-17% on-year in fiscal 2025 from 25% in fiscal 2024. This moderation was primarily driven by a decline in the commercial vehicles (CVs) segment, although it was partially offset by growth in tractor and two-wheeler sales, which benefited from improved rural sentiment. Looking ahead, NBFCs' vehicle finance portfolio is expected to experience a modest uptick in fiscal 2026, aided by improving market sentiment, following

the expectation of additional rate cuts in fiscal 2026.

NBFCs witnessed growth in disbursements during the first nine months of fiscal 2025, with ~17% and ~12% year-on-year increase in two-wheeler and tractor finance respectively along with an uptick in disbursements of three-wheeler financing on the back of rebound in rural demand. The market is poised for continued growth, driven by deeper finance penetration, rising demand for electric two-wheelers and three-wheelers and pent-up replacement demand for two-wheelers and tractors, which is expected to fuel credit growth in future.

The market in the Passenger Vehicle (PV) segment experienced a slowdown in the first half of fiscal 2025 due to weak consumer sentiment and elevated interest rates. However, the second half saw notable improvement in sales, driven by festive demand and discounts that helped clear the build-up inventories with original equipment manufacturers. As a result, the disbursements of NBFCs' PV finance segment grew ~10% on-year during first nine months of fiscal 2025. Meanwhile, the used vehicle segment saw traction, driven by increased demand from consumers seeking more affordable options over new vehicles selling at soaring prices.

CV sales faced headwinds in fiscal 2025, weighed down by sluggish infrastructure activity, oversupply of high-tonnage vehicles with lower capacity utilisation and subdued manufacturing and mining activity in the first half. Amid the challenges, replacement demand provided some relief, supporting growth in the segment. Consequently, disbursements under the CV financing segment grew at a modest 8% during first nine months of fiscal 2025. The outlook for the CV segment is likely to be positive, supported by resumption of government spending and pickup in economic activities.

NBFCs' consumer durable financing portfolio grew 22% in fiscal 2025, fuelled by strong mobile phone sales and higher credit penetration. The tax relief announced in the Union Budget 2025-26 is expected to boost retail consumption and demand, driving credit growth in the consumer durable financing segment in fiscal 2026.

In fiscal 2025, gold loans gained popularity as a credit option amid rising concerns over asset quality and overleveraging in unsecured loans. The trend was further fuelled by the upward trajectory of gold prices, driven by robust demand. As a result, NBFCs' gold loan portfolio grew 21-23% in fiscal 2025 and is projected to grow 18-20% in fiscal 2026.

The lending landscape in the micro, small and medium enterprise (MSME) sector has undergone a transformation in recent years, driven by increased digital lending, government-backed initiatives, robust economy and growing preference for formal credit channels. This has led to a rapid growth in the sector, with NBFCs' MSME credit portfolio expanding 20-22% on-year in fiscal 2025. The momentum is expected to continue with similar growth rates anticipated in fiscal 2026.

The housing credit growth remained steady at 13-14% year-on-year in fiscal 2025 reflecting the broader economic moderation and elevated interest rates. The sector remained resilient, buoyed by rising disposable incomes and robust demand.

NBFCs' credit growth in the personal loan segment moderated to 22% on-year in fiscal 2025 from 39% in fiscal 2024, due to increased concerns over asset quality, mainly on account of overleveraging, marked by a decline in unique borrowers over the past two years. The segment's small-ticket loans were particularly vulnerable to delinquencies and overleveraging. In response, the RBI took proactive measures, including increasing risk weights, which in turn, led lenders to exercise caution and slow down disbursements to the segment.

The credit card segment experienced a slowdown in fiscal 2025 on account of increased risk weights by the RBI, revisions to reward points and deteriorating asset quality. This resulted in a decline in credit card spends and the number of active cards growing at slower pace of 8% YoY growth in fiscal 2025.

Deterioration in asset quality was the most pronounced in the microfinance sector (MFI) in fiscal 2025, with the outstanding book contracting 8-12% on-year. The increased stress in the sector was on account of overleveraging, general elections impacting collection for lenders. As delinquencies soared, lenders responded by curtailing disbursements in fiscal 2025.

The market witnessed a shift from unsecured to secured asset classes in fiscal 2025, owing to concerns over asset quality in the former. With lower yields in the secured segments, the overall shift resulted in contraction in yield and margins. This, combined with elevated interest rates for most part of the year and increased risk weights, kept borrowing costs elevated.

With the easing of interest rates following the two rate cuts of 25 bps each in February and April 2025 and the RBI reinstating the previous risk weight levels on banks' exposure to NBFCs, credit growth from banks to NBFCs is expected to pick up, enabling NBFCs to better manage their cost of funds and stabilise their margins.

**Disbursements grew at 5% in fiscal 2025**

During fiscal 2025, the Company expanded its portfolio with a strategic focus on building a diversified book, primarily targeting consumer finance and retail segments. As of 31<sup>st</sup> March 2025, the Company's assets under management grew 3% to ₹26,647 crore from ₹25,900 crore as of 31<sup>st</sup> March 2024. The Company had around 18 million customers as at the end of March 2025, a growth of 38%. During the year, the disbursements grew 5% driven by a calibrated expansion in various micro markets, products and customer segment.

With focussed growth in the consumer segment, the Company has acquired over 44 lakh new customers in fiscal 2025. To enhance customer experience and operating efficiency, the Company has started the investments in the new loan origination system and has transitioned to an AI-powered collection app, which offers real-time tracking and nudges to collection officer to improve collection efficiency. The Company plans to launch personal loans and consumer durable loans on the loan origination system platform next fiscal year.

The Company's retail finance business, which primarily consists of two-wheeler and used-car financing, grew on account of deeper penetration, seamless customer experience through technological advancements and streamlined interactions, with focus on stable portfolio quality. The proportion of the Company's customers with credit scores of 700 and above increased, alongside stable loan-to-value (LTV) ratios. The Company maintained the strategic partnerships with dealers, channel partners and original equipment manufacturers (OEM). Furthermore, the Company strengthened its underwriting with the introduction of a new app score across all segments, leveraging a model that incorporates nuanced, micro-market level data. The Company plans to deepen its relationships with channel partners, expand the use of micro-market analytics, and develop digital channels to cater to the technologically savvy younger generation.

During fiscal 2025, the Company continued the scale up of its Consumer Finance business comprising Consumer Durable Loans through tie-ups with more OEMs and channel partners. This year, the Company achieved the milestone of disbursing loans of more than ₹10,000 crore of consumer durable loans, consisting of both white goods and mobile loans, registering a robust growth in disbursements by 43% year-on-year. This growth is led by strong demand for financing of mobile phones and white goods, with the increase in the share of white goods portfolio. The Company expanded its footprint to new regions such as Punjab, Haryana, Uttarakhand and Assam, while strengthening its presence in existing markets. It established partnerships with premium brands such as Apple and Samsung to facilitate consumer credit.

Additionally, the Company aims to introduce special promotions for energy-efficient products, such as high-rated air conditioners and refrigerators, and will focus on developing digital channels to increase its presence in semi-urban and rural areas, particularly in the white goods segment.

There was a slowdown in the personal loans segment due to industry-wide challenges stemming from over-indebtedness of borrowers. The Company continued with the caution stand. It had started to put in place necessary credit interventions to address the risks in the new disbursements over the last 2 years. Further, the Company introduced targeted measures based on geography and customer profiles, which lead to calibrated and cautious growth in fiscal 2025.

Additionally, the Company entered the gold loan market with a pilot launch in fiscal 2024 and has built on this momentum in fiscal 2025. The Company plans to expand its gold loan business in Tamil Nadu, aiming for controlled growth by utilising its existing customer base and established presence in the region.

From fiscal 2024, the Company has been experiencing degrowth in disbursement in respect of new tractors. Over the last two fiscals, the Company implemented necessary tighter credit guardrails that led to degrowth in the new tractors portfolio. The Company has adopted a geo-specific approach to reach the target customer segments in addition to implementing various credit interventions, which ensured that the portfolio quality is maintained on the new acquisitions. This fiscal, the Company also experienced de-growth in the used tractor portfolio owing to the cautious strategy adopted in



response to the increase in the delinquencies noted in the rural portfolio since last quarter of fiscal 2023. Additionally, the Company has also refined its approach to expand dealerships across geographies based on inputs from micro market level analytics.

The Company's targeted approach in the Used Commercial vehicles segment yielded a rise in customers with a credit score above 700, indicating effective risk management. Disbursements were slower than expected in fiscal 2025 due to the implementation of tighter portfolio quality controls. There has been increase in share of small and light commercial vehicle segment, driven by an increase in direct sales. The Company plans to expand its referral network through internal sales teams, existing customer relationships, and external partnerships to drive long-term growth and profitability. The Company continued its focus on specified eco-system based customer segments and strengthened the relationships which translated into growth in the Mid-corporate Loan segment in this fiscal.

The Company significantly expanded its presence in the three-wheeler financing segment, entering new markets in Haryana, Madhya Pradesh, West Bengal, Kerala, Assam, Chhattisgarh, and Rajasthan. The dealership network witnessed substantial growth in March 2025 since the launch of the product marking a notable expansion of its reach and distribution capabilities.

The Company continued its focus on strengthening Mid-Corporate and Supply Chain Finance portfolio through ecosystem-led programmes, strong relationship management, and proactive risk management framework. Strategic projects were undertaken in fiscal 2025 to improve profitability through cost initiatives, value-added services and portfolio quality. The company will further expand its secured offerings to targeted MSMEs in identified clusters and geographies. The Company has started pilot of Affordable Loan Against Property in fiscal 2025.

At an aggregate level, the Company's key performance indicators have started to show improvement in collection efficiencies, better quality new originations and other key input metrics this year. The Company's micro market analytics strategy, which involves analysing data at a highly granular level, including performance at the pin-code level has enabled effective management of risks and product optimisation across its loans business. The Company continues to keep investing in credit underwriting, cloud-based infrastructure and tech-based applications across all business segments to further expand business and facilitate enhanced customer experience.

### **Optimised collection framework to drive efficiency**

The Company has a comprehensive collection infrastructure, comprising a dedicated collection team supported by digital infrastructure and framework and analytical models. The framework leverages data analytics to identify customers who require ongoing engagement, such as borrowers with staggered EMI payments, customer categorisation basis the risk profiles and tailor digital campaigns to foster credit discipline & payment behaviour. Furthermore, each product has a distinct collection vertical, allowing for more concentrated and effective collection efforts. The Collection structure at product level is reinforced by a robust three-tiered supervisory framework at the regional level, along with a strong Legal team to effectively manage collections across product lines.

During fiscal 2025, the lending industry witnessed asset quality stress in select products. The Company took proactive measures to manage stress with inputs from its micro market analytics models, to identify areas with higher delinquency rates and implemented measures addressing the sales, credit and collections across micro markets.

The Company also put in place necessary framework to closely track attrition rates and takes proactive measures to address the underlying causes, ensuring seamless business operations. The Company has also established a parallel calling and digital capability across all products to effectively manage collections.

During fiscal 2025, the Company extensively leveraged the AI-powered digital collection App which enabled real-time monitoring of field activities, provided valuable collection insights, enhanced productivity and optimised collection efforts. The Company plans to expand the app's capabilities including new features leveraging analytical capabilities to augment its collection efforts. The Company also kick-started the project to take collection towards total quality management by redesigning the existing process for higher efficiency.

To equip the collections teams with skills to handle hard bucket collections, adhere to the regulatory guidelines and improving the field productivity, the Company has launched Collection Academy



where assessment is done based on proficiency test and impart required training linked to the career progress of the collection teams. The Company is aiming to create a supervisory strength and grow people to the next level from within the Company.

### **Leveraging digital infrastructure to optimise business efficiency**

During fiscal 2025, the Company recorded zero downtime during peak sales periods including the festive season. This milestone in system uptime and performance was made possible by its cloud migration and various system strengthening measures taken in fiscal 2024. This improvement has enhanced partner confidence in the company's scalability, strengthening key OEM relationships.

During fiscal 2025, the Company undertook various digital transformation initiatives, focussing on three key areas: Loan management system (LMS), Loan origination system (LOS), and Customer relationship management (CRM). The LMS migration has been designed to enable the Company to maintain a single repository, seamless integration across front end applications and improving data maintenance and accessibility and robust compliance & reporting. The Company is also consolidating multiple loan origination applications into a single, scalable platform which is expected to bring standardisation, streamlined integration, and accelerated time-to-market, ultimately leading to enhanced customer experience. The Company would be better positioned to leverage this platform to expand its partnerships, deliver quicker turnaround for both the customers & business and thereby enhanced customer journeys across the portfolios.

The Company had also completed the migration to Oracle Fusion CRM for enhanced scalability and better user experience. The new CRM features an intuitive interface, enabling seamless data access and capture, as well as other features which would help in streamlining operations and boosting overall efficiency.

### **Strategic initiatives in data, analytics to drive business**

During the year, the Company implemented channel segmentation for key products, enabling targeted interventions and personalised engagement with dealerships. The Company also conducted a comprehensive customer segmentation exercise, utilising bureau and other data sets, and advanced deep learning models to predict the next three products in a borrower's journey with the Company over the next one to three years.

The Company also explored the potential of GenAI, focussing on employee-centric applications such as optimising HR policies through its in-house platform, which leverages large language models to provide instant responses to employee queries related to policies. Additionally, the Company revamped its analytics model, incorporating micro-market-based underwriting strategies for key products, resulting in improved outcomes, including faster turnaround times and reduced delinquencies.

The Company's strategic priorities for the next year include adopting a micro-market based approach to analyse market trends and industry dynamics, expanding the application of GenAI and machine learning to generate insights and enable voice-based interactions, enhancing collection activities using bureau-based risk triggers, developing persona-based underwriting and cross-sell models.

### **Enhancing customer experience through customer-centric initiatives**

The Company's core focus remains enriching the customer journey by elevating the digitalization with robust self-service metrics. The Company's Service to Sale initiatives enabled cross-sell business through customer care, area office walk-ins, & WhatsApps and customer retentions. The company achieved 89% digitalization rate in fiscal 2025 vs 87% in the preceding fiscal. The self-service rate also improved, from 85% to 88% during the same period. Additionally, the Dealer App Play Store rating saw a significant boost, rising from 3.7 in fiscal 2024 to 4.4 in fiscal 2025.

The Company achieved considerable gains in customer satisfaction across all segments in fiscal 2025, driven by its proactive approach, which combines monitoring, engagement and collaboration to boost customer and partner satisfaction.

The Company's efforts in addressing customer complaints yielded tangible results, with a 41% reduction in complaints across key complaint categories. Customer complaints are segmented into High Medium Low categories and repeat categories are subjected to detailed Root Cause Analysis (RCA) thereby

strengthening of process controls, through the implementation of Total Quality Management. The Company continues to take various proactive measures to address customer feedbacks from time to time.

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

### **Strengthening the company's presence with strong marketing and branding initiatives**

During the fiscal 2025, the Company's brand health improved, with brand awareness rising to 34% (from 28% in fiscal 2024) and brand consideration increasing to 30% (from 21%). The Company continued to implement various innovative strategies across all business segments to boost brand visibility and customer reach. These initiatives included instituting co-branded offers and activities with OEMs, dealerships, and various formats of channel partners. Moreover, regional visibility campaigns featuring dealerships were also executed which further strengthened Company's channel partner relationships.

During the year, the Company's online presence expanded to 408 million overall and 34.1 million monthly, driven by engaging campaigns such as #FantasticFive and #AbWaitNahiUpgradeKaro. The brand was also featured in OEM and large format store marketing campaigns, solidifying its position as a preferred partner. To further boost the online engagement, the Company plans to create Gen Z-focussed content to resonate with the target audience and attract future consumers. Additionally, offline presence was strengthened with POSM (point of sale marketing) coverage at 44,000+ channel partners and improved PR coverage in mainstream publications.

During fiscal 2024, the Company had launched a direct-to-consumer horizontalization initiative known as 'Pragati Parv' that offers TVS Credit's product portfolio under a single umbrella. The programme focussed on boosting brand awareness, creating sales opportunities, and nurturing long-term relationships with customers and channel partnering. Building on the learnings from the previous year's Pragati Parv, the Company tested the hub and spoke model, expanding to 100 hub & 124 spoke locations, with over 96,000+ footfalls and 2,200+ channel partners. The Company plans to expand the programme to more regions, targeting tier 2 and 3 cities, to boost brand awareness and engagement.

The Company's digital marketing efforts generated substantial business across product categories and also witnessed a 30% growth in monthly active users (MAU) on the Saathi Mobile app. The Company website and the Saathi Mobile app are now available in six vernacular languages, and optimisation efforts led to a 40% increase in traffic and a 103% increase in the top 10 keyword rankings. The Company plans to leverage Gen AI, revamp the Saathi Mobile app and introduce an Enterprise BOT to enhance user experience.

The Company plans to enhance its sales strategy by introducing a dedicated 'offers' section in digital channels and CRM, enabling end-to-end lead conversion and expanding cross-sell opportunities.

### **Human resources**

As part of its long-term vision, the Company's people strategy is anchored in building a high-performing, future-ready workforce that thrives on purpose, capability, and culture.

The Company believes that its people are the greatest assets. Reflecting on its sustained efforts to nurture a high trust and high performing culture, the Company has been re-certified as a Great Place to Work by Great Place To Work® for the period January 2025-2026, with a Trust Index score of 90, a two-point increase over the previous year. The Company achieved an exceptional 99.4% response rate in the survey, demonstrating strong levels of employee engagement. Additionally, the Company has been recognized among the Top 25 Best Workplaces in BFSI 2025 and the Top 50 Best Workplaces in Health & Wellness 2024.

The Company has established a comprehensive leadership development framework to nurture and empower leaders at every stage of their careers. This includes curated programmes such as the Strategic Leaders Program, Emerging Leaders Program, and Young Leaders Program. In addition,

strategic workshops on risk and credit were conducted for senior management and leadership team. These initiatives are integral to the Company's talent management strategy, which focusses on building a future-ready talent pool and a robust leadership succession pipeline by identifying and developing high-potential individuals through holistic, forward-looking interventions aligned with both individual aspirations and business priorities.

The Company fosters a culture of recognition and appreciation through its structured reward and recognition framework, which includes monthly, quarterly, and annual awards. The framework encourages peer-to-peer and manager-led recognition, complemented by instant gratification through spot awards. These practices reinforce a culture of appreciation and continuous motivation across all levels of the organization.

To further empower its workforce and foster long-term growth, the company offers a unique opportunity for employees who have completed their 12<sup>th</sup>-grade education to pursue graduate studies with full sponsorship – enabling them to overcome career advancement barriers and unlock their full potential. This year, the Company also launched an Internal Job Posting (IJP) platform, designed to enhance internal mobility and provide employees with meaningful opportunities for career growth, skill development, and new challenges within the organization.

### **Annual campus engagement programme**

To increase brand visibility among future employees, the Company emphasises on engaging with top campuses and inspire budding talent to generate innovative solutions for business challenges. The sixth edition of the E.P.I.C Campus Challenge held in fiscal 2025 got participation from a diverse cohort of over 1,16,000 students, which increased from 96,000 students in fiscal 2024 covering 4,200+ esteemed colleges.

### **Process Excellence**

Continuing with the theme of E+E=E (Error-free process + Effortless journey = Exceptional customer experience), the Company had implemented many projects which included TAT improvement, process streamlining and automation, enhancement in the customer journeys and automation / digitalisation of processes in the customer workflows and defect reductions. The primary goal of this initiative is to enhance customer loyalty by delivering exceptional experiences across the entire customer loan journey. During this fiscal, the Company also launched a Program for "Reimagining the Collection Process using TQM approach".

The Company has showcased improvement projects in external forums like CII, QCFL, ISQ & Kaizen Institute as well as presented 66+ case studies and won 42 awards during the fiscal 2025. The Company also won 3 GOLD awards at the International Convention conducted by QCFL in Sri Lanka.

The Company carries out periodic assessments of gaps and takes actions to address such identified gaps, which resulted in strengthening the processes across the Company. Furthermore, the Company obtained ISO Quality ISO 9001/2015 recertification for management systems from Bureau Veritas for all processing hubs and central operations.

### **Awards and recognitions**

During fiscal 2025, the Company was honoured with various awards and recognitions. Some of the key awards are listed below:

- Great Place to Work recognition in the NBFC category by the Great Place to Work Institute
- Deloitte Enterprise Growth Awards 2025 by Deloitte
- Iconic Brands of India 2024 for excellence in the NBFC sector by ET Now
- Silver Award 2024 for Excellence in Learning Tech Implementation by ET HR World Future Skills
- Risk Management Team of the Year Award and Commercial Credit Management Team of the Year Award at India Credit Risk Summit and Awards 2025
- Best Farm Equipment Financier of the Year 2024 award by Indian Tractor of the Year (ITOTY)
- LEED V4.1 Gold Certification for one of the large office location (Chennai) by LEED

**Awards for various marketing initiatives**

- Digiplus Award for Best Social Media Campaign 2024 by The Economic Times
- Multiple FE Brandwagon ACE Awards for Best Brand of the Year along with Best Regional Marketing, Content Marketing, Youth Marketing Campaign and Social Cause campaign by Financial Express
- Best Social Development Campaign of the Year 2024 for the company's Saksham programme by Rural Marketing Association of India (RMAI)
- Two awards for the company's Khushiyan Unlimited Two-wheeler campaign and Namma Ooru Ponnunga Women's Day campaign at Pitch BFSI Marketing Summit & Awards 2024
- The Excellence Award in Content Marketing, the Collateral Award for the company's merchandising materials by PRCI
- Marketech APAC Marketing Technology Awards 2024 by Marketech
- E4m Maddies 2024 by E4m
- Social Stars Awards 2024 for Best Financial Content
- India Content Leadership Awards for the Best Vernacular/Local-Language Content on Radio/Podcast and Best Financial Content
- Adworld Showdown Awards for the Best Digital Media Integrated Campaign and Best Social Campaign
- Top 50 companies with Great Managers in India for 2024 award by People's Business
- 3 GOLD awards at the International Convention conducted by QCFI in Sri Lanka

**TQM and Quality awards :**

- Global recognition by winning Gold awards for all three projects involving Operations, IT, TQM, and Retail Credit presented at the 49th International convention on Quality Control Circles (ICQCC) 2024
- The Platinum Award for the project presented on the digitalisation initiatives for reducing SMS to non-consumers by Confederation of Indian Industry (CII)
- Gold recognition for process improvements across depts of TQM, product management, operations, fee products, and CX by QCFI
- The Gold Award in all three case studies presented by IT, Compliance, TQM, and Used Cars departments at QCFI – 12th Poka Yoke Competition
- Overall category winner award for CX team and Gold for other SBUs processes from – Two-Wheeler, Customer Experience, Tractor Loans, Used Commercial Vehicle, Cross-Sell, and Business Intelligence by ISQ Society
- Best Contact Centre for outstanding initiatives in enhancing the company's NPS, CSAT, IVR utilisation and Email Bot by Kamikaze B2B Media

**Community support initiatives**

Our community support initiative, Saksham, in collaboration with Yuva Parivartan NGO empowers underprivileged youth in Chhattisgarh (Raipur), Karnataka (Bengaluru) and Maharashtra (Bhandara, Chandrapur, Gondia Nashik, Nanded, Nagpur, Pune and Thane) and Madhya Pradesh (Indore). Our comprehensive approach, including hands-on practical training and soft skill development is designed to facilitate job placements and create self-employment opportunities. Since 2018, Saksham has impacted over 957 individuals, with two new locations added this year.

## **Treasury**

The Company has constituted an Asset Liability Management Committee (ALCO) in line with the guidelines issued by the Reserve Bank of India (RBI). ALCO monitors asset-liability mismatches, liquidity position, funding sources, interest rate risks, liquidity stress testing, contingency funding plans, collateral position, and ensures compliance with regulatory requirements and lender stipulations.

The financial year 2025 was marked by a sustained high-interest rate environment and tight systemic liquidity. Additionally, there was an increase in risk weights on Bank lending to NBFCs (subsequently reversed with effect from 1<sup>st</sup> April 2025). Despite these challenges, the Company demonstrated resilience by managing fund-raising activities while securing competitive borrowing rates across instruments.

As of 31<sup>st</sup> March 2025, the Company's outstanding borrowings stood at ₹24,491 crore. During the year, the Company raised ₹14,675 crore in fresh borrowings, comprising both long-term and short-term debt. The Company's borrowing strategy is aligned with the composition and maturity profile of its assets, with a continued focus on managing interest rate and liquidity risks. In this context, the Company collaborates with a diversified lender base to ensure that funding structures remain appropriate and responsive to its evolving asset mix. This prudent asset-liability management enabled the Company to maintain positive cumulative mismatches across all maturity buckets, well within internal and RBI stipulated norms.

During the year, the Company also executed External Commercial Borrowings and Non-Convertible Debenture (NCD) issuances at competitive pricing levels. Simultaneously, it continued to diversify funding sources while maintaining a strong liquidity position.

The Company's ALCO regularly reviews liquidity stress testing to evaluate the Company's preparedness for adverse liquidity scenarios. Based on these assessments, the Company has maintained a strong liquidity buffer, in the form of cash and undrawn credit lines, to ensure preparedness for unforeseen disruptions. The Company's LCR remained comfortably above the regulatory threshold, and all liquidity ratios were within the limits approved by the ALCO.

All principal and interest obligations were met on time during the year. The Company's assets, which are available by way of security, continue to be adequate to cover outstanding liabilities as and when they become due. The Company also received continued support from shareholders through equity infusion. Additionally, participation from NBFCs, mutual funds, and insurance companies - through Tier I (Perpetual Debt Instruments) and Tier II (Subordinated Debt) instruments - contributed to adequate capital position. As of 31<sup>st</sup> March 2025, the Capital Adequacy Ratio (CRAR) stood at 20.3%, well above the regulatory limit.

During the year, CARE has assigned long-term rating of AA+ and CRISIL, ICRA and Brickwork Ratings upgraded the Company's long-term credit rating to AA+ from AA. The rating upgrade is expected to enhance the Company's access to capital markets and support broader funding diversification.

**Rating details are given below:**

Rating Agency	Facility	Rating
Care Ratings	Long-Term Bank Facilities	CARE AA+; Stable
	Non-Convertible Debentures	CARE AA+; Stable
ICRA	Long-Term Bank Facilities	ICRA AA+ (Stable)
	Short-Term Bank Facilities	ICRA A1+
	Subordinated Debt	ICRA AA+ (Stable)
	Perpetual Debt	ICRA AA (Stable)
	Commercial Paper	ICRA A1+



Rating Agency	Facility	Rating
CRISIL	Long-Term Rating - Bank Loan Facilities	CRISIL AA+/Stable
	Short-Term Rating - Bank Loan Facilities	CRISIL A1+
	Non-Convertible Debentures	CRISIL AA+/Stable
	Tier II Bond	CRISIL AA+/Stable
	Perpetual Bonds	CRISIL AA/Stable
	Commercial Paper	CRISIL A1+
Brickwork Ratings	Subordinated Debt (Tier II)	BWR AA+/Stable

### 3. SHARE CAPITAL

During the year under review, the Company issued and allotted 80,48,780 Equity Shares of face value of ₹10 per share at a premium of ₹400 per share. Consequent to the aforesaid allotments of Equity Shares, the total paid-up capital of the Company as on 31<sup>st</sup> March 2025, stood at ₹254.66 crore comprising 23,62,72,706 Equity Shares and 1,83,84,684 CCPS, having a face value of ₹10 each.

#### Non-Convertible Debentures

During the year under review, the Company issued Non-Convertible Debentures (NCDs) of ₹1,675 crore on a private placement basis. The NCDs have been listed on the Wholesale Debt Market segment of the National Stock Exchange of India Ltd (NSE).

### 4. DIVIDEND

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

### 5. TRANSFER TO RESERVES

During the year, ₹153 crore were transferred to the Statutory Reserve created as required under Section 45-IC of the Reserve Bank of India Act, 1934.

### 6. PUBLIC DEPOSITS

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

### 7. CONSOLIDATED FINANCIAL STATEMENTS

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

The audited financial statements of the subsidiary companies will be made available to the shareholders on receipt of a request from any shareholder, and it has also been placed on the website of the Company, which will also be available for inspection by the shareholders at the registered office during business hours, as mentioned in the notice of AGM.

The consolidated Profit Before Tax of the Company and its subsidiaries amounted to ₹1,027 crore for the financial year 2024-25 as compared to ₹763 crore in the previous year.

### Subsidiary Companies

The following companies are the subsidiaries of the Company as on 31<sup>st</sup> March 2025, and these subsidiaries have not commenced operations yet.

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

### Performance of Subsidiaries

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

All the subsidiaries are yet to commence their operations.

### Holding Company

TVS Motor Company Limited is the holding Company and holds 85.63% equity shares as on the date of this report and 80.69% on a fully diluted basis.

## 8. DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

During the year under review, Mr. B Sriram (DIN: 02993708), and Mr. R Gopalan (DIN: 01624555), were reappointed for their second term as Independent Director.

Board at its meeting held on 6<sup>th</sup> August 2024 appointed Dr. Deepali Pant Joshi (DIN: 07139051) and Mr. T C Suseel Kumar (DIN: 06453310) as Additional Director (Non-executive Independent) of the Company and their appointment as Independent Directors was approved by the Shareholders of the Company on 23<sup>rd</sup> September 2024.

At the meeting held on 6<sup>th</sup> August 2024, the Board also accorded the approval for appointment of Mr. Sanjiv Chadha (DIN: 08368448) as Additional Director (Non-Executive Non-Independent) and Mr. Ashish Sapra (DIN: 09805893) as Additional Director (Director and CEO) of the Company subject to the approval of RBI. The RBI communicated its no-objection to the said appointments on 22<sup>nd</sup> November 2024 and their appointment as directors was approved by the Shareholders of the Company on 27<sup>th</sup> December 2024.

### Directors Liable to Retire by Rotation

In terms of Section 152 of the Act, 2013 two-thirds of the total number of Directors i.e., excluding IDs, are liable to retire by rotation, and out of which, one-third are liable to retire by rotation at every Annual General Meeting. Mr. Sudarshan Venu (DIN: 03601690) and Mr. Venu Srinivasan (DIN: 00051523), Non-Executive Directors, are liable to retire by rotation at the ensuing Annual General Meeting, and being eligible, offers themselves for re-appointment. The Nomination and Remuneration Committee, at their meeting held on 28<sup>th</sup> April 2025 recommended their re-appointment after evaluating his track record, integrity, and other fit and proper criteria as laid down under RBI guidelines.

### Women Director

In compliance with Section 149 of the Act 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Ms. Kalpana Unadkat (DIN: 02490816) and Dr. Deepali Pant Joshi (DIN: 07139051), are the Independent Women Directors of the Company.

### Independent Directors

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

The Board is of the opinion that the Independent Directors of the Company possess the requisite qualifications, experience, and expertise, and that they adhere to the highest standards of integrity. The detailed terms of appointment of IDs are disclosed on the Company's website in the following link [www.tvscredit.com](http://www.tvscredit.com). All the IDs have been registered with the databank of Independent Directors developed by the Indian Institute of Corporate Affairs in accordance with the provisions of Section 150 of the Act, 2013 and obtained ID registration certificates.

**Declaration and Undertaking**

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

**Separate Meeting of IDs**

During the year under review, a separate meeting of IDs was held on 6<sup>th</sup> March 2025. All IDs were present, and they were enlightened about the objectives and process involved in evaluating the performance of the Board, Non-IDs, Chairman, and timeliness of the flow of information from management.

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

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

IDs used various criteria prescribed by the Nomination and Remuneration Committee (NRC) of non-IDs, namely, Mr. Venu Srinivasan (DIN: 00051523), Mr. Sudarshan Venu (DIN: 03601690), Mr. Sanjiv Chadha (DIN: 08368448) and Mr. K N Radhakrishnan (DIN: 02599393).

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

**b) Chairman**

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

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

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

**c) Board**

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

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

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

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

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

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

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

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

**e) Performance Evaluation of the Board**

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

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

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

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

Qualitative comments and suggestions of the Directors were taken into consideration by the Board. The Directors have expressed their satisfaction with the evaluation process.

Based on the report of performance evaluation of directors, the Board noted and recorded that all the directors should extend and continue their term of appointment as Directors / Independent Directors, as the case may be.

**Key Managerial Personnel**

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

During the year, Mr. Sreejith Raj P resigned from the post of Company Secretary effective 20<sup>th</sup> January 2025 and Mr. Chetan Nage was appointed as Company Secretary of the Company with effect from 27<sup>th</sup> January 2025.

**9. STATUTORY AUDITORS**

Pursuant to the Reserve Bank of India ("RBI") Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), Urban Co-operative Banks

(UCBs) and NBFCs (including HFCs) dated 27<sup>th</sup> April 2021, and Frequently Asked Questions dated 11<sup>th</sup> June 2021 ("RBI Guidelines"), the statutory audit of Company, having asset size of ₹15,000 crore and above as at the end of previous year, be conducted under joint audit of a minimum of two audit firms.

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

During the year under review, the tenure of term of M/s. Sundaram & Srinivasan, Chartered Accountants expired at the Annual General Meeting of the Company and on the recommendation of the Board of Directors of the Company, members of the Company in the Annual General Meeting held on 07<sup>th</sup> August 2024, appointed M/s. Suri & Co., Chartered Accountants, Chennai having Firm Registration No. 004283S allotted by the Institute of Chartered Accountants of India as Statutory Auditors of the Company for a term of 3 consecutive years pursuant to Section 139 of the Act, 2013, at such remuneration in addition to applicable taxes, reimbursement of travelling and other expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors.

M/s. CNGSN & Associates LLP, Chartered Accountants, and M/s. Suri & Co., Chartered Accountants, have jointly conducted the statutory audit for the year ended 31<sup>st</sup> March 2025. 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 2024-25. The Auditors' Reports for the financial year 2024-25 do not contain any qualifications, reservations, or adverse remarks, and the same is attached with the annual financial statements.

In view of the tenure of the existing Joint Statutory Auditor of the Company i.e. M/s. CNGSN & Associates LLP, Chartered Accountants, ending at the ensuing Seventeenth AGM of the Company, pursuant to the RBI Guidelines and based on the recommendation of the Audit Committee, the Board of Directors of the Company at its Meeting held on 28<sup>th</sup> April 2025 approved the appointment M/s. Brahmayya & Co., Chartered Accountants (ICAI Firm Registration No. 000511S) as the Joint Statutory Auditor of the Company for a period of three consecutive years i.e. Financial Year 2025-26, Financial Year 2026-27 and Financial Year 2027-28, from the conclusion of the Seventeenth AGM till the conclusion of the Twentieth AGM of the Company to be held in the year 2028, subject to the approval of the Members. The Members of the Company may refer to the accompanying Notice of the AGM of the Company.

## **10. SECRETARIAL AUDITORS**

The Board of Directors in their meeting held on 8<sup>th</sup> May 2024, on the recommendation of Audit Committee, has appointed B. Chandra & Associates, Company Secretaries (Peer Reviewed) (Firm Registration No. P2017TN065700), as Secretarial Auditor of the Company for the year ended 31<sup>st</sup> March 2025.

As required under Section 204 of the Act, 2013, the Secretarial Audit Report for the year 2024-25, given by them, is attached as **Annexure VI** to this report. The Secretarial Audit Report does not contain any qualifications, observations, or other remarks.

The Board at its meeting held on 28<sup>th</sup> April 2025 has re-appointed B. Chandra & Associates, Company Secretaries as Secretarial Auditors for a term of five consecutive years from 2025-26 subject to the approval of the Members. The Members of the Company may refer to the accompanying Notice of the AGM.

### **Secretarial Standards**

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



## **11. DIRECTORS' RESPONSIBILITY STATEMENT**

The financial statements are prepared in accordance with the Indian Accounting Standards ('IndAS') under historical cost convention on accrual basis except for certain financial instruments, which are measured at fair value pursuant to the provisions of the Act, 2013 and guidelines issued by SEBI/RBI. Accounting policies have been consistently applied except where revision to an existing Accounting Standard requires a change in the accounting policy.

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

- a. In the preparation of the annual accounts for the year ended 31<sup>st</sup> March 2025, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any.
- b. The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
- c. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. The Directors had prepared the accounts for the financial year ended 31<sup>st</sup> March 2025 on a going concern basis.
- e. That the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **12. ANNUAL RETURN**

Pursuant to the provisions of Section 134(3) (a) and Section 92(3) of the Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in the prescribed form (Annexure I) is available on the Company's website ([www.tvscredit.com](http://www.tvscredit.com)).

## **13. CORPORATE GOVERNANCE**

Good corporate governance, acting in accordance with the principles of responsible management aimed at increasing enterprise value on a sustainable basis, is an essential requirement for the Company. The Company has a strong legacy of fair, transparent, and ethical governance practices. The Company's philosophy on corporate governance is founded on the fundamental ideologies of the Group viz., Trust, Value, Exactness, and Passion for Customers.

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

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

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

**Board Meetings**

During the year under review, the Board met six times on 8<sup>th</sup> May 2024, 6<sup>th</sup> August 2024, 14<sup>th</sup> October 2024, 25<sup>th</sup> November 2024, 27<sup>th</sup> January 2025 and 28<sup>th</sup> March 2025 and the gap between the two meetings did not exceed one hundred and twenty days.

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

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

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

**Nomination and Remuneration Policy**

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

**Directors**

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

The Board has approved the payment of remuneration by way of profit-related commission to the Non-Executive Independent Directors, for the financial year 2024-25, based on the recommendation of the Nomination and Remuneration Committee. The approval of the Shareholders by way of a special resolution was obtained at the Twelfth Annual General Meeting held on 27<sup>th</sup> July 2020 in terms of Sections 197 and 198 and any other applicable provisions of the Act, 2013.

**Commission**

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

As approved by the Shareholders at the Annual General Meeting of the Company held on 27<sup>th</sup> July 2020, Non-Executive and Independent Directors are being paid commission, as determined by the Board, for each such Director.

**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.

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

**Criteria for Board Membership****Directors**

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

**Independent Directors**

Independent Director shall meet all criteria specified in Section 149 of the Act, 2013, and the rules made thereunder.

**Related Party Transactions**

All contracts/arrangements entered by the Company during the period ended 31<sup>st</sup> March 2025 with related parties were in the ordinary course of business and at arm's-length price in terms of Section 188 of the Act, 2013 read with the Companies (Meetings of Board and its powers) Rules, 2014.

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

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

**14. RISK MANAGEMENT**

The Company, being in the business of financing two-wheelers, used cars, new tractors and used tractors, three-wheelers, consumer durables, used commercial vehicles, and business loans, has to manage various risks. These risks include credit risk, liquidity risk, interest rate risk, and operational risk. To strengthen risk management, the Company has developed and implemented a Risk Management Policy and has put in place Enterprise Risk Management Framework to promote a proactive approach to measuring, evaluating, mitigating, and reporting key risks associated with the business. The Company has implemented Internal Capital Adequacy Assessment Process (ICAAP) for quantitative and qualitative assessments of these key risks and impact on capital and profitability under three stress scenarios like Base, Medium and Severe. Stress scenarios are identified basis historical data on shift in the key metrics in case of various economic cycles of last 10 years. ICAAP Assessment reports are periodically placed before the Risk Management Committee and the Asset Liability Management Committee for reviewing and monitoring the risks and capital planning at quarterly basis. The Company also has RMC-approved Risk Appetite statement that covers key metrics on Risk, Earnings, Profitability, Liquidity and Capital Adequacy.

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

Operational risks arising from inadequate or failed internal processes, people, and systems or from external events are adequately addressed by the internal control systems and are continuously reviewed and monitored. Operational Risk Register with all operational risks, control and residual risk is maintained with key risk indicators defined to measure, mitigate and report. Standard Operating Procedures are well documented to ensure enhanced control over processes and regulatory compliance.

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

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

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

## **15. INTERNAL CONTROL SYSTEMS**

The Company's comprehensive and effective internal control system ensures smooth business operations, meticulously recording all transaction details and ensuring regulatory compliance, and protecting the Company's assets from loss or misuse. The Board is accountable for evaluating and approving the effectiveness of the internal controls, including financial, operational, and compliance controls.

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

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

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

## **16. INTERNAL AUDIT**

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

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

## **17. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Company recognizes social responsibility as an integral and a critical part of its value system. Srinivasan Services Trust (SST), the CSR arm of TVS Motor Company, has been successfully driving positive change in rural communities. In the last 29 years, SST's model has matured into one centred on community participation in all its projects. Today, SST works in 2,500 villages in the country. It follows an integrated, holistic and participatory approach to village development, working very closely with the communities and the government. SST's focus is to bring about sustainable development in villages through Total Community Involvement (TCI). Society building through the development of women and children, conserving water, providing holistic health and education by renovating the government infrastructure and preserving the environment are its focus areas. SST nudges communities to embrace practices towards a better quality of life by ensuring a participatory approach right from planning to execution of activities.

More than 60,000 women across the country have been organised into Self-Help Groups (SHGs), which empowers the women socially and economically. Today, more than ₹100 Crores of income is being generated annually by the women in Self-Help Groups. In 2024-25, nine SHGs facilitated by SST have been honoured with the district level prestigious Manimegalai Award introduced by the Tamil Nadu Corporation for Development of Women (TNCDW) for empowering women and fostering economic growth.

SST has so far renovated more than 2,000 government infrastructures, which includes Anganwadis, Schools, Health Centers and Veterinary Centers. Adopting this holistic integrated village development model, SST has partnered with organizations like Gramalaya, Agastya International Foundation, Villmart Education, Navsahyog Foundation, Shreeja Mahila Milk Producer Company, National Bank for Agriculture and Rural Development (NABARD) and Sankara Eye Foundation.

SST has ensured that more than 25,000 farmers have been benefited by its water conservation projects like building and repairing water conservation structures, desilting tanks and channels and creating

percolation ponds. Today, across the country, over 400 water conservation projects have been implemented by SST. SST has partnered with Karur Vysya Bank (KVB), Standard Chartered Bank (SCB) and Kaynes Technology India Limited to expand the reach of its water conservation and infrastructure projects.

SST also ensures last-mile connectivity for the government social security, agriculture and livestock schemes to reach the unreached and underserved.

Apart from renovating the government health centers and conducting regular medical camps, SST runs 7 medical centers and 2 medical vans in its working areas. SST has partnered with HDFC ERGO General Insurance and operates two medical vans, providing over 40,000 consultations in tribal areas annually. Today, due to SST's interventions, more than 2 lakh patients annually have access to health care facilities.

SST also extends its support to tiger reserves in Tamil Nadu and Karnataka. SST has also afforested barren hillocks of over 14,000 acres, in the last 3 decades.

SST is working with Tata Institute of Social Sciences (TISS), 4<sup>th</sup> Wheel Social Impact, Institute of Rural Management Anand (IRMA) and Chrysalis services to carry out social impact studies for the various projects it is undertaking in its working areas.

SST has won the following awards in Financial Year 2024-25:

- 1<sup>st</sup> place for its 'Learning & development' best practice at the 27<sup>th</sup> NHRD National conference & 13<sup>th</sup> HR Showcase at Bangalore on Feb 7-8, 2025
- The CSR Universe Social Impact Awards 2024 under the 'Health' category for impactful health services to rural communities through SST Health Centres, Mobile Medical Vans, Health camps.
- The Gold award for 'Excellence in HR Digital transformation' at the Economic Times Human Capital Awards MENA 2024
- The CSR & Sustainability Award 2023 under the category of Excellence in Providing Healthcare Services by ASSOCHAM (The Associated Chambers of Commerce and Industry of India)

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 2024-25 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 2025-26, preferably in local areas including the manner of execution, modalities of utilisation of funds and implementation schedules and also monitoring and reporting mechanism for the projects or programmes, as required under the Companies Amendment Act, 2020.

## **18. POLICY ON VIGIL MECHANISM**

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

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

## **19. SEXUAL HARASSMENT POLICY**

The Company has in place a Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) (POSH) Act, 2013. The



Company has an Internal Complaints Committee as required under POSH. The number of Complaints received, disposed of, and pending during Financial Year 2024-25 is given in the Corporate Governance Report.

## **20. EMPLOYEE STOCK OPTION**

The Board at its meeting held on 14<sup>th</sup> October 2024, based on the recommendation of the Nomination and Remuneration Committee, approved the 'TVS Credit Employee Stock Option Plan' with a view to reward, attract, motivate and retain employees of the Company and the same was approved by the shareholders vide a special resolution on 11<sup>th</sup> November 2024.

Nomination and Remuneration Committee of the Company ("NRC") has granted 1,55,400 employee stock options ("Options") in accordance with the Plan to the identified employees of the Company ("Eligible Employees") which would entitle such Eligible Employees to acquire equity shares of the Company ("Shares") at a predetermined price provided that the vesting conditions are thereby fulfilled. The disclosure relating to Employees Stock Option Scheme in accordance with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 forms part of this report as **Annexure VII**.

## **21. GENERAL DISCLOSURES**

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

- (a) significant and material orders passed by the regulators or courts or tribunals which would impact the going concern status of the Company and its future operations.
- (b) issue of equity shares with differential rights as to dividend, voting or otherwise.
- (c) pendency of any proceeding under the Insolvency and Bankruptcy Code, 2016 and
- (d) instance of one-time settlement with any bank or financial institution.

## **22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS, AND OUTGO**

As a non-banking finance company, the Company activities involve low energy consumption. Company is committed for optimizing its energy use and continuously seek opportunities to enhance its sustainability practices by applying a range of energy-saving measures at its different sites. There was no capital investment made on energy conservation equipment.

Regarding "Technology Absorption", please refer to the technology absorption initiatives detailed in Management Discussion and Analysis, being Point No. 2 of this report. No expenditure was incurred towards Research and Development during the year under review.

Foreign currency expenditure in Financial Year 2024-25 is ₹60.48 crore (previous year ₹33.77 crore). The Company did not have any foreign exchange earnings.

## **23. 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.

## **24. EMPLOYEES' REMUNERATION**

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

**25. DETAILS OF LOANS / GUARANTEES / INVESTMENTS MADE**

The details of investments made by the Company for the financial year 2024-25 is as per Note No. 09 to Notes on account.

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

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

**26. REPORTING OF FRAUD**

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

**27. 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.

**28. ADHERENCE TO RBI NORMS AND GUIDELINES**

The Company has fulfilled the prudential norms and standards as laid down by RBI in respect of income recognition, provisioning of non-performing assets and capital adequacy. The capital adequacy ratio of the Company is 20.3% which is well above the prescribed minimum of 15% by RBI.

As a prudent practice, the Company's current provisioning standards (expected provisioning norms) are more stringent than the Reserve Bank of India (RBI) prudential norms. In line with its conservative approach, the Company continues to strengthen its provisioning norms beyond the RBI regulations by accelerating the provisioning on an early stage of delinquencies based on experience and emerging trends.

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

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

**29. ACKNOWLEDGEMENT**

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

The Directors wish to place on record their special appreciation of the employees of the Company for their dedication and commitment in delivering the highest quality of service to every one of our valued customers.

For and on behalf of the Board of Directors

Place : Chennai  
Date : 28<sup>th</sup> April 2025

**Sudarshan Venu**  
Chairman  
DIN: 03601690

**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:

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

3.	Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company.	<a href="https://www.tvscredit.com/wp-content/uploads/2023/09/Corporate-Social-Responsibility.pdf">https://www.tvscredit.com/wp-content/uploads/2023/09/Corporate-Social-Responsibility.pdf</a>
4.	Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.	Not Applicable
5.	(a) Average net profit of the Company as per section 135(5)	₹ 476.48 crore
	(b) Two percent of average net profit of the Company as per section 135(5) of the Companies Act, 2013	₹ 9.53 crore
	(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
	(d) Amount required to be set off for the financial year, if any	Nil
	(e) Total CSR obligation for the financial year (5b+5c-5d)	₹ 9.53 crore
6.	(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	₹ 10.00 crore
	(b) Amount spent in Administrative Over-heads	Nil
	(c) Amount spent on Impact Assessment, if applicable	Not Applicable
	(d) Total amount spent for the Financial Year [(a)+(b)+(c)]	₹ 10.00 crore



## Aspirations deserve patience. Loan approvals don't need it.

With our instant **Two Wheeler Loan** approvals, the wait is over before it begins.  
Ride your dream bike with fast, paper-light processing in just two minutes.

**MAXIMUM\***  
FUNDING

**2-MINUTE\***  
LOAN APPROVAL

**MINIMAL**  
DOCUMENTATION





## When devices are smart and digital, loans must be smarter and minimal.

There's no easier way than our **Consumer Durable Loans** to connect you with the benefits of technology, through a quick and paperless process.

**PAPERLESS\***  
PROCESS

**NO COST\***  
EMIs

**2-MINUTE\***  
LOAN APPROVAL



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

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

(f) Excess amount for set off, if any

S.No.	Particulars	Amount (₹ in crore)
i.	Two percent of average net profit of the Company as per Section 135(5)	9.53
ii.	Total amount spent for the financial year	10.00
iii.	Excess amount spent for the financial year [(ii)-(i)]	0.47
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)]	0.47

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

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

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

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

For and on behalf of the Board of Directors

Place : Chennai  
Date : 28<sup>th</sup> April 2025

**Venu Srinivasan**  
Chairman of the CSR Committee  
DIN: 00051523

**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"**

**Statement containing salient features of the financial statement of subsidiaries:-**  
(Information in respect of each subsidiary to be presented with amounts ₹ in lakhs)

S No.	Particulars	Name of the Company			
1.	Name of the subsidiary	Harita Two Wheeler Mail Private Limited	TVS Housing Finance Private Limited	Harita ARC Private Limited	
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2024 to 31.03.2025			
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	₹	₹	₹	₹
4.	Share capital / Contribution	0.25	1,200.00		0.25
5.	Reserves & Surplus	(1.81)	429.95		(1.92)
6.	Total assets	0.24	1,657.27		0.24
7.	Total liabilities	1.80	26.67		1.91
8.	Investments	-	-		-
9.	Turnover	-	108.32		-
10.	Profit/(Loss) before taxation	(0.12)	107.86		(0.25)
11.	Provision for taxation / Current Year Taxes	-	26.57		-
12.	Profit/(Loss) after taxation	(0.12)	81.28		(0.25)
13.	Proposed Dividend	-	-		-
14.	% of shareholding	100%	100%		100%

**Part "B"**

**Statement containing salient features of the financial statement of Associates and joint Venture**  
(Information in respect of each subsidiary to be presented with amounts ₹ in Lakhs)

Not applicable

As per our report annexed  
**For CNGSN & Associates LLP**  
Chartered Accountants  
Firm Regn No.: 0049155

As per our report annexed  
**For Suri & Co.,**  
Chartered Accountants  
Firm Regn No.: 0042835

**Sudarshan Venu**  
Chairman  
DIN: 03601690  
28<sup>th</sup> April 2025  
Chennai

**Ashish Sapra**  
Director & Chief Executive Officer  
DIN: 09805893

**Roopa Sampath Kumar**  
Chief Financial Officer

**Chetan Nage**  
Company Secretary

**C. N. Gangadaran**  
Partner  
Membership No.: 011205

**Sanjeev Aditya. M**  
Partner  
Membership No.: 229694

### Annexure-V to Directors' Report to the Shareholders

#### Company's Philosophy on Corporate Governance

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

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

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

#### Board of Directors

- 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.
- The size of the Board is commensurate with the size and business of the Company. As on 31<sup>st</sup> March 2025, the Board comprises ten Directors, viz.:

Name of the Director (M/s.)	DIN	Initial Date of Appointment	Category	Number of Board Meetings		No of Other Directorships <sup>#</sup>	Remuneration (₹ In crore)			No. of shares held in the Company	Committee Memberships in other Companies <sup>##</sup>	
				Held	Atten- ded		Salary <sup>^</sup>	Sitting Fee	Comm- ission		Mem- ber <sup>**</sup>	Chair- man
Sudarshan Venu	03601690	31 Jan 2013	NED & Chairperson	6	5	17	-	-	-	-	2	1
Venu Srinivasan	00051523	21 Jun 2010	NED	6	2	24	-	0.004	-	-	1	-
Ashish Sapra	09805893	22 Nov 2024	ED	6	3	-	6.94	-	-	-	-	-
K N Radhakrishnan	02599393	17 Feb 2010	NED	6	5	6	-	0.031	-	10*	1	-
R Gopalan	01624555	20 Jul 2019	ID	6	6	10	-	0.032	0.20	-	7	1
B Sriram	02993708	12 Oct 2019	ID	6	6	8	-	0.046	0.20	-	4	1
Kalpana Unadkat	02490816	28 Jul 2021	ID	6	6	2	-	0.040	0.20	-	4	1
Dr. Deepali Pant Joshi	07139051	06 Aug 2024	ID	6	5	9	-	0.010	0.13	-	8	5
T C Suseel Kumar	06453310	06 Aug 2024	ID	6	3	4	-	0.006	0.13	-	6	4
Sanjiv Chadha	08368448	22 Nov 2024	NED	6	3	-	-	-	-	-	-	-

NED: Non-Executive Director ID: Independent Director ED: Executive Director  
<sup>#</sup> includes private companies, Section 8 Companies and Companies incorporated outside India  
<sup>\*</sup>Held as nominee of TVS Motor Services Limited  
<sup>^</sup>Salary includes salary and other compensation  
None of the directors, other than Mr. Venu Srinivasan and Mr. Sudarshan Venu are related to each other  
<sup>\*\*</sup>Includes committees where the director holds the position of chairman.  
<sup>##</sup>For the membership and chairpersonship in Committees, only Audit Committee and Stakeholder Relationship Committee have been considered as per Regulation 26 of the Listing Regulations. Also, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 have been excluded.

#### Meetings of the Board

During the year, the Board met 6(Six) times on the following dates and the gap between two meetings did not exceed one hundred and twenty days.

FY 2024-25		Meeting date
April – June	(Q1)	8 <sup>th</sup> May 2024
July – September	(Q2)	6 <sup>th</sup> August 2024
October - December	(Q3)	14 <sup>th</sup> October 2024 25 <sup>th</sup> November 2024
January - March	(Q4)	27 <sup>th</sup> January 2025 28 <sup>th</sup> March 2025

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

S. No	Name of Director (M/s.)	Board Meetings		Whether present at previous AGM held on 7 <sup>th</sup> August 2024
		Entitled to attend	Attended	
1.	Sudarshan Venu	6	5	No
2.	Venu Srinivasan	6	2	No
3.	K N Radhakrishnan	6	5	Yes
4.	R Gopalan	6	6	Yes
5.	B Sriram	6	6	No
6.	Kalpana Unadkat	6	6	Yes
7.	Dr. Deepali Pant Joshi	5	5	NA
8.	T C Suseel Kumar	5	3	NA
9.	Ashish Sapra	3	3	NA
10.	Sanjiv Chadha	3	3	NA

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

Name of the Director (M/s.)	Name of the company	Category of directorship
Venu Srinivasan	TVS Holdings Limited	Non-Executive Director-Chairman
	TVS Motor Company Limited	Executive Director
	Sundaram Clayton Limited	Executive Director
Sudarshan Venu	TVS Holdings Limited	Executive Director
	Coromandel International Limited	Independent Director
	TVS Motor Company Limited	Executive Director
K N Radhakrishnan	TVS Motor Company Limited	Executive Director
R Gopalan	TVS Holdings Limited	Non-Executive Director
	Sundaram Clayton Limited	Independent Director
	Zee Entertainment Enterprises Limited	Independent Director – Chairman
	Vedanta Limited	Independent Director
B Sriram	ICICI Bank Limited	Independent Director
	Nippon Life India Asset Management Limited	Independent Director
	TVS Motor Company Limited	Independent Director
	TVS Supply Chain Solutions Limited	Independent Director

Name of the Director (M/s.)	Name of the company	Category of directorship
Dr. Deepali Pant Joshi	TVS Motor Company Limited	Independent Director
	Coromandel International Limited	Independent Director
	Aurobindo Pharma Limited	Independent Director
	LMW Limited	Independent Director
Kalpana Unadkat	Avenue Supermarts Limited	Independent Director
	Eris Lifesciences Limited	Independent Director
T C Suseel Kumar	Manappuram Finance Limited	Independent Director
	FirstSource Solutions Limited	Independent Director
	PCBL Chemical Limited	Independent Director

### Meetings of Independent Directors

As stipulated by the Code of Independent Directors under the Act and Rules made thereunder and SEBI Listing Regulations as amended from time to time, one meeting of Independent Directors was held during the year. The meeting was conducted on 6<sup>th</sup> March 2025 to enable Independent Directors to discuss matters relating to Company's affairs and put forth their views without the presence of Non-Independent Directors and members of the Management.

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

### Familiarisation programme

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

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

The familiarisation of Independent Directors majorly covered their roles, rights, responsibilities in the Company under Company Law and Economic Laws as well as under Listing Regulations, overall governance framework of the Company and specific governance requirements of NBFCs. The details of familiarisation programmes for the Financial Year 2024-25, in terms of the requirements of SEBI Listing Regulations are available on the website of the Company and can be accessed at <https://www.tvscredit.com>

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

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

Name of Directors (M/s.)	Brief description of special skills
Sudarshan Venu	Leadership, Industry Knowledge, Risk Management Business and Strategic Planning, Financial Sector experience, Governance, Ethics and Regulatory Oversight, Information Technology, Human Resource
Venu Srinivasan	Leadership, Industry Knowledge, Risk Management Business and Strategic Planning, Financial Sector experience, Governance, Ethics and Regulatory Oversight, Information Technology, Human Resource



Name of Directors (M/s.)	Brief description of special skills
Ashish Sapra	Leadership, Industry Knowledge, Risk Management Business and Strategic Planning, Financial Sector experience, Information Technology, Human Resource
K N Radhakrishnan	Leadership, Risk Management Business and Strategic Planning, Ethics and Regulatory Oversight, Information Technology, Human Resource
R Gopalan	Administration, Risk Management, Financial Sector experience, Governance, Ethics and Regulatory Oversight, Information Technology
B Sriram	Risk Management, Financial Sector experience, Governance, Ethics and Regulatory Oversight, Information Technology
Kalpana Unadkat	Risk Management Business and Strategic Planning, Legal, Governance, Ethics and Regulatory Oversight, Human Resource
Dr. Deepali Pant Joshi	Leadership, Industry Knowledge, Risk Management, Economics, Financial Sector experience, Governance, Ethics and Regulatory Oversight, Information Technology
T C Suseel Kumar	Leadership, Industry Knowledge, Risk Management Business and Strategic Planning, Financial Sector experience, Governance, Ethics and Regulatory Oversight, Information Technology
Sanjiv Chadha	Leadership, Industry Knowledge, Risk Management Business and Strategic Planning, Financial Sector experience, Governance, Ethics and Regulatory Oversight, Information Technology

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

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

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

The Code has been communicated to Directors and the Senior Management Personnel. An updated version of Code of Conduct, which is available on Company's website in the following link <https://www.tvscredit.com/wp-content/uploads/2023/09/Code-of-Business-Conduct-and-Ethics.pdf>.

All the Members of the Board and Senior Management Personnel have confirmed compliance with the Code for the year ended 31<sup>st</sup> March 2025.

#### Committees of the Board

The Board has constituted Committees with specific terms of reference to focus on specific issues and ensure expedient resolution of diverse matters. These are the Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee, Risk Management Committee, Asset Liability Management Committee, Information Technology (IT) Strategy Committee, Credit Sanction Committee, Senior Management Committee and Stakeholders Relationship Committee.

#### Composition of Committees

Name of Committee	Name of Committee members	Category	Chairperson/ Membership	Date of Appointment
Audit Committee	R Gopalan	Independent Director	Chairperson	20-Jul-2019
	Sanjiv Chadha	Non-Executive Director	Member	27-Jan-2025
	Kalpana Unadkat	Independent Director	Member	27-Oct-2023

Name of Committee	Name of Committee members	Category	Chairperson/ Membership	Date of Appointment
Nomination & Remuneration Committee	Kalpana Unadkat	Independent Director	Chairperson	04-Feb-2022
	Sudarshan Venu	Non-executive Director	Member	04-Feb-2022
	B Sriram	Independent Director	Member	04-Feb-2022
Risk Management Committee	K N Radhakrishnan	Non-executive Director	Chairperson	22-Oct-2018
	R Gopalan	Independent Director	Member	11-Jan-2024
	Kalpana Unadkat	Independent Director	Member	28-Jul-2021
Stakeholders Relationship Committee	K N Radhakrishnan	Non-executive Director	Chairperson	04-Feb-2022
	R Gopalan	Independent Director	Member	04-Feb-2022
	Kalpana Unadkat	Independent Director	Member	04-Feb-2022
Corporate Social Responsibility Committee	Venu Srinivasan	Non-executive Director	Chairperson	27-Mar-2015
	K N Radhakrishnan	Non-executive Director	Member	27-Mar-2015
	R Gopalan	Independent Director	Member	20-Jul-2019
IT Strategy Committee	B Sriram	Independent Director	Chairperson	28-Jul-2021
	Ashish Sapra	Director and Chief Executive Officer	Member	27-Jan-2025
	K N Radhakrishnan	Non-executive Director	Member	04-Jan-2018
Asset Liability Management Committee	Ashish Sapra	Director and Chief Executive Officer	Chairperson	01-Sep-2022
	Sudarshan Venu	Non-executive Director	Member	31-Jan-2013
	B Sriram	Independent Director	Member	12-Oct-2019
Credit Sanction Committee	B Sriram	Independent Director	Chairperson	10-Mar-2020
	Sudarshan Venu	Non-executive Director	Member	10-Mar-2020
	K Gopala Desikan	Group Chief Financial Officer	Member	10-Mar-2020
	Ashish Sapra	Director and Chief Executive Officer	Member	02-Nov-2022

#### a. Audit Committee:

The Company has constituted an Audit Committee in accordance with the provisions of Section 177 of the Act, Regulation 18 and 62F of the SEBI Listing Regulations and Master Direction – Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023.

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

Brief description of terms of reference:

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

- The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Review and monitor the auditor's independence and performance and effectiveness of audit process;
- Examination of the financial statement and the auditor's report thereon;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings of assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;

- Monitoring the end use of funds raised through public offers and related matters.
- Monitoring, reviewing, recommending and approving all related party transactions including granting omnibus approval for RPTs having value not exceeding ₹1 crore per transaction for a period of one year.

## Roles and Responsibilities:

- Oversight of company's financial reporting process and disclosure of its financial information to ensure that the financial statements are fair and transparent, sufficient and credible
- The role of the Audit Committee would include the review and audit of the working of the management of the company in terms of the profitability, cost control and performance of credit exposures
- Recommending the appointment of and removal of external and internal auditors, recommending audit fee and approval for payment for any other services
- Approval of Annual Plans before it is placed before the Board
- Reviewing with the management the quarterly and annual financial statements before submission to the Board, focussing primarily on the following as may be applicable
  1. Accounting policies and practices followed and any deviations or changes with reference to the earlier policies and practices.
  2. Major accounting entries based on exercise of judgement by management.
  3. Qualifications in draft audit report.
  4. Significant adjustments arising out of audit.
  5. The going concern assumption.
  6. Compliance with accounting standards.
  7. Compliance with the legal requirements concerning financial statements.
  8. Any related party transaction i.e. transactions of Company or its Subsidiaries of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of company at large and Omnibus approval for related party transactions of the Company and its Subsidiaries.
- Reviewing with the management, reports of external and internal auditors, and the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit, plan and scope of internal audit.
- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud, irregularity, or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with external auditors before the audit commences, nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- Reviewing the company's financial and risk management policies.
- Review of company's asset position, realisability and other related matters in respect of collateral securities, sale of properties etc.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of dividends declared if any) and creditors.
- To review the quarterly and annual financial statements before submission to the Board and ensure compliance of internal control systems.
- Authority to investigate into any matter referred to it by the Board.
- Performing such other activities as may be delegated by the Board and/or prescribed under the Companies Act, the Listing Regulations, RBI Master Directions and any other applicable rules, regulations, guidelines, clarifications, circulars and notifications issued by the Government of India including Securities and Exchange Board of India, Reserve Bank of India any other regulatory authority.

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

During the year Mr. B Sriram, Independent Director ceased to be the member of the Committee, and Mr. Sanjiv Chadha, Director was appointed as member of the Committee.

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

Date of the meetings	Members present (M/s)			
	R Gopalan (Chairman)	B Sriram <sup>#</sup>	Kalpna Unadkat	Sanjiv Chadha <sup>*</sup>
7 <sup>th</sup> May 2024	✓	✓	✓	NA
5 <sup>th</sup> August 2024	✓	✓	✓	NA
14 <sup>th</sup> October 2024	✓	✓	✓	NA
20 <sup>th</sup> November 2024	✓	✓	✓	NA
27 <sup>th</sup> January 2025	✓	✓	✓	NA
27 <sup>th</sup> March 2025	✓	NA	✓	✓

NA – Not Applicable

\*Appointed as member with effect from 27<sup>th</sup> January 2025

#Ceased to be a member with effect from 27<sup>th</sup> January 2025

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

#### b. Corporate Social Responsibility Committee:

In accordance with the provisions of Section 135 of the Act read with Rules made thereunder, the Board of Directors of the Company have constituted the Corporate Social Responsibility Committee (CSR Committee). The Committee has formulated and recommended a CSR Policy to the Board and various recommendations of the Committee including the amount of expenditure to be incurred on CSR activities are submitted to the Board for its approval. The Committee has framed a transparent monitoring mechanism for implementation of CSR projects or programmes or activities undertaken by the Company and also monitors CSR policy from time to time.

##### Roles and Responsibilities:

- To review, agree and establish the Company's corporate strategy to ensure that CSR is and remains an integral part of its business strategy;
- To review the standards, policies and conduct of the Company relating to the application of CSR principles;
- To review reports of CSR progress and audits of CSR performance against key performance indicators across programme areas;
- To review an annual budget for CSR activities approved by the Board, as part of the overall budget;
- To ensure that the Company's website communicates and reports its CSR approach and performance in a timely, complete and coherent manner; and
- To perform such other function related or incidental to the CSR Policy of the Company, at the request of the Board;
- To perform all such actions as may be required under the relevant laws as prescribed by the Companies Act, 2013 and rules/regulations as prescribed by various regulators.

Based on the recommendation of the CSR Committee, the Board approved the projects / programmes to be carried out as CSR activities by Srinivasan Services Trust (SST) in compliance with the CSR policy of the Company and contributed ₹10 crore constituting more than 2% of average net profits, for the immediate past three financial years, towards CSR spending for the financial year 2024-25.

SST, with over 29 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 as mandated by the MCA for carrying out its CSR activities.

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

Date of the Meeting	Members Present (M/s)		
	Venu Srinivasan (Chairman)	R Gopalan	K N Radhakrishnan
8 <sup>th</sup> May 2024	LOA	✓	✓

LOA - Leave of Absence

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

#### c. Nomination & Remuneration Committee:

The Company has in place the Nomination & Remuneration Committee (NRC) in line with the applicable provisions of Section 178 of the Act and Regulation 19 and 62G read with Part D of Schedule II of the SEBI Listing Regulations. It was constituted, inter-alia to formulate and recommend to the board of directors, the Company's policies relating to identification of directors, key managerial personnel and senior management personnel, one level below the Board and remuneration payable to them and the criteria for determining qualifications, positive attributes and independence of a director.

The NRC lays down the evaluation criteria for evaluating the performance of every director, committees of the Board and the Board as a whole and also the performance of key managerial personnel (KMP) and senior management personnel (SMP).

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

The performance evaluation of the Board as a whole is 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 is 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 on a continual basis.



Brief description of terms of reference:

- 1.1 Guiding the Board of the Company to lay down the terms and conditions in relation to appointment and remuneration of Director(s), KMP and SMP.
- 1.2 Evaluating the performance of the Director(s) and providing necessary report to the Board for its further evaluation and consideration.
- 1.3 Recommending to the Board on remuneration payable to the Director(s), KMP and SMP of the Company based on (i) Company's structure and financial performance and (ii) remuneration trends and practices that prevail in peer companies across automobile industry.
- 1.4 Retaining, motivating and promoting talent among the employees and ensuring the long-term sustainability of talented SMP by the creation of competitive advantage through a structured talent review.
- 1.5 Devise a policy on diversity in the Board.
- 1.6 Develop a succession plan for the Board and SMP.
- 1.7 Performing such other activities as may be delegated by the Board and/or prescribed under the Companies Act, the Listing Regulations, RBI Master Directions and any other applicable rules, regulations, guidelines, clarifications, circulars and notifications issued by the Government of India including Securities and Exchange Board of India, Reserve Bank of India any other regulatory authority.

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

Date of the meetings	Members present (M/s)		
	Kalpana Unadkat (Chairman)	Sudarshan Venu	B Sriram
8 <sup>th</sup> May 2024	✓	LOA	✓
6 <sup>th</sup> August 2024	✓	✓	✓
14 <sup>th</sup> October 2024	✓	LOA	✓
27 <sup>th</sup> January 2025	✓	LOA	✓

LOA - Leave of Absence

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

**d. Risk Management Committee:**

The Risk Management Committee has been constituted pursuant to the provisions of Regulation 21 and 62I of the SEBI Listing Regulations and RBI Master Directions, to frame, implement and monitor the Risk Management Plan of the Company.

The Company has laid down procedures to inform Board about the risk assessment and mitigation procedures, to ensure that 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.

## 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
- Performing such other activities as may be delegated by the Board and/or prescribed under the Companies Act, the Listing Regulations, the RBI Master Directions and any other applicable rules, regulations, guidelines, clarifications, circulars and notifications issued by the Government of India including Securities and Exchange Board of India, Reserve Bank of India any other regulatory authority

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

Date of the meetings	Members present (M/s)		
	K N Radhakrishnan (Chairman)	R Gopalan	Kalpana Unadkat
25 <sup>th</sup> July 2024	✓	✓	✓
30 <sup>th</sup> September 2024	✓	✓	✓
20 <sup>th</sup> November 2024	✓	✓	✓
23 <sup>rd</sup> January 2025	✓	LOA	✓

LOA - Leave of Absence

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

**e. Asset Liability Management Committee (ALCO):**

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

The roles and responsibilities of the ALCO inter-alia include:

- Adherence to the financial and credit limits set by the Board in its operations
- Deciding business strategy on the assets and liabilities side in line with the budget and risk management objectives of the company
- Responsible for balance sheet planning from risk return perspective and asset liability mix position
- Strategic management of interest rate risks, liquidity risks and other market risks

- Responsible for business issues like product pricing for its asset and liability products
- To review funding plan, ALM coverage, Interest rate sensitivity statements, liquid coverage ratios, fixation of limits and monitoring against limits
- Approve credit facilities from various banks / financial institutions and to authorize directors / officials of the company for this purpose credit facilities up to the limits delegated by the Board
- Approve and review ALCO policy and its amendments
- All other roles and responsibilities of ALCO as specified by the Reserve Bank of India

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

Date of the meetings	Members present (M/s)		
	Ashish Sapra (Chairman)	Sudarshan Venu	B Sriram
20 <sup>th</sup> June 2024	✓	LOA	✓
25 <sup>th</sup> September 2024	✓	✓	✓
21 <sup>st</sup> December 2024	✓	✓	✓
24 <sup>th</sup> March 2025	✓	LOA	✓

LOA- Leave of Absence

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

**f. Information Technology (IT) Strategy Committee:**

In line with the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated 7<sup>th</sup> November 2023, issued by Reserve Bank of India, NBFCs are required to established as a Board-level committee with minimum three directors, who are technically competent as members and an independent director with substantial IT expertise as chairperson of the Committee.

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

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

During the year Mr. Sudarshan Venu, Non-Executive Director ceased to be the member of the Committee. Mr. Ashish Sapra, Director and CEO was appointed as a member of the Committee.

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

Date of the meetings	Members present (M/s)			
	B Sriram (Chairman)	Sudarshan Venu*	K N Radhakrishnan	Ashish Sapra^
20 <sup>th</sup> June 2024	✓	LOA	✓	NA
30 <sup>th</sup> September 2024	✓	LOA	✓	NA
22 <sup>nd</sup> November 2024	✓	LOA	✓	NA
13 <sup>th</sup> March 2025	✓	NA	✓	✓

LOA - Leave of Absence

\*Ceased to be a member with effect from 27<sup>th</sup> January 2025

^Appointed as member with effect from 27<sup>th</sup> January 2025

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

#### g. Credit Sanction Committee

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

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

The Committee consists of the following directors and officials:

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

#### h. Senior Management Committee

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

During the year under review, the committee met four times on 28<sup>th</sup> June 2024, 24<sup>th</sup> September 2024, 18<sup>th</sup> December 2024 and 31<sup>st</sup> March 2025.

#### i. Stakeholders Relationship Committee

In terms of Regulation 20 and 62H of SEBI Listing Regulations, the Company has constituted Stakeholders Relationship Committee. The 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 are as follows:

- Oversee and review all matters connected with the transfer of the Company's securities
- Monitor redressal of investors' / shareholders' / security holders' grievances
- Oversee the performance of the Company's Registrar and Transfer Agents

- Recommend methods to upgrade the standard of services to investors
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/amendment or modification as may be applicable

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

Date of the meetings	Members present (M/s)		
	K N Radhakrishnan (Chairman)	Kalpana Unadkat	R Gopalan
30 <sup>th</sup> September 2024	✓	✓	✓

There were no complaints received during the year 2024-25.

iii) General body meeting:

Location and time where Annual General Meetings (AGMs) were held during the last three years:

Year	Venue of the meeting	Date	Time
2021-22	Registered Office	29 <sup>th</sup> June 2022	02.00 PM
2022-23	Registered Office	17 <sup>th</sup> July 2023	10.00 AM
2023-24	Registered Office	7 <sup>th</sup> August 2024	04.00 PM

Special resolutions passed in the previous three AGMs:

Year	Subject Matter of Special Resolution	Date of AGM
2021-22	1. Approval under Section 180(1)(c) of the Companies Act, 2013 to borrow in excess of the aggregate of the paid-up capital and free reserves of the Company. 2. Approval under Section 180(1)(a) of the Companies Act, 2013 to secure the borrowing by creating charges / mortgages over the properties of the Company.	29 <sup>th</sup> June 2022
2022-23	-	17 <sup>th</sup> July 2023
2023-24	-	7 <sup>th</sup> August 2024

Special resolutions passed the Extra-ordinary General Meetings (EGMs) during the Financial Year:

Date	Place	Subject Matter of Special Resolution
10 <sup>th</sup> May 2024	Registered Office	Approval of Restated Articles of Association of the Company
25 <sup>th</sup> June 2024	Registered Office	1. Approval for issue of equity shares on a private placement basis 2. Approval under Section 180(1)(c) of the Companies Act, 2013 to borrow in excess of the aggregate of the paid-up capital and free reserves of the Company 3. Approval under Section 180(1)(a) of the Companies Act, 2013 to secure the borrowing by creating charges / mortgages over the properties of the Company 4. Reappointment of Mr. R Gopalan as Independent Director of the Company
23 <sup>rd</sup> September 2024	Registered Office	1. Reappointment of Mr. B Sriram as Independent Director of the Company 2. Appointment of Dr. Deepali Pant Joshi as Independent Director of the company 3. Appointment of Mr. T C Suseel Kumar as Independent Director of the company



Date	Place	Subject Matter of Special Resolution
11 <sup>th</sup> November 2024	Registered Office	Approval of "TVS Credit Employee Stock Option Plan 2024" ("ESOP 2024"/ "Plan")
27 <sup>th</sup> December 2024	Registered Office	1. Appointment of Mr. Ashish Sapra as Director and CEO of the Company 2. Appointment of Mr. Sanjiv Chadha as Non-executive Non-Independent Director

There was no resolution passed through postal ballot and no special resolution is proposed to be conducted through postal ballot as of the date of this report.

iv) **Means of communication to shareholders**

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

Quarterly results:

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

Newspapers wherein results are normally published:

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

Website:

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

v) **General shareholder information:**

AGM Date and time	:	30 <sup>th</sup> July 2025 at 4.00 P.M.
Financial year	:	1 <sup>st</sup> April to 31 <sup>st</sup> March
Financial calendar	:	2025-26
Financial reporting for the quarter ending	:	Financial calendar
30 <sup>th</sup> June 2025	:	Before 14 <sup>th</sup> August 2025
30 <sup>th</sup> September 2025	:	Before 14 <sup>th</sup> November 2025
31 <sup>st</sup> December 2025	:	Before 14 <sup>th</sup> February 2026
31 <sup>st</sup> March 2026	:	Before 30 <sup>th</sup> May 2026

Particulars of dividend payment:

The Company has not declared any dividend to its Shareholders.

## vi) Listing on Stock Exchanges:

Name and address of the Stock Exchange	Stock Code / Symbol														
National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051   Tel.: 91 22 2659 8100   Fax : 91 22 2659 8120	As only the Non-convertible Debentures are listed and Equity Shares of the Company are not listed, the stock code is not applicable.														
ISIN allotted by Depositories (Company ID Number) for Non-Convertible Debentures (NCD) listed with NSE as on 31 <sup>st</sup> March 2025	<table> <tr> <td>1. INE729N08030</td><td>8. INE729N08097</td></tr> <tr> <td>2. INE729N08048</td><td>9. INE729N07057</td></tr> <tr> <td>3. INE729N08055</td><td>10. INE729N08105</td></tr> <tr> <td>4. INE729N08063</td><td>11. INE729N08113</td></tr> <tr> <td>5. INE729N08071</td><td>12. INE729N07065</td></tr> <tr> <td>6. INE729N08089</td><td>13. INE729N07073</td></tr> <tr> <td>7. INE729N07032</td><td>14. INE729N07081</td></tr> </table>	1. INE729N08030	8. INE729N08097	2. INE729N08048	9. INE729N07057	3. INE729N08055	10. INE729N08105	4. INE729N08063	11. INE729N08113	5. INE729N08071	12. INE729N07065	6. INE729N08089	13. INE729N07073	7. INE729N07032	14. INE729N07081
1. INE729N08030	8. INE729N08097														
2. INE729N08048	9. INE729N07057														
3. INE729N08055	10. INE729N08105														
4. INE729N08063	11. INE729N08113														
5. INE729N08071	12. INE729N07065														
6. INE729N08089	13. INE729N07073														
7. INE729N07032	14. INE729N07081														

(Note: Annual listing fees and custodial charges for the year 2024-25 were duly paid to the National Stock Exchange and Depositories)

## vii) Market price data and Share price performance in comparison to broad-based indices - NSE Nifty and BSE Sensex: Not applicable as the Shares of the Company are not listed.

## viii) Suspension of Securities from trading: During FY 2024-25, none of the securities of the Company were suspended from trading.

## ix) Share Transfer Agents and Share Transfer System:

In terms of Regulation 7 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has appointed Integrated Registry Management Services Limited, as the Share Transfer Agent of the Company for Shares and Cameo Corporate Services Limited as Registrar and Transfer Agent for Debentures. They continue to be the Registrar and Share Transfer Agents and handle all relevant corporate registry services for the Company.

## x) Distribution of Shareholding

Shareholding (Range)	No. of Members	%	No. of Equity Shares	%
Up to 5000	5*	26.31	50.00	0.00
5001-10000	1	5.26	8,516.00	0.00
10001-20000	1	5.26	17,032.00	0.01
20001-50000	2	10.53	68,126.00	0.03
50001-100000	2	10.53	1,02,190.00	0.04
100001 & above	8	42.11	23,60,76,792.00	99.92
<b>Total</b>	<b>19</b>	<b>100</b>	<b>23,62,72,706.00</b>	<b>100.00</b>

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

Shareholding (Range)	No. of Members	%	No. of Compulsorily Convertible Preference Shares	%
Up to 5000	-	-	-	-
5001-10000	-	-	-	-
10001-20000	-	-	-	-
20001-50000	-	-	-	-
50001-100000	-	-	-	-
100001 & above	2	100	1,83,84,684	100.00
<b>Total</b>	<b>2</b>	<b>100</b>	<b>1,83,84,684</b>	<b>100.00</b>

xi) Dematerialization of shares and liquidity:

The Company has provided its Shareholders the option to hold their shares in dematerialised form and as on 31<sup>st</sup> March 2025, all the shares forming part of the paid-up capital of the Company are in dematerialised form.

xii) The Company has not issued any Global Depository Receipt / American Depository Receipt/ Warrant or any convertible instrument, which is likely to have impact on the Company's Equity except 1,83,84,684, 0.00 1% Compulsorily Convertible Preference Shares of ₹10/- each.

xiii) List of Credit Rating:

The credit rating details are disclosed in the Financial Statements forming part of this Annual Report.

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

During the year, the Company has paid ₹73 lakhs to the Statutory Auditors for all services received by the listed entity and its subsidiaries, on a consolidated basis.

xv) Sexual Harassment at workplace:

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH), as amended, Company has a robust mechanism in place to redress complaints reported under it. The details of case of sexual harassment reported during the financial year 2024-25 are as under:

No. of Complaints received	1
No. of Complaints resolved	1
No. of Complaints pending	-

In terms of the provisions of Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, an Internal Committee (IC) is constituted by the Company to consider and resolve the sexual harassment complaints.

## xvi) Non-mandatory disclosures

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

## a. The Board:

Mr. Sudarshan Venu and Mr. Venu Srinivasan, Non-Executive Director as on 31<sup>st</sup> March 2025, are liable to retire by rotation as per the provisions of the Companies Act, 2013.

## b. Shareholder rights:

The quarterly results of the Company are published in newspapers as soon as they are approved by the Board and are also uploaded on the Company's website namely [www.tvscredit.com](http://www.tvscredit.com). The results are not sent to the shareholders individually.

## c. Audit qualifications:

There were no audit qualifications during the financial year under review.

## d. Reporting of internal auditor:

The reporting of internal auditor is in accordance with the RBI Circular on Risk based Internal Audit.

## xvii) Disclosure on compliance with SEBI guidelines for fund raising by issuance of debt securities by large corporate:

The Company qualifies as a Large Corporate under Chapter XII of the SEBI Master Circular dated 22<sup>nd</sup> May 2024, on the issuance and listing of Non-Convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities, and Commercial Paper. In accordance with these guidelines, the Company is required to raise at least 25% of its incremental borrowings during a financial year through the issuance of debt securities. This requirement must be fulfilled within a contiguous block of three years.

During the year under review, the Company's incremental eligible borrowings stood at ₹10,650 crore. Accordingly, it was required to raise ₹2,663 crore through issuance of debt securities. Of this, the company raised ₹1,675 crore in FY24-25. The balance ₹988 crore will be raised within the prescribed timeline of three contiguous years i.e. 31<sup>st</sup> March 2027, to ensure compliance with the SEBI circular.

## Other Disclosures

## a. Materially significant related party transactions:

All transactions entered into with related parties (RPTs), as defined under the Act and the Listing Regulations, during the financial year 2024-25 were in the ordinary course of business and at arm's-length and do not attract the provisions of Section 188 of the Act and the rules made thereunder.

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

**Related Party Transaction Policy**

During the financial year, there were no materially significant related party transactions or pecuniary relationships between the Company and its Directors that could potential conflict with the interest of the Company. Pursuant to the provisions of the Act and SEBI Listing Regulations, the Board has, on recommendation of its Audit Committee, adopted a policy for dealing with related party transactions and the said policy is available on the

website of the Company at <https://www.tvscredit.com/wp-content/uploads/2025/05/Related-Party-Transactions-Policy.pdf>

All related party transactions are placed before the Audit Committee on quarterly basis. Transactions with related parties, as per the requirements of Ind-AS and Regulation 53(1) (f) of SEBI Listing Regulations, are disclosed in notes to accounts annexed to the Financial Statements.

All the related party transactions that were entered into during the financial year were on arm's-length basis and in ordinary course of business. There were no materially significant transaction requiring approval of Shareholders during the year.

- b.** Pecuniary relationships or transactions with IDs vis-à-vis the Company during the year under review, do not exceed the threshold limit as laid down under the Listing Regulations.
- c.** There were no instances of non-compliance by the Company or penalty and stricture imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on any matter related to the capital markets, during the last three years.
- d.** Loans and advances in the nature of loans to firms/companies in which Directors are interested in by name and amount - Nil.
- e.** The Company has complied with all applicable mandatory requirements in terms of the Listing Regulations. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed in this Report.
- f.** The Company does not engage in trading or dealing in commodities and hence is not exposed to commodity price risk.

However, during the financial year, the Company entered into derivative transactions with a counterparty to hedge its foreign exchange and interest rate risks arising out of External Commercial Borrowings (ECBs).

These ECBs are fully hedged, thereby eliminating exposure to foreign exchange fluctuations.

**g. Material Subsidiaries**

The Board has duly formulated a policy for determining 'material subsidiaries'. As per the amended Listing Regulations 'material subsidiary' shall mean a subsidiary, whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

As per the above definition, the Company does not have any subsidiary whose turnover or net worth exceeds 10% of the consolidated turnover or net worth respectively.

Copy of the Material Subsidiary policy is available on the Company's website at <https://www.tvscredit.com/wp-content/uploads/2023/08/14-Determination-of-Material-Subsidiary.pdf>.

**h. Succession Planning**

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

xviii) **Branch Locations:**

The Company has a presence in 28 states and 4 Union Territories in India and in 159 locations through its offices.

xix) **Address for investor correspondence:**



For transfer / dematerialisation of securities, payment of dividend/ interest on securities and any other query relating to the securities of the Company	:	Equity Shares: Integrated Registry Management Services Limited, Share Transfer Agent (STA) Unit: TVS Credit Services Limited Chennai – 600 006  Debentures: Cameo Corporate Services Ltd 'Subramanian Building', No. 1, Club House Road, Chennai – 600 002
For non-receipt of annual report	:	Equity- corpserv@integratedindia.in Debt- investor1@cameoindia.com
For investors' grievance & general correspondence	:	Equity- corpserv@integratedindia.in Debt- investor1@cameoindia.com
Debenture Trustees	:	Beacon Trusteeship Limited Address: 5W, 5th Floor, The Metropolitan Building, E Block BKC, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra 400051 E-mail: compliance@beacontrustee.co.in  IDBI Trusteeship Services Limited Address: Ground Floor, Universal Insurance Building, Sir Phirozshah Mehta Road, Fort Bazargate, Mumbai, India - 400001 E-mail: teamolive@idbitrustee.com

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

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

xxii) 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 in compliance with the limits 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.

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

xxiv) Remuneration to Directors:

Criteria for remuneration to Directors:

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

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

#### Executive Directors:

The remuneration payable to Director & CEO is fixed by the Board and are within the limits approved by the Shareholders in terms of the relevant provisions of the Act read with Regulation 17 of the Listing Regulations.

Particulars of remuneration to Executive Director for the financial year 2024-25 has been disclosed under the section 'Board of Directors' in this report.

#### Non-Executive Directors:

##### Sitting fees

The Non-Executive Directors (NEDs) are paid sitting fees of ₹20,000/- for each meeting of the Board and Committee thereof attended by them, which is within the limits, prescribed under the Act.

##### Commission

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

The Board at its meeting held on 28<sup>th</sup> April 2025 approved the payment of commission of ₹20,00,000/- to the Non-Executive Independent Directors of the Company for the year ended 31<sup>st</sup> March 2025. The amount of commission for every financial year is decided by the Board, in terms of the approval of Shareholders at Annual General Meeting held on 27<sup>th</sup> July 2020, subject to the limit of 1% of net profits of the Company, in aggregate, as calculated pursuant to Section 198 of the Act. The above compensation structure is commensurate with the best practices in terms of remunerating IDs and adequately compensates for the time and contribution made by IDs.

None of the NEDs have been paid remuneration exceeding 50% of the total annual remuneration payable to all NEDs of the Company.

The Board at its meeting held on 14<sup>th</sup> October 2024, based on the recommendation of the Nomination and Remuneration Committee, approved the 'TVS Credit Employee Stock Option Plan' with a view to reward, attract, motivate and retain employees of the Company and the same was approved by the shareholders vide a special resolution on 11<sup>th</sup> November 2024.

xxv) None of the NEDs, except Mr. K N Radhakrishnan who holds shares on behalf of TVS Motor Services Limited, holds equity shares of the Company. Sitting fees and Commission paid to NEDs for the meetings held during 2024-25 are as follows –

S.No.	Name of the directors (M/s.)	Sitting Fees (Amount in ₹)	Commission (Amount in ₹)
1	Sudarshan Venu	-	NA
2	Venu Srinivasan	40,000	NA
3	K N Radhakrishnan	3,10,000	NA
4	Sanjiv Chadha	-	NA
5	R Gopalan	3,20,000	20,00,000

S.No.	Name of the directors (M/s.)	Sitting Fees (Amount in ₹)	Commission (Amount in ₹)
6	B Sriram	4,60,000	20,00,000
7	Kalpana Unadkat	4,00,000	20,00,000
8	Dr. Deepali Pant Joshi	1,00,000	13,04,110*
9	T. C. Suseel Kumar	60,000	13,04,110*

\*Paid on pro-rata basis from their date of appointment

No other amounts were paid to any of the NEDs of the Company other than payments in the nature of reimbursement of expenses .

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

There was no resignation of Independent Director during the year.

xxvii) **Details of non-compliance with requirements of Companies Act, 2013:**

There has been no default in compliance with the requirements of Companies Act, 2013, including with respect to compliance with accounting and secretarial standards.

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

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

Copy of the said Policy is available in the Company's website in the following link <https://www.tvscredit.com/wp-content/uploads/2025/02/Whistleblower-Policy.pdf>

xxix) **Details of penalties and strictures:**

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

xxx) **Breach of covenant:**

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

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

As per the last available RBI Supervisory Report for the Financial Year 2022-23, there is no divergence in asset classification and provisioning assessed by RBI.

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

xxxiii) In terms of Corporate Governance, the Company has complied with the applicable requirements stipulated under Regulations 17 to 27 read with Schedule V, Regulation 62 and Chapter VA of the SEBI Listing Regulations.

For further clarification / information, stakeholders are requested to visit the Company's website at <https://www.tvscredit.com/>

**Annexure - VI to Directors' Report to the Shareholders****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2025**

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

To

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

Dear sirs,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practice by TVS Credit Services Limited, (hereinafter called the Company).

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

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2025 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- iii) The provisions of The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iv) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable to high value debt listed entities;
- v) Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;
- vi) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent applicable to debt listed companies.

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

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

- c) The Securities and Exchange Board of India (Share based employee Benefits and Sweat Equity) Regulations, 2021;
- d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
- f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

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

- (a) Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 effective from October 2023 and other directions/regulations issued by Reserve Bank of India applicable for Middle Layer NBFC;
- (b) Compliance under Prevention of Money Laundering Act, (PMLA) 2002 for the purpose of compliance with the obligations under Know your Customer Norms/Anti-Money Laundering (AMC) Standards & Fair Pricing Code (FPC) and Combating of Finance of Terrorism (CFT) obligations under PMLA, 2002;
- (c) Labour Laws & Contract Labour (Regulations & Abolition) Act, 1970 as applicable;
- (d) Indian Stamp Act and Rules;
- (e) Motor Vehicles Act, 1938.

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

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

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

- i) The Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India in terms of Sub-Section (10) of Section 118 of the Companies Act, 2013, for the financial year under review;
- ii) The Company has listed its Commercial papers with National Stock Exchange of India Ltd (NSE) pursuant to SEBI circular dated 22<sup>nd</sup> October 2019. The Company has duly complied with the compliances as prescribed in the above-mentioned circular.

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

We further report that: -

- 1) The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors.
- 2) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and in case where meeting was held on shorter notice, necessary compliances as per the Act and standards have been complied with and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- 3) Majority decisions are carried through while passing all the resolutions of the Board/Committees. However, on perusal of the minutes of the Board or Audit Committee or Nomination & Remuneration Committee, or Asset Liability Management Committee, or Corporate Social Responsibility Committee meetings or Risk Management Committee, it was observed that there was no dissenting note made by any of the members.



We 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.

We further report that during the period of audit, the Company made issue of equity as well as Debt securities.

Name of the Company Secretary: B Chandra

Membership No. ACS 20879

Certificate of Practice No. 7859

UDIN: A020879G000212103

PEER REVIEW NUMBER 1711/2022

Place : Chennai

Date : 28<sup>th</sup> April 2025

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

Our 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. We 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. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Name of the Company Secretary: B Chandra  
Membership No. ACS 20879  
Certificate of Practice No. 7859  
UDIN: A020879G000212103  
PEER REVIEW NUMBER 1711/2022

Place : Chennai  
Date : 28<sup>th</sup> April 2025

**Annexure VII to Directors' Report to the Shareholders**

**Statement of Disclosure relating to Employees Stock Option Scheme in accordance with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014**

(a)	Options granted	1,55,400
(b)	Options vested	Nil
(c)	Options exercised	Nil
(d)	The total number of shares arising as a result of exercise of option	Not Applicable
(e)	Options lapsed	Not Applicable
(f)	The exercise price	Not Applicable
(g)	Variation of terms of options	Not Applicable
(h)	Money realized by exercise of options	Not Applicable
(i)	Total number of options in force	1,55,400
(j)	Employee-wise details of options granted to:	
	(i) key managerial personnel	1,55,400
	(ii) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.	Nil
	(iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	Nil

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 Standalone Balance Sheet as at 31st March 2025, 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 for the year then ended and notes to the Standalone Financial Statements, and a summary of the material accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act 2013 ("The Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2025, and its Standalone profit and total comprehensive income, Standalone changes in equity and its Standalone 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 matters	How our audit addressed the Key matters
<p><b>Impairment Loss Allowance</b></p> <p>Management's judgements in the calculation of impairment allowances have significant impact on the Standalone Financial Statements. The estimates regarding impairment allowances are complex and require a significant degree of judgement, which increased with implementation of Expected Credit Loss ("ECL") approach as required by Ind AS 109 relating to "Financial instruments."</p> <p>Management is required to determine the expected credit loss that may occur over either a 12-month period or the remaining life of an asset, depending on the categorization of the individual asset.</p>	<p>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.</p> <p>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.</p> <p>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.</p>

Key Audit matters	How our audit addressed the Key matters
<p>The key areas of judgement include:</p> <ol style="list-style-type: none"> <li>1. Categorization of loans in Stage I, II and III based on identification of:               <ol style="list-style-type: none"> <li>(a) exposures with significant increase in credit risk since their origination and</li> <li>(b) Individually impaired / default exposures.</li> </ol> </li> <li>2. Techniques used to determine Loss Given Default ('LGD') and Probability of Default ('PD') to calculate an ECL based on experience.</li> <li>3. The impact of different future macroeconomic conditions in the determination of ECL.</li> </ol> <p>These judgements required the models to be reassessed including the impact of Covid-19 Pandemic to measure the ECL.</p> <p>Management has made several interpretations and assumptions when designing and implementing models that are compliant with the standard.</p> <p>The accuracy of data flows and the implementation of related controls is critical for the integrity of the estimated impairment provisions. Given the significance of judgements and the high complexity related particularly to the calculation of ECL we considered this area as a Key Audit Matter.</p>	<p>We also assessed the approach of the Company for categorization of the loans in various stages reflecting the inherent risk in the respective loans.</p> <p>For a sample of financial assets, we tested the correctness of Staging, reasonableness of PD, accuracy of LGD and ECL computation.</p> <p>We have also verified the compliance of circulars issued by Reserve Bank of India from time to time during the year on this subject.</p> <p>As a result of the above audit procedures no material differences were noted. We confirm the adequacy of disclosures made in the financial statements</p>
<p><b>IT Systems and Controls</b></p> <p>The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems,</p> <p>Any control lapses, Validation failures, incorrect input data and wrong extraction of data may result in the financial accounting and reporting records being misstated.</p>	<p>We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations.</p> <p>We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties.</p> <p>We have focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.</p> <p>Reliance was also placed on the System Audit report of the Company.</p> <p>Based on our review no material weakness was found in the IT Systems and Controls.</p>

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

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



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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and those charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibility for the Audit of Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's

report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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

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

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.

### Other Matters

One of the joint statutory auditors has not audited the comparative standalone financial statements for the year ended 31st March 2024. The comparative standalone financial statements for the year ended 31st March 2024 were audited by the previous joint statutory auditors whose report dated 8th May 2024 expressed an unmodified opinion on those standalone financial statements.

Our opinion on the Standalone Financial Statements is not modified in respect of the above matter.

### 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 accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the Standalone Balance Sheet, the Standalone Statement of Profit and Loss, the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this report are in agreement with the books of accounts;
  - (d) in our opinion, the aforesaid Standalone Financial Statements comply with the Indian 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 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with 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.44.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The derivative contracts being in the nature of the hedge contracts, the company does not anticipate any material losses from the same.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection fund by the Company.
  - iv.
    - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - b) The management has represented, that, to the best of it's 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 our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
  - (i) The Company has not declared or paid any Dividend during the year.
  - (j) With respect to Rule 11(g) of Companies (Audit & Auditors) Rules, 2014, on maintenance of audit trail, transaction and edit log, based on our examination which included test checks, the company has used multiple accounting softwares for maintaining its books of accounts which has the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

**C.N.Gangadaran**  
Partner  
Membership No. 011205

Date: 28.4.2025  
Place: Chennai

UDIN: 25011205BMIJBH5242

For **Suri & Co.,**  
Chartered Accountants  
Firm Regn. No. 004283S

**Sanjeev Aditya.M**  
Partner  
Membership No. 229694

Date: 28.4.2025  
Place: Chennai

UDIN: 25229694BMIIHE1916

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 Standalone Financial Statements for the year ended 31st March 2025, 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-to-use assets.  
(B) The company is maintaining proper records showing full particulars of Intangible Assets.
- b) Property, Plant and Equipment and Right-to-use assets 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 favor of the lessee) are held in the name of the Company.
- d) The Company has not revalued any of its Property Plant and Equipment (including Right-to-use assets) and Intangible assets 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 ₹5 crore from banks and financial institutions on the basis of security of current assets. The quarterly returns and the statements submitted to lenders are in agreement with the books of accounts.
- (iii) The Company has not provided any guarantee or security but has made investments and granted loans or advances in the nature of loans, secured, to companies, firms, Limited Liability Partnerships or any other parties. The reporting as required under this clause is given below
  - 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 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) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular except for loans amounting to ₹3,448.76 crore for which repayment of principal and payments of interest are not regular.

Bucket	Amount (₹ in crore)
1-90 DPD	2,665.78
More than 90 DPD#	782.98

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

- d) The amounts overdue for more than 90 days aggregating principal repayment and interest payments is ₹782.98 crore. In our opinion reasonable steps have been taken by the company for recovery of principal and interest.
- e) The Company is a NBFC, whose principal business is to provide loans. Hence, reporting under clause 3(iii)(e) is not applicable.

- 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. Hence, reporting under clause 3(iii)(f) is not applicable.
- (iv) The company has complied with the provisions of Section 186(1) of the Act in respect of the investments made. The company has not made investment through investment companies. There are no loans, guarantees given and securities provided in respect of which provisions of Section 185 and 186 of the Companies Act, 2013 are applicable.
- (v) The Company has not accepted any deposits within the meaning of sections 73 to 76, or any other relevant provisions of the Act and the rules framed thereunder.
- (vi) The Central Government has not specified the maintenance of cost records under section 148(1) of the Act for the business activities carried out by the Company. Therefore, the provisions of clause (vi) of paragraph 3 of the Order are not applicable to the Company.
- (vii) a) In our opinion, the Company is regular in depositing undisputed statutory dues including Goods and Services Tax, Provident fund, Employees' State Insurance, Income Tax, Cess and any other statutory dues applicable to it during the year with appropriate authorities. There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2025 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us there are no dues referred to in sub-clause (a) above which have not been deposited with the appropriate authorities on account of disputes except for:

Name of Statute	Nature of dues	Amount disputed (Rs. In crore)	Period to which the amount relates	Forum where the dispute is pending
Goods and Service Act, 2017	Goods and Service Act Dues	0.74	2017-18	Commissioner (Appeals)
Goods and Service Act, 2017	Goods and Service Act Dues	1.55	2018-19	Commissioner (Appeals)
Goods and Service Act, 2017	Goods and Service Act Dues	0.26	2019-20	Commissioner (Appeals)
Goods and Service Act, 2017	Goods and Service Act Dues	1.39	2020-21	Commissioner (Appeals)
Goods and Service Act, 2017	Goods and Service Act Dues	0.39	2020-21	Joint Commissioner
Goods and Service Act, 2017	Goods and Service Act Dues	0.31	2020-21	State Tax Officer
Goods and Service Act, 2017	Goods and Service Act Dues	0.01	2020-21	Deputy Commissioner of State Tax
Goods and Service Act, 2017	Goods and Service Act Dues	0.00	2021-22	Commissioner (Appeals)
Finance Act, 1994	Service Tax Dues	4.08	2011-12 to 2014-15	Customs Excise and Service Tax Appellate Tribunal



Name of Statute	Nature of dues	Amount disputed (Rs. In crore)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax Dues	1.45	2015-16	Customs Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax Dues	0.24	2016-17	Customs Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax Dues	0.84	2016-17 to 2017-18	Customs Excise and Service Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax Dues	1.44	2017-18	CIT (Appeals)
Income Tax Act, 1961	Income Tax Dues	15.76	2019-20	CIT (Appeals)
Income Tax Act, 1961	Income Tax Dues	3.00	2021-22	CIT (Appeals)

- (viii) There was no transactions which were not recorded in the books of accounts or surrendered as Income during the year in the tax assessments under Income Tax Act.
- (ix) a) Based on our examination of the books of accounts and other records of the company, The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) Based on our examination of the books of accounts and other records of the company and based on the information and explanation provided by the management, the company has not been declared as a 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.
- f) The company has not raised loans during the year on pledge of securities held in its subsidiaries 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 Section 42 and 62 of the Companies Act have been duly complied with by the Company. Based on our examination of the books of accounts and other records of the Company and according to the information and explanations provided by the management, the funds raised have been used for the purposes for which the funds were raised.

- (xi) a) No fraud by the company or no material fraud on the company has been noticed or reported during the year.
- b) No report under sub section (12) of Section 143 of the Companies Act in form ADT-4 was filed as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) The company did not receive any whistle-blower complaints during the year.
- (xii) The Company is not a Nidhi Company. Hence, clauses 3(xii)(a),(b),(c) of the Order are not applicable.
- (xiii) The transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and the details have been disclosed in the Standalone 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 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) According to the information and explanations given to us by the management, the Company has not entered into any non-cash transactions with directors or persons connected with the directors during the year.
- (xvi) a) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and has obtained registration.
- b) The company has conducted Non-banking financial activities with valid Certificate of Registration from Reserve Bank of India.
- c) The company is not a Core Investment Company, hence reporting under clause 3(xvi)(c) is not applicable
- d) The Group does not have more than one Core Investment Companies as a part of the group.
- (xvii) The company has not incurred cash losses during the year and the immediately preceding financial year.
- (xviii) There was no resignation of statutory auditors during the year.
- (xix) On the basis of our evaluation of financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements 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. 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) 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.

For **CNGSN & Associates LLP**

Chartered Accountants  
Firm Regn. No. 004915S

**C.N.Gangadaran**

Partner  
Membership No. 011205

Date: 28.4.2025

Place: Chennai

UDIN: 25011205BMIJBH5242

For **Suri & Co.,**

Chartered Accountants  
Firm Regn. No. 004283S

**Sanjeev Aditya.M**

Partner  
Membership No. 229694

Date: 28.4.2025

Place: Chennai

UDIN: 25229694BMMIHE1916

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

We have audited the internal financial controls with reference to Standalone Financial Statements of TVS Credit Services Limited ("the Company") as of 31st March 2025 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Standalone Financial Statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial Statements, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements includes obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Standalone Financial Statements.

**Meaning of Internal Financial Controls with reference to Standalone Financial Statements**

A company's internal financial control with reference to Standalone Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Standalone Financial Statements includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Financial Statements.

**Inherent Limitations of Internal Financial controls with reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Standalone Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at 31st March 2025, based on the internal control over financial reporting criteria established by the Company considering the essential

components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**C.N.Gangadaran**  
Partner  
Membership No. 011205

Date: 28.4.2025  
Place: Chennai

UDIN: 25011205BMIJBH5242

For **Suri & Co.,**  
Chartered Accountants  
Firm Regn. No. 004283S

**Sanjeev Aditya.M**  
Partner  
Membership No. 229694

Date: 28.4.2025  
Place: Chennai

UDIN: 25229694BMIIHE1916

# STANDALONE BALANCE SHEET AS ON 31<sup>ST</sup> MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

S.No.	Particulars	Note No.	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>1</b>	<b>ASSETS</b>			
	<b>Financial assets</b>			
(a)	Cash and cash equivalents	4	3,583.40	1,745.97
(b)	Bank balances other than (a) above	5	5.95	5.90
(c)	Derivative financial instruments	6	-	90.67
(d)	Receivables			
i)	Trade receivables	7	152.21	117.20
(e)	Loans	8	26,298.84	25,470.24
(f)	Investments	9	299.75	109.71
(g)	Other financial assets	10	28.28	25.05
	<b>Total</b>		<b>30,368.43</b>	<b>27,564.74</b>
<b>2</b>	<b>Non-financial assets</b>			
(a)	Current tax assets (net)	11	11.03	19.80
(b)	Deferred tax assets (net)	12	408.64	337.96
(c)	Investment property	13	85.16	85.16
(d)	Property, plant and equipment	14	45.07	35.92
(e)	Right-to-use asset	14	65.19	26.58
(f)	Capital work-in-progress	14	2.40	2.73
(g)	Intangible assets under development	14	10.96	3.18
(h)	Other intangible assets	14	2.53	2.94
(i)	Other non-financial assets	15	53.05	58.54
	<b>Total</b>		<b>684.03</b>	<b>572.81</b>
	<b>Total assets</b>		<b>31,052.46</b>	<b>28,137.55</b>
	<b>LIABILITIES AND EQUITY</b>			
	<b>LIABILITIES</b>			
<b>1</b>	<b>Financial liabilities</b>			
(a)	Derivative financial instruments	6	2.24	-
(b)	Payables			
i.	Trade payables			
ii)	Total outstanding dues of micro enterprises and small enterprises	16	9.35	14.19
ii)	Total outstanding dues of creditors other than micro enterprises and small enterprises	16	1,081.98	1,035.09
(c)	Debt securities	17	2,625.39	1,510.99
(d)	Borrowings (other than debt securities)	18	19,792.47	19,043.77
(e)	Subordinated liabilities	19	2,269.31	2,212.96
(f)	Other financial liabilities	20	221.35	334.63
	<b>Total</b>		<b>26,002.09</b>	<b>24,151.63</b>
<b>2</b>	<b>Non-financial liabilities</b>			
(a)	Provisions	21	59.58	67.59
(b)	Other non-financial liabilities	22	42.87	52.85
	<b>Total</b>		<b>102.45</b>	<b>120.44</b>
<b>3</b>	<b>Equity</b>			
(a)	Equity share capital	23	236.27	228.22
(b)	Instruments entirely equity in nature	23	18.38	18.38
(c)	Other equity	24	4,693.27	3,618.88
	<b>Total</b>		<b>4,947.92</b>	<b>3,865.48</b>
	<b>Total liabilities and equity</b>		<b>31,052.46</b>	<b>28,137.55</b>
<b>See accompanying notes to the standalone financial statements</b>				
<b>Material accounting policies forming part of standalone financial statements</b>		3		
<b>Additional notes forming part of standalone financial statements</b>		44		

As per our report of even date

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

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

**C.N. Gangadaran**  
Partner  
Membership No. 011205

Place : Chennai  
Date : 28<sup>th</sup> April 2025

**For Suri & Co.**  
Chartered Accountants  
ICAI Regn. No. FRN 004283S

**Sanjeev Aditya. M**  
Partner  
Membership No. 229694

**Sudarshan Venu**  
Chairman  
DIN-03601690

**Roopa Sampath Kumar**  
Chief Financial Officer

Place : Chennai  
Date : 28<sup>th</sup> April 2025

**Ashish Sapra**  
Director and Chief Executive Officer  
DIN-09805893

**Chetan Nage**  
Company Secretary



# STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

S. No.	Particulars	Note No.	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
	<b>Revenue from operations</b>			
i)	Interest income	25	5,797.32	5,112.58
ii)	Fees and commission income	26	736.46	592.05
iii)	Net gain on fair value changes on financial instruments	27	92.32	-
iv)	Other operating income	28	-	85.09
<b>I)</b>	<b>Total revenue from operations</b>		<b>6,626.10</b>	<b>5,789.72</b>
II)	Other income	29	3.93	5.47
<b>III)</b>	<b>Total income (I + II)</b>		<b>6,630.03</b>	<b>5,795.19</b>
	<b>Expenses</b>			
i)	Finance costs	30	1,863.32	1,653.64
ii)	Fees and commission expenses		527.16	429.87
iii)	Impairment on financial instruments (net)	31	1,295.36	1,127.05
iv)	Employee benefits expenses	32	1,135.58	1,200.78
v)	Depreciation and amortization expenses	14	46.20	27.39
vi)	Other expenses (IV)	33	736.97	594.52
<b>IV)</b>	<b>Total expenses (IV)</b>		<b>5,604.59</b>	<b>5,033.25</b>
<b>V)</b>	<b>Profit before exceptional items and tax (III-IV)</b>		<b>1,025.44</b>	<b>761.94</b>
VI)	Exceptional items		-	-
<b>VII)</b>	<b>Profit before tax (V-VI)</b>		<b>1,025.44</b>	<b>761.94</b>
<b>VIII)</b>	<b>Tax expense</b>	34		
	(1) Current tax		323.80	307.64
	(2) Deferred tax		(65.61)	(117.53)
<b>IX)</b>	<b>Profit for the year</b>		<b>767.25</b>	<b>571.83</b>
<b>X)</b>	<b>Other Comprehensive Income</b>	35		
A.	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement of the defined benefit plans		(10.64)	(9.72)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		2.68	2.46
	<b>Subtotal (A)</b>		<b>(7.96)</b>	<b>(7.26)</b>
B.	(i) Items that will be reclassified to profit or loss			
	- Fair value change on cash flow hedge		(8.89)	(17.95)
	- Fair value gain/(loss) on financial instruments through other comprehensive income		(0.62)	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		2.39	4.52
	<b>Subtotal (B)</b>		<b>(7.12)</b>	<b>(13.42)</b>
	<b>Other comprehensive income (A+B)</b>		<b>(15.08)</b>	<b>(20.69)</b>
<b>XI)</b>	<b>Total comprehensive income for the year (Comprising Profit/(Loss) and other comprehensive income for the year)</b>		<b>752.17</b>	<b>551.14</b>
XII)	Earnings per equity share (Face value of ₹ 10/- each)	36		
	Basic (₹)		30.36	23.90
	Diluted (₹)		30.36	23.90
<b>See accompanying notes to the standalone financial statements</b>				
<b>Material accounting policies forming part of standalone financial statements</b>		3		
<b>Additional notes forming part of standalone financial statements</b>		44		

As per our report of even date

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

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

**C.N. Gangadaran**  
Partner  
Membership No. 011205

Place : Chennai  
Date : 28<sup>th</sup> April 2025

**For Suri & Co.**  
Chartered Accountants  
ICAI Regn. No. FRN 004283S

**Sanjeev Aditya. M**  
Partner  
Membership No. 229694

**Sudarshan Venu**  
Chairman  
DIN-03601690

**Roopa Sampath Kumar**  
Chief Financial Officer

Place : Chennai  
Date : 28<sup>th</sup> April 2025

**Ashish Sapra**  
Director and Chief Executive Officer  
DIN-09805893

**Chetan Nage**  
Company Secretary

# STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

Particulars	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
<b>Cash flows from operating activities</b>		
Profit before tax	1,025.44	761.94
<b>Adjustment for:-</b>		
Depreciation and amortization	46.20	27.39
Impairment of financial instruments	(56.00)	219.39
Profit on disposal of property, plant and equipment	(0.20)	(0.47)
Finance costs	1,863.32	1,653.64
Unwinding of discount on security deposits	(0.97)	(0.95)
Remeasurement of defined benefit plans	(10.64)	(9.72)
Share-based payment expenses	0.27	-
Cash outflow towards finance costs	(1,858.87)	(1,653.00)
<b>Cash generated from operations before working capital changes</b>	<b>(16.89)</b>	<b>236.28</b>
<b>Changes in working capital</b>		
(Increase)/Decrease in Trade receivables	(36.21)	(55.22)
(Increase)/Decrease in Loans	(771.40)	(5,142.17)
(Increase)/Decrease in Other financial assets and other bank balances	(3.53)	(1.44)
(Increase)/Decrease in Other non-financial sssets	5.49	(14.79)
Increase/(Decrease) in Trade payables	42.06	413.58
Increase/(Decrease) in Other financial liabilities	(153.35)	99.49
Increase/(Decrease) in Provisions and other non-financial liabilities	(17.98)	36.38
<b>Net cash used in operating activities before income tax</b>	<b>73.63</b>	<b>(3,665.95)</b>
Income taxes paid (net of refund)	(315.03)	(337.04)
<b>Net cash used in operating activities (I)</b>	<b>(241.40)</b>	<b>(4,002.99)</b>
<b>Cash flows from investing activities</b>		
Investment in Property, plant and equipment	(34.12)	(26.89)
Proceeds from sale of Property, plant and equipment	0.23	0.57
Investment in Capital work-in-progress	0.33	(2.32)
Investment in Intangible assets under development	(7.78)	(2.01)
Investment in Government securities	(188.66)	(93.46)
Investment in Compulsory convertible debentures	-	(0.25)
Investment in Alternate investment fund	(2.00)	(4.00)
<b>Net cash used in investing activities (II)</b>	<b>(232.00)</b>	<b>(128.36)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of Equity shares	330.00	-
Proceeds from issue of Compulsorily convertible preference shares	-	558.00
Proceeds from Issue/(Repayment) of Debt securities (net)	1,114.40	(1,147.81)
Proceeds/(Repayment) of Borrowings other than debt securities (net)	834.47	4,538.80
Proceeds/(Repayment) of Subordinated liabilities (net)	56.35	413.89
Payments of Lease liabilities	(24.33)	(10.66)
<b>Net cash generated from financing activities (III)</b>	<b>2,310.89</b>	<b>4,352.22</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,837.49</b>	<b>220.87</b>
Cash and cash equivalents at the beginning of the year	1,745.88	1,525.01
<b>Cash and cash equivalents at the end of the year</b>	<b>3,583.37</b>	<b>1,745.88</b>

Components of cash and cash equivalents for the purpose of Statement of Cash Flows:

Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Cash and cash equivalents as per Balance Sheet	3,583.40	1,745.97
Less: Overdrafts utilised	0.03	0.09
(Grouped under Borrowings (other than debt securities) - Note 18)		
<b>Cash and cash Equivalents for the purpose of Statement of Cash Flows</b>	<b>3,583.37</b>	<b>1,745.88</b>

As per our report of even date

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

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

**C.N. Gangadaran**  
Partner  
Membership No. 011205

Place : Chennai  
Date : 28<sup>th</sup> April 2025

**For Suri & Co.**  
Chartered Accountants  
ICAI Regn. No. FRN 004283S

**Sanjeev Aditya. M**  
Partner  
Membership No. 229694

**Sudarshan Venu**  
Chairman  
DIN-03601690

**Roopa Sampath Kumar**  
Chief Financial Officer

Place : Chennai  
Date : 28<sup>th</sup> April 2025

**Ashish Sapra**  
Director and Chief Executive Officer  
DIN-09805893

**Chetan Nage**  
Company Secretary

# STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

## I) Equity share capital

	Notes	Amounts
<b>Balance as at 1st April 2023</b>		<b>228.22</b>
Changes in equity share capital during the year	23	-
<b>Balance as at 31st March 2024</b>		<b>228.22</b>
Changes in equity share capital during the year	23	8.05
<b>Balance as at 31st March 2025</b>		<b>236.27</b>

## II) Instruments entirely equity in nature

	Notes	Amounts
<b>Balance as at 1st April 2023</b>		<b>-</b>
Changes in equity share capital during the year	23	18.38
<b>Balance as at 31st March 2024</b>		<b>18.38</b>
Changes in equity share capital during the year	23	-
<b>Balance as at 31st March 2025</b>		<b>18.38</b>

## III) Other equity

		Reserves and surplus					
	Notes	Securities premium account	Statutory reserve	Share based payment reserve	Retained earnings	Other reserves - Hedging reserve	Total
<b>Balance as at 1st April 2023</b>		<b>1,336.35</b>	<b>242.03</b>	-	<b>932.20</b>	<b>19.31</b>	<b>2,529.89</b>
Profit for the year	24	-	-	-	571.83	-	571.83
Other comprehensive income	24	-	-	-	(7.26)	(13.42)	(20.68)
<u>Transaction in the capacity as owners</u>							
Transfer to Statutory reserve	24	-	114.37	-	(114.37)	-	-
Issuance of equity shares	24	537.84	-	-	-	-	537.84
<b>Balance as at 31st March 2024</b>		<b>1,874.19</b>	<b>356.40</b>	-	<b>1,382.40</b>	<b>5.89</b>	<b>3,618.88</b>
Profit for the year	24	-	-	-	767.25	-	767.25
Other comprehensive income	24	-	-	-	(7.96)	(7.12)	(15.08)
<u>Transaction in the capacity as owners</u>							
Transfer to Statutory reserve	24	-	153.45	-	(153.45)	-	-
Issuance of equity shares	24	321.95	-	-	-	-	321.95
Share-based payment expenses	24	-	-	0.27	-	-	0.27
<b>Balance as at 31st March 2025</b>		<b>2,196.14</b>	<b>509.85</b>	<b>0.27</b>	<b>1,988.24</b>	<b>(1.23)</b>	<b>4,693.27</b>

As per our report of even date

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

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

**C.N. Gangadaran**  
Partner  
Membership No. 011205

Place : Chennai  
Date : 28<sup>th</sup> April 2025

**For Suri & Co.**  
Chartered Accountants  
ICAI Regn. No. FRN 004283S

**Sanjeev Aditya. M**  
Partner  
Membership No. 229694

**Sudarshan Venu**  
Chairman  
DIN-03601690

**Roopa Sampath Kumar**  
Chief Financial Officer

Place : Chennai  
Date : 28<sup>th</sup> April 2025

**Ashish Sapra**  
Director and Chief Executive Officer  
DIN-09805893

**Chetan Nage**  
Company Secretary

(All amounts in ₹ crore unless otherwise stated)

**1 Corporate information**

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

The Company received Certificate of Registration (No. N-07-00783) dated 13<sup>th</sup> April, 2010 from Reserve Bank of India (RBI) and commenced Non-Banking financial activity there on. The Company is a Systemically Important Non-Deposit taking Non-Banking Financial 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. Effective 1st October, 2022, the Company has been categorised as NBFC-Middle Layer under the RBI Scale Based Regulation dated 22nd October, 2021.

**2. Basis of preparation**

**2.1 Statement of compliance**

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

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

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

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

**2.2 Presentation of financial statements**

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

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

**2.3 Significant estimates and judgements**

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future period. This note provides an overview of the areas that involved a higher degree of 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.





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(All amounts in ₹ crore unless otherwise stated)

The areas involving critical estimates are:

- (a) Business model assessment - Refer Note 3.5.1A
- (b) Fair value of financial instruments - Refer Note 38
- (c) Impairment of financial asset - Refer Note 39
- (d) Provisions & Other Contingent Liabilities - Refer Note 21
- (e) Estimation of defined benefit obligation - Refer Note 37

### **3 Material accounting policies**

#### **3.1 Property, plant and equipment (PPE)**

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

Subsequent costs are included in the asset's carrying amount or 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. All repairs and maintenance are charged to the Statement of Profit or Loss during the reporting period in which they are incurred.

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

#### **3.2 Depreciation**

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

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

Nature of asset	Useful life as per Schedule II	Useful life adopted by the Company
Computers	3 years	3 years
Computer software	3 years	3 years
Furniture and fixtures	10 years	10 years
Leasehold improvements (Furniture and fixtures)	10 years	As per lease tenure
Office equipments	5 years	5 years
Office equipments (Mobile phones and tablet)	5 years	2 years
Vehicles(Motor cycle)	10 years	10 years
Vehicles (Motor car)	8 years	8 years

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

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

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

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

(All amounts in ₹ crore unless otherwise stated)

### **3.3 Investment property**

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

### **3.4 Intangible assets**

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

### **3.5 Financial instruments**

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

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

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

#### **3.5.1 Financial assets**

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

#### **3.5.1A Classification**

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

- (a) Amortized cost,
- (b) Fair value through other comprehensive Income (FVTOCI), and
- (c) Fair value through profit or loss (FVTPL)

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

#### Business model assessment

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

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

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

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

#### **3.5.1B Measurement**

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

(All amounts in ₹ crore unless otherwise stated)

**i. Debt instruments carried at amortized cost (AC):**

- (a) The business model of the Company for assets subsequently measured at amortised cost category is to hold and collect contractual cash flows. However, considering the economic viability of carrying the delinquent portfolios on the books of the Company, it may enter into immaterial and infrequent transactions to sell these portfolios to banks and/or asset reconstruction companies without affecting the business model of the Company.
- (b) After initial measurement, such financial assets are subsequently measured at amortised cost on effective interest rate (EIR). Refer note 3.5.5A for further details.

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

- (a) A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Since, the loans are held to sale and collect contractual cash flows, they are measured at FVTOCI.
- (b) Financial assets included within the FVTOCI category are measured at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit or loss.

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

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

**iv. Equity instruments at cost:**

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

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

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

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

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

**vi. Investment in Government securities:**

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

**vii. Investment in Compulsory convertible debenture**

Investment in Compulsory convertible debentures are classified and measured in the financial statements at fair value through other comprehensive income.

**viii. Investment in Alternate investment fund**

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

**3.5.2 Financial liabilities**

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

(All amounts in ₹ crore unless otherwise stated)

### **3.5.2A Initial recognition and measurement**

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

### **3.5.2B Subsequent measurement**

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

### **3.5.3 Reclassification of financial assets and liabilities**

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in the year ended 31st March 2025 and 31st March 2024.

### **3.5.4 Derecognition of financial assets & liabilities**

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

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

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

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

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

#### **iii) Derecognition of financial liabilities**

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

### **3.5.5 Revenue recognition**

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

#### **A) Interest income:**

(1) Interest income is recognized using the effective interest rate (EIR) method for all financial assets measured at amortized 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.



(All amounts in ₹ crore unless otherwise stated)

- (2) Income by way of additional interest on account of delayed payment by the customers is recognized on realization basis, due to uncertainty in collection.
- (3) Interest on govt securities is recognised as interest income in profit & loss statement

**B) Dividend income:**

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

**C) Fees and commission income:**

- (1) Fees and commission income that are not integral part of the effective interest rate on the financial asset are recognized 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 recognized on realization, 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 operating income:**

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

**E) Other income:**

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

**3.5.6 Impairment of financial assets**

The Company recognizes loss allowance for expected credit loss "ECL" on the following financial assets that are not measured at FVTPL:

- i. Loans
- ii. Trade receivables and other financial assets

**i. Loans**

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

- 1) The 12-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) Lifetime expected credit losses (expected credit losses that result from all possible default events over the expected life of the financial instrument).

Both life time ECLs (LTECL) and 12 months ECLs are calculated on collective basis.

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

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

(All amounts in ₹ crore unless otherwise stated)

**Stage 1:**

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

**Stage 2:**

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

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

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

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

Loans considered credit impaired are the loans which are past due for more than 90 days and has not been completely regularised to zero DPD & includes restructured contracts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019 irrespective of days past due on the reporting date. Loan accounts where principal and/or interest are past due for more than 90 days along with all other loans of such customer, continue to be classified as stage 3, till overdue across all loan accounts are cleared. The Company records an allowance for life time ECL.

Measurement of ECLs

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

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

**Probability of default ('PD'):**

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

**Exposure at default ('EAD'):**

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

(All amounts in ₹ crore unless otherwise stated)

**Loss given default ('LGD'):**

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

**Mechanics of ECLs**

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

**Stage 1: 12 month ECL**

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

**Stage 2: Lifetime ECL-not credit impaired**

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

The mechanics are similar to stage 1 but the probability of default (PD) and LGD are estimated over the remaining lifetime of the instrument.

**Stage 3: Lifetime ECL-credit impaired**

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

The methodology is similar to stage 2, but with the probability of default (PD) set at 100% to reflect that the asset is already credit impaired.

**Forward looking information:**

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

**ii. Trade receivables and other financial assets**

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

**Presentation of allowance for ECL in the statement of financial position**

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

**Collateral repossessed:**

The Company does the regular repossession of collateral provided against the loans in case of default in agreed payments. The Company generally sells the asset repossessed to recover the underlying loan and does not use for internal operation. Any surplus funds are returned to the borrower and accordingly collateral repossessed are not recorded on the balance sheet and not treated as assets held for sale.

**Write-off:**

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

(All amounts in ₹ crore unless otherwise stated)

### **3.5.7 Derivatives**

Derivatives are initially recognized 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 recognized 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 38. Movements in the hedging reserve in shareholders' equity are shown in Note 24.

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

### **3.5.8 Offsetting financial instruments**

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

### **3.6 Cash and cash equivalents**

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

### **3.7 Taxation**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

- (i) Deferred income tax provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not 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.
- (ii) 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 the statement of profit or 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.

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

### **3.8 Employee benefits**

#### **(a) Short term employee benefits**

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

#### **(b) Long term employee benefits**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized 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 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 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 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.

##### **(ii) Provident fund:**

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

#### **(d) Share based payment**

The Company operates an equity settled share-based payment arrangement for its employees. The Company determines the fair value of the employee stock options on the grant date using the Black Scholes model. The total cost of the share option is accounted for on a straight-line basis over the vesting period of the grant. The cost attributable to the services rendered by employees is recognised as employee benefits expenses in the Statement of Profit and Loss.

#### **(e) Other employee benefits**

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



### **3.9 Functional currency**

#### **3.9.1 Functional and presentation currencies:**

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

#### **3.9.2 Transactions and balances:**

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

### **3.10 Borrowing cost**

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

### **3.11 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of the transactions of non-cash nature as permitted by Ind AS 7.

### **3.12 Earnings per share**

In accordance with Ind AS 33 the basic earnings per share is computed by dividing the net profit / loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share, only potential equity shares that are dilutive and that reduce profit per share are included.

### **3.13 Impairment of non-financial assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is 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.

### **3.14 Lease**

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116. The Company as a lessee, assesses, whether the contract is, or contains a lease. A contract is, or contains a lease if the contract involves:-

- (a) the use of an identified asset,
- (b) the right to obtain substantially all the economic benefits from use of the identified asset,
- (c) the right to direct the use of the identified asset.

The Company at the inception of the lease contract recognizes 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 INR 500,000 in value) the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

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

**3.15 Segment reporting**

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

**3.16 Provisions**

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

**3.17 Contingent liabilities**

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

**3.18 Equity**

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

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

## NOTE 4 Cash and cash equivalents

S.No.	Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
a)	Cash on hand*	0.33	4.91
b)	Balance with banks - Current accounts	3,583.07	1,741.06
	<b>Total</b>	<b>3,583.40</b>	<b>1,745.97</b>

\* Includes cash collected from borrowers as on Balance Sheet date subsequently deposited with bank.

## NOTE 5 Bank balance other than cash and cash equivalents\*

S.No.	Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
a)	Bank balance other than cash and cash equivalents	5.95	5.90
	<b>Total</b>	<b>5.95</b>	<b>5.90</b>

\* Balance maintained in fixed deposits with original maturity more than 3 months as cash collateral towards cash credit (CC) facilities.

## NOTE 6 Derivative financial instruments

S.No.	Description	As at 31 <sup>st</sup> March 2025		
		Notional amounts	Fair value - Assets	Fair value - Liabilities
a)	Part I - Currency derivatives- Cross currency interest rate swaps	300.13	-	2.24
	Part II - Derivatives included in above are derivatives held for hedging and risk management purposes as cash flow hedges	300.13	-	2.24
	<b>Total</b>	<b>300.13</b>	<b>-</b>	<b>2.24</b>

S.No.	Description	As at 31 <sup>st</sup> March 2024		
		Notional amounts	Fair value - Assets	Fair value - Liabilities
a)	Part I - Currency derivatives- Cross currency interest rate swaps	751.50	90.67	-
	Part II - Derivatives included in above are derivatives held for hedging and risk management purposes as cash flow hedges	751.50	90.67	-
	<b>Total</b>	<b>751.50</b>	<b>90.67</b>	<b>-</b>

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 (ALCO) 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. Refer Note 39 for foreign currency risk management and interest rate sensitivity on derivative financial instruments respectively.

## NOTE 7 Trade receivables

S.No.	Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
(i)	Receivables considered good - secured	-	-
(ii)	Receivables considered good - unsecured	153.94	118.95
(iii)	Receivables which have significant increase in credit risk	-	-
(iv)	Receivables - credit impaired	-	-
	<b>Total (A)</b>	<b>153.94</b>	<b>118.95</b>
	Less: Allowance for impairment loss (B)	1.73	1.75
	<b>Net (C) = (A-B)</b>	<b>152.21</b>	<b>117.20</b>

There are no dues by Directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

## NOTE 7 Trade receivables (Ageing schedule)

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31 <sup>st</sup> March 2025					
		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	152.21	1.60	0.13	-	-	153.94
(ii)	Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed trade receivables – credit impaired	-	-	-	-	-	-
(iv)	Disputed trade receivables–considered good	-	-	-	-	-	-
(v)	Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed trade receivables – credit impaired	-	-	-	-	-	-
	<b>Total (A)</b>	<b>152.21</b>	<b>1.60</b>	<b>0.13</b>	<b>-</b>	<b>-</b>	<b>153.94</b>
	Less: Allowance for impairment loss (B)	-	1.60	0.13	-	-	1.73
	<b>Net (C) = (A-B)</b>	<b>152.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>152.21</b>

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31 <sup>st</sup> March 2024					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed trade receivables – considered good	118.95	-	-	-	-	118.95
(ii)	Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed trade receivables – credit impaired	-	-	-	-	-	-
(iv)	Disputed trade receivables–considered good	-	-	-	-	-	-
(v)	Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed trade receivables – credit impaired	-	-	-	-	-	-
	<b>Total (A)</b>	<b>118.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118.95</b>
	Less: Allowance for impairment loss (B)	1.75	-	-	-	-	1.75
	<b>Net (C) = (A-B)</b>	<b>117.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>117.20</b>

## NOTE 8 Loans

S.No.	Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>(A) Term loans</b>		Amortised cost	
	i) Automobile financing	18,130.65	18,339.55
	ii) Consumer lending	8,428.23	7,384.29
	iii) Small business lending	620.54	682.47
	<b>Total loans - Gross</b>	<b>27,179.42</b>	<b>26,406.31</b>
	Less: Impairment loss allowance	880.58	936.07
	<b>Total loans - Net</b>	<b>26,298.84</b>	<b>25,470.24</b>
<b>(B) Nature</b>	a) Secured by tangible assets	21,918.72	20,897.00
	b) Unsecured loans	5,260.70	5,509.31
	<b>Total loans - Gross (a) + (b)</b>	<b>27,179.42</b>	<b>26,406.31</b>
	d) Less: Impairment loss allowance	880.58	936.07
	<b>Total loans - Net (c) - (d)</b>	<b>26,298.84</b>	<b>25,470.24</b>

(All amounts in ₹ crore unless otherwise stated)

**NOTE 8 Loans (Contd.)**

S.No.	Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
i)	Loans in India		
	Public sector	-	-
	Others	27,179.42	26,406.31
	<b>Total loans - Gross</b>	<b>27,179.42</b>	<b>26,406.31</b>
	Less: Impairment loss allowance	880.58	936.07
	<b>Total loans - Net</b>	<b>26,298.84</b>	<b>25,470.24</b>
ii)	Loans outside India	-	-
iii)	<b>Total loans (i) + (ii)</b>	<b>26,298.84</b>	<b>25,470.24</b>

- Secured indicates loans secured, wholly or partly, by way of hypothecation of automobile assets and / or equitable mortgage of property and / or equipment.
- The stock of loan (automobile finance) includes 6,266 nos repossessed vehicles as at Balance Sheet date. (31<sup>st</sup> March 2024: 5,863 nos).
- The term loans include loans given to related parties (refer note 42) and these loans which have been granted to related parties are specified with terms or period of repayment. These loans have been classified under stage 1 category at the various reporting periods and related impairment provision as per the Company's accounting policy has been created.
- There is no divergence in asset classification and provisioning in the financial statement in the previous year assessed by RBI.
- Percentage (%) of gold loan to total assets as on 31<sup>st</sup> March 2025 is 0.07%. (31<sup>st</sup> March 2024: 0.00%)
- Refer note 44 for additional disclosures.

**NOTE 9 Investments**

S.No.	Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>A</b>	<b>At cost:</b>		
<b>a)</b>	<b>Investment in equity instruments of subsidiaries:</b>		
i)	TVS Housing Finance Private Limited (1,20,00,000 (31 <sup>st</sup> March 2024: 1,20,00,000) shares of ₹ 10 each fully paid up)	12.00	12.00
ii)	Harita Two Wheeler Mall Private Ltd (2,500 (31 <sup>st</sup> March 2024: 2,500) shares of ₹ 10 each fully paid up)	0.00	0.00
iii)	Harita ARC Private Limited (2,500 (31 <sup>st</sup> March 2024: 2,500) shares of ₹ 10 each fully paid up)	0.00	0.00
<b>B</b>	<b>At amortised cost:</b>		
<b>a)</b>	<b>Investment in Government securities</b>	282.12	93.46
<b>C</b>	<b>At fair value through other comprehensive income:</b>		
<b>a)</b>	<b>Investment in Alternative instrument fund:</b>		
	60,000 units of Eight Innovate fund II (31 <sup>st</sup> March 2024: 40,000)	5.38	4.00
<b>b)</b>	<b>Investment in Compulsory convertible debentures:</b>		
	25 (31 <sup>st</sup> March 2024 : 25) 0.001% compulsorily convertible debentures of ₹1,00,000 each in Hyper Grocers Private Limited	0.25	0.25
	<b>Total – Gross (A)</b>	<b>299.75</b>	<b>109.71</b>
	(i) Investments outside India	-	-
	(ii) Investments in India	299.75	109.71
	<b>Total</b>	<b>299.75</b>	<b>109.71</b>
	Less: Allowance for impairment loss (B)	-	-
	<b>Total - Net = (A) - (B)</b>	<b>299.75</b>	<b>109.71</b>



(All amounts in ₹ crore unless otherwise stated)

**NOTE 10 Other financial assets**

S.No.	Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
	<b>At amortised cost:</b>		
a)	Employees related receivables	18.06	14.00
b)	Security deposit for leased premises	13.29	11.17
c)	Other financial assets - Related parties	0.03	0.02
d)	Other financial assets - Non related parties	5.34	6.04
e)	Deposit with service providers	2.12	2.66
	<b>Total - Gross</b>	<b>38.84</b>	<b>33.88</b>
	Less: Impairment loss allowance	10.56	8.84
	<b>Total - Net</b>	<b>28.28</b>	<b>25.05</b>

**NOTE 11 Current tax assets (Net)**

S.No.	Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
a)	Opening balance	19.80	(9.60)
b)	Add: Taxes paid	315.03	337.04
c)	Less: Taxes payable	(323.80)	(307.64)
	<b>Total - Net</b>	<b>11.03</b>	<b>19.80</b>

**NOTE 12 Deferred tax assets/(liabilities)**

The balance comprises temporary differences attributable to:

S.No.	Description	As at 31 <sup>st</sup> March 2023	Charge/ (Credit) to profit and loss	Charge/ (Credit) to OCI	As at 31 <sup>st</sup> March 2024	Charge/ (Credit) to profit and loss	Charge/ (Credit) to OCI	As at 31 <sup>st</sup> March 2025
	<b>Deferred tax assets/(liabilities) on account of :</b>							
a)	Impairment allowance for financial instruments	175.16	48.82	-	223.98	16.90	-	240.88
b)	Difference between depreciation as per books of account and the Income Tax Act, 1961	4.84	0.04	-	4.88	1.44	-	6.32
c)	Provision for compensated absences and gratuity	11.81	1.13	2.27	15.21	(5.92)	2.48	11.77
d)	Provision for pension	2.46	0.18	0.19	2.83	0.20	0.20	3.23
e)	Expenses disallowed under Sec 40 (a) (ia)	22.50	24.16	-	46.66	16.87	-	63.53
f)	Impact of effective interest rate adjustment on financial assets	4.90	43.52	-	48.42	35.84	-	84.26
g)	Mark to market on derivatives	(6.50)	-	4.52	(1.98)	-	2.39	0.41
h)	Impact of effective interest rate adjustment on financial liabilities	(2.82)	(0.42)	-	(3.24)	(0.09)	-	(3.33)
i)	Impact of lease accounting as per Ind AS 116	1.10	0.10	-	1.20	0.37	-	1.57
	<b>Total deferred tax assets/(liabilities)</b>	<b>213.45</b>	<b>117.53</b>	<b>6.98</b>	<b>337.96</b>	<b>65.61</b>	<b>5.07</b>	<b>408.64</b>

(All amounts in ₹ crore unless otherwise stated)

**NOTE 13 Investment property**

Description	Land	Building	Total
<b>As at 31<sup>st</sup> March 2025</b>			
Gross carrying amount as at 1st April 2024	85.16	-	85.16
Additions	-	-	-
<b>Sub-total</b>	<b>85.16</b>	<b>-</b>	<b>85.16</b>
Disposals	-	-	-
<b>Closing gross carrying amount (A)</b>	<b>85.16</b>	<b>-</b>	<b>85.16</b>
<b>Depreciation and amortisation</b>			
Opening accumulated depreciation	-	-	-
Depreciation/amortisation charge for the year	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>
Disposals	-	-	-
<b>Closing accumulated depreciation and amortisation(B)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net carrying value as at 31<sup>st</sup> March 2025 (A)-(B)</b>	<b>85.16</b>	<b>-</b>	<b>85.16</b>
<b>Net carrying value as at 31<sup>st</sup> March 2024</b>	<b>85.16</b>	<b>-</b>	<b>85.16</b>

Description	Land	Building	Total
<b>As at 31<sup>st</sup> March 2024</b>			
Gross carrying amount as at 1st April 2023	85.16	-	85.16
Additions	-	-	-
<b>Sub-total</b>	<b>85.16</b>	<b>-</b>	<b>85.16</b>
Disposals	-	-	-
<b>Closing gross carrying amount (A)</b>	<b>85.16</b>	<b>-</b>	<b>85.16</b>
<b>Depreciation and amortisation</b>			
Opening accumulated depreciation	-	-	-
Depreciation/amortisation charge for the year	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>
Disposals	-	-	-
<b>Closing accumulated depreciation and amortisation(B)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net carrying value as at 31<sup>st</sup> March 2024 (A)-(B)</b>	<b>85.16</b>	<b>-</b>	<b>85.16</b>

**(i) Fair value**

	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Investment properties	422.11	411.15

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

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

**(ii) Sensitivity analysis**

Particulars	Valuation Technique	Significant unobservable inputs	Range (Weighted Avg)	Sensitivity of the input to fair value	Fair Value (Rs. In crore)	Sensitivity (Rs. In crore)
Investment property as at 31 <sup>st</sup> March 2025	Professional valuer	Per/Acre	15,40,00,000 per acre	5%	15.40	21.11
Investment property as at 31 <sup>st</sup> March 2024	Professional valuer	Per/Acre	15,00,00,000 per acre	5%	15.00	20.56

(All amounts in ₹ crore unless otherwise stated)

**NOTE 14 (A) Property, plant and equipment and intangible assets**

Description	Property, plant and equipment						Right-to-use Asset	Intangible assets (Computer software)
	Computers	Furniture & fixtures	Office equipments	Vehicles	Leasehold improvements	Total		
<b>As at 31st March 2025</b>								
Gross carrying amount as at 1st April 2024	48.49	19.82	16.49	1.49	-	86.29	62.96	20.51
Additions and adjustments on account of modification	12.00	3.58	11.25	-	6.00	32.83	59.48	1.29
Adjustment due to revaluation and acquisitions through business combinations	-	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>60.49</b>	<b>23.40</b>	<b>27.74</b>	<b>1.49</b>	<b>6.00</b>	<b>119.12</b>	<b>122.44</b>	<b>21.80</b>
Disposals	0.26	0.20	2.24	-	-	2.70	-	-
<b>Closing gross carrying amount (A)</b>	<b>60.23</b>	<b>23.20</b>	<b>25.50</b>	<b>1.49</b>	<b>6.00</b>	<b>116.42</b>	<b>122.44</b>	<b>21.80</b>
<b>Depreciation and amortisation</b>								
Opening accumulated depreciation	27.95	10.84	11.29	0.29	-	50.37	36.38	17.57
Depreciation/amortisation charge for the year	14.72	2.59	5.35	0.19	0.78	23.63	20.87	1.70
<b>Sub-total</b>	<b>42.67</b>	<b>13.43</b>	<b>16.64</b>	<b>0.48</b>	<b>0.78</b>	<b>74.00</b>	<b>57.25</b>	<b>19.27</b>
Disposals	0.25	0.19	2.22	-	-	2.66	-	-
<b>Closing accumulated depreciation and amortisation (B)</b>	<b>42.42</b>	<b>13.24</b>	<b>14.42</b>	<b>0.48</b>	<b>0.78</b>	<b>71.34</b>	<b>57.25</b>	<b>19.27</b>
<b>Net carrying value as at 31st March 2025 (A)-(B)</b>	<b>17.81</b>	<b>9.96</b>	<b>11.08</b>	<b>1.01</b>	<b>5.21</b>	<b>45.07</b>	<b>65.19</b>	<b>2.53</b>
<b>Net carrying value as at 31st March 2024</b>	<b>20.54</b>	<b>8.98</b>	<b>5.20</b>	<b>1.20</b>	<b>-</b>	<b>35.92</b>	<b>26.58</b>	<b>2.94</b>

Description	Property, plant and equipment						Right-to-use Asset	Intangible assets (Computer software)
	Computers	Furniture & fixtures	Office equipments	Vehicles	Leasehold improvements	Total		
<b>As at 31st March 2024</b>								
Gross carrying amount as at 1st April 2023	43.10	13.26	15.45	1.49	-	73.30	56.86	18.37
Additions and adjustments on account of modification	14.05	7.52	3.19	-	-	24.75	6.10	2.14
Adjustment due to revaluation and acquisitions through business combinations	-	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>57.15</b>	<b>20.78</b>	<b>18.64</b>	<b>1.49</b>	<b>-</b>	<b>98.05</b>	<b>62.96</b>	<b>20.51</b>
Disposals	8.66	0.96	2.15	-	-	11.77	-	-
<b>Closing gross carrying amount (A)</b>	<b>48.49</b>	<b>19.82</b>	<b>16.49</b>	<b>1.49</b>	<b>-</b>	<b>86.28</b>	<b>62.96</b>	<b>20.51</b>
<b>Depreciation and amortisation</b>								
Opening accumulated depreciation	23.32	9.77	10.87	0.10	-	44.06	28.13	16.42
Depreciation/amortisation charge for the year	13.27	1.97	2.56	0.19	-	17.99	8.25	1.15
<b>Sub-total</b>	<b>36.59</b>	<b>11.74</b>	<b>13.43</b>	<b>0.29</b>	<b>-</b>	<b>62.05</b>	<b>36.38</b>	<b>17.57</b>
Disposals	8.64	0.90	2.14	-	-	11.69	-	-
<b>Closing accumulated depreciation and amortisation(B)</b>	<b>27.95</b>	<b>10.84</b>	<b>11.29</b>	<b>0.29</b>	<b>-</b>	<b>50.36</b>	<b>36.38</b>	<b>17.57</b>
<b>Net carrying value as at 31st March 2024 (A)-(B)</b>	<b>20.54</b>	<b>8.98</b>	<b>5.20</b>	<b>1.20</b>	<b>-</b>	<b>35.92</b>	<b>26.58</b>	<b>2.94</b>

The Company follows cost model as per Ind AS 16 and the company has not revalued its PPE (including right-to-use asset).

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

(All amounts in ₹ crore unless otherwise stated)

#### NOTE 14 (B) Capital work-in-progress and intangible assets under development

The Company discloses property, plant and equipment that are not ready for use as capital work-in-progress. These are carried at cost, comprising direct cost and related incidental expenses. Intangible assets not ready for their intended use on the date of Balance Sheet are disclosed as 'Intangible assets under development'.

##### Capital work-in-progress

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Opening balance	2.73	0.41
Additions	6.93	3.55
Deductions	7.26	1.23
<b>Closing balance</b>	<b>2.40</b>	<b>2.73</b>

##### Aging for capital work-in-progress

Particulars	As at	Amount in CWIP for a period of				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	31 <sup>st</sup> March 2025	2.40	-	-	-	2.40
Projects in progress	31 <sup>st</sup> March 2024	2.73	-	-	-	2.73

There are no projects temporarily suspended or projects whose completion is overdue or has exceeded its cost compared to its original plan.

##### Intangible assets under development

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Opening balance	3.18	1.17
Additions	8.32	5.70
Deductions	0.54	3.69
<b>Closing balance</b>	<b>10.96</b>	<b>3.18</b>

##### Aging for intangible assets under development

Particulars	As at	Amount for a period of				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	31 <sup>st</sup> March 2025	8.04	2.92	-	-	10.96
Projects in progress	31 <sup>st</sup> March 2024	3.18	-	-	-	3.18

There are no projects temporarily suspended or projects whose completion is overdue or has exceeded its cost compared to its original plan.

(All amounts in ₹ crore unless otherwise stated)

**NOTE 15 Other non-financial assets**

S.No.	Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
a)	Advances to dealers	0.17	0.31
b)	Prepaid expenses	33.00	22.43
c)	Vendor advances	12.92	28.04
d)	Balances with GST/ Service tax department	6.96	7.76
	<b>Total</b>	<b>53.05</b>	<b>58.54</b>

Impairment loss allowance recognised on other non-financial assets is Nil (31<sup>st</sup> March 2024: Nil).

**NOTE 16 Trade payables**

S.No.	Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
(a)	Total outstanding dues of micro enterprises and small enterprises	9.35	14.19
(b)	Total outstanding dues of creditors other than micro enterprises and small enterprises	1,081.98	1,035.09
	<b>Total</b>	<b>1,091.33</b>	<b>1,049.28</b>

**NOTE 16.1 Trade payables (Ageing schedule)**

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

S.No.	Descriptions	Outstanding for following periods from due date of payment as at 31 <sup>st</sup> March 2025				
		<1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed dues – MSME*	9.35	-	-	-	9.35
(ii)	Undisputed dues – Others	1,081.81	0.09	0.08	-	1,081.98
(iii)	Disputed dues – MSME*	-	-	-	-	-
(iv)	Disputed dues – Others	-	-	-	-	-
	<b>Total</b>	<b>1,091.16</b>	<b>0.09</b>	<b>0.08</b>	<b>-</b>	<b>1,091.33</b>

S.No.	Descriptions	Outstanding for following periods from due date of payment as at 31 <sup>st</sup> March 2024				
		<1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed dues – MSME*	14.19	-	-	-	14.19
(ii)	Undisputed dues – Others	1,034.99	0.10	-	-	1,035.09
(iii)	Disputed dues – MSME*	-	-	-	-	-
(iv)	Disputed dues – Others	-	-	-	-	-
	<b>Total</b>	<b>1,049.18</b>	<b>0.10</b>	<b>-</b>	<b>-</b>	<b>1,049.28</b>

\* Dues to micro, medium 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 in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006.

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

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



(All amounts in ₹ crore unless otherwise stated)

**NOTE 16 Trade payables (Contd.)**

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting period:		
- Principal	9.35	14.19
- Interest	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

**NOTE 17 Debt securities**

Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>At amortised cost</b>		
Commercial paper (Unsecured)	-	-
Non-convertible debentures (Secured)	2,625.39	1,510.99
<b>Total (A)</b>	<b>2,625.39</b>	<b>1,510.99</b>
Debt securities in India	2,625.39	1,510.99
Debt securities outside India	-	-
<b>Total (B)</b>	<b>2,625.39</b>	<b>1,510.99</b>

**NOTE 18 Borrowings (Other than debt securities)**

Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>At amortised cost</b>		
(a) Term loans (Secured)		
i) from banks	16,757.81	13,559.32
ii) from other parties	943.06	842.55
iii) External commercial borrowings	299.22	838.01
(b) Loans repayable on demand		
i) cash credit from banks (Secured)	0.03	0.09
ii) working capital demand loan (Secured)	1,792.35	3,376.84
iii) working capital demand loan (Unsecured)	-	426.96
<b>Total (A)</b>	<b>19,792.47</b>	<b>19,043.77</b>
Borrowings in India	19,493.25	18,205.76
Borrowings outside India	299.22	838.01
<b>Total (B)</b>	<b>19,792.47</b>	<b>19,043.77</b>

Period and amount of default: NIL (31<sup>st</sup> March 2024: NIL)

(All amounts in ₹ crore unless otherwise stated)

**NOTE 19 Subordinated liabilities**

Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>At amortised cost - Unsecured</b>		
(a) Perpetual debt instruments to the extent that do not qualify as equity	103.57	103.57
(b) Other subordinated liabilities		
From banks	-	-
From others	2,165.74	2,109.39
<b>Total (A)</b>	<b>2,269.31</b>	<b>2,212.96</b>
Subordinated liabilities in India	2,269.31	2,212.96
Subordinated liabilities outside India	-	-
<b>Total (B)</b>	<b>2,269.31</b>	<b>2,212.96</b>

Period and amount of default: NIL (31<sup>st</sup> March 2024: NIL)

- Refer Annexure for the terms of the debt securities, borrowings and subordinated liabilities.
- The Company has utilised the borrowed funds for the purposes for which the fund is obtained.
- The Company has not been declared willful defaulter by any bank, financial Institution or other lender.
- There are no charges or satisfaction yet to be registered with ROC beyond the statutory time period.
- There are no unhedged foreign currency exposures.
- The Company has not breached any covenant of loan availed or debt securities issued.
- Change in liabilities arising from financing activities

Particulars	As at 1 <sup>st</sup> April 2024	Cash flows	Exchange differences	Other	As at 31 <sup>st</sup> March 2025
Debt securities	1,510.99	1,100.00	-	14.40	2,625.39
Borrowings other than debt securities	19,043.77	821.98	(82.64)	9.36	19,792.47
Subordinated liabilities	2,212.96	50.00	-	6.34	2,269.31
<b>Total</b>	<b>22,767.72</b>	<b>1,971.98</b>	<b>(82.64)</b>	<b>30.10</b>	<b>24,687.17</b>

Particulars	As at 1 <sup>st</sup> April 2023	Cash flows	Exchange differences	Other	As at 31 <sup>st</sup> March 2024
Debt securities	2,658.80	(1,175.00)	-	27.19	1,510.99
Borrowings other than debt securities	14,568.48	4,537.97	(62.06)	(0.63)	19,043.77
Subordinated liabilities	1,798.27	400.38	-	14.33	2,212.96
<b>Total</b>	<b>19,025.55</b>	<b>3,763.35</b>	<b>(62.06)</b>	<b>40.89</b>	<b>22,767.72</b>

- \* (i) Other column represents the amortisation of processing fees and movement in interest accrued but not due  
(ii) Liabilities represents debt securities, borrowings (Other than debt securities) and subordinated liabilities

(All amounts in ₹ crore unless otherwise stated)

**Annexure**

Terms of the debt securities, borrowings and subordinated liabilities as at 31<sup>st</sup> March 2025

Institution	Amount outstanding as at 31 <sup>st</sup> March 2025	Type of security	Interest rate	Total instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
<b>Debt securities</b>								
Non Convertible Debentures	833.78	Secured	8.30%	2	2	Bullet	14-08-2025	12-09-2025
Non Convertible Debentures	237.83	Secured	8.15%	1	1	Bullet	26-06-2026	26-06-2026
Non Convertible Debentures	516.09	Secured	8.35%	2	2	Bullet	29-10-2026	29-10-2027
Non Convertible Debentures	534.75	Secured	8.25%	2	2	Bullet	31-12-2026	31-12-2027
Non Convertible Debentures	502.94	Secured	8.25%	3	3	Bullet	03-03-2027	03-03-2028
	<b>2,625.39</b>							
<b>Loan repayable on demand</b>	1,792.38	Secured	7.50% - 7.82%	Repayable on demand				
	<b>1,792.38</b>							
<b>Term loan</b>								
Bank	66.26	Secured	7.74%	15	10	Quarterly	31-03-2024	01-10-2027
Bank	200.00	Secured	7.74%	15	10	Quarterly	31-03-2024	01-10-2027
Bank	200.00	Secured	7.74%	15	10	Quarterly	31-03-2024	01-10-2027
Bank	66.67	Secured	7.74%	15	10	Quarterly	31-03-2024	01-10-2027
Bank	59.67	Secured	7.59%	10	3	Quarterly	30-09-2023	31-12-2025
Bank	90.00	Secured	7.59%	10	3	Quarterly	30-09-2023	31-12-2025
Bank	60.00	Secured	7.59%	10	3	Quarterly	30-09-2023	31-12-2025
Bank	99.99	Secured	7.00%	10	2	Quarterly	30-04-2023	30-07-2025
Bank	99.38	Secured	7.95%	15	15	Quarterly	30-06-2025	31-12-2028
Bank	76.92	Secured	7.45%	39	30	Monthly	31-07-2024	30-09-2027
Bank	153.85	Secured	7.45%	39	30	Monthly	31-07-2024	30-09-2027
Bank	76.92	Secured	7.45%	39	30	Monthly	31-07-2024	30-09-2027
Bank	337.91	Secured	7.45%	39	33	Monthly	15-10-2024	15-12-2027
Bank	411.93	Secured	8.25%	11	9	Quarterly	01-10-2024	01-04-2027
Bank	206.28	Secured	8.35%	16	11	Quarterly	29-03-2024	29-12-2027
Bank	291.73	Secured	8.35%	12	10	Quarterly	30-12-2024	30-09-2027
Bank	124.95	Secured	8.35%	12	10	Quarterly	30-12-2024	30-09-2027
Bank	75.00	Secured	7.87%	6	3	Half Yearly	29-02-2024	31-08-2026
Bank	72.33	Secured	7.10%	16	10	Quarterly	27-12-2023	26-09-2027
Bank	62.84	Secured	7.25%	13	8	Quarterly	26-03-2024	27-03-2027
Bank	278.05	Secured	6.39%	10	9	Quarterly	30-03-2025	30-06-2027
Bank	219.44	Secured	6.39%	26	19	Monthly	30-06-2024	28-07-2026
Bank	232.19	Secured	6.71%	11	10	Quarterly	29-03-2025	29-09-2027
Bank	149.42	Secured	6.71%	27	22	Monthly	29-09-2024	30-01-2027

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

Institution	Amount outstanding as at 31 <sup>st</sup> March 2025	Type of security	Interest rate	Total instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Bank	255.45	Secured	6.89%	13	11	Quarterly	30-12-2024	27-12-2027
Bank	178.58	Secured	6.89%	27	25	Monthly	30-12-2024	27-04-2027
Bank	351.96	Secured	6.60%	13	13	Quarterly	31-05-2025	29-05-2028
Bank	146.00	Secured	6.60%	31	30	Monthly	31-03-2025	27-09-2027
Bank	125.70	Secured	7.25%	12	3	Quarterly	23-03-2023	21-01-2026
Bank	27.19	Secured	7.60%	37	10	Monthly	02-02-2023	21-01-2026
Bank	20.13	Secured	7.75%	12	4	Quarterly	20-05-2023	21-03-2026
Bank	29.39	Secured	7.75%	37	12	Monthly	20-03-2023	21-03-2026
Bank	125.67	Secured	7.25%	12	4	Quarterly	30-06-2023	28-04-2026
Bank	317.88	Secured	7.10%	16	9	Quarterly	30-09-2023	29-06-2027
Bank	105.89	Secured	7.10%	16	9	Quarterly	30-09-2023	29-06-2027
Bank	241.35	Secured	7.10%	16	10	Quarterly	27-12-2023	26-09-2027
Bank	251.25	Secured	7.15%	13	8	Quarterly	29-02-2024	01-03-2027
Bank	13.64	Secured	5.60%	37	1	Monthly	30-04-2022	29-04-2025
Bank	81.61	Secured	6.35%	37	4	Monthly	29-07-2022	28-07-2025
Bank	249.99	Secured	8.00%	1	1	Bullet	29-09-2025	29-09-2025
Bank	249.96	Secured	8.00%	1	1	Bullet	30-06-2026	30-06-2026
Bank	299.92	Secured	8.10%	1	1	Bullet	26-09-2027	26-09-2027
Bank	100.70	Secured	8.40%	10	2	Quarterly	02-06-2023	02-09-2025
Bank	20.19	Secured	8.40%	10	2	Quarterly	29-06-2023	29-09-2025
Bank	80.83	Secured	8.40%	10	2	Quarterly	01-07-2023	01-10-2025
Bank	181.37	Secured	8.40%	10	9	Quarterly	29-03-2025	29-06-2027
Bank	503.44	Secured	8.30%	10	10	Quarterly	30-09-2025	30-12-2027
Bank	90.39	Secured	7.52%	10	6	Quarterly	29-04-2024	29-07-2026
Bank	60.27	Secured	7.52%	10	6	Quarterly	29-04-2024	29-07-2026
Bank	164.71	Secured	7.76%	11	9	Quarterly	26-11-2024	26-05-2027
Bank	175.76	Secured	7.65%	10	7	Quarterly	20-07-2024	20-10-2026
Bank	69.23	Secured	6.85%	13	9	Quarterly	30-06-2024	30-06-2027
Bank	262.50	Secured	7.72%	8	7	Quarterly	11-03-2025	08-12-2026
Bank	400.36	Secured	8.10%	1	1	Bullet	29-05-2026	29-05-2026
Bank	33.30	Secured	8.30%	12	8	Quarterly	30-06-2024	31-03-2027
Bank	100.00	Secured	8.30%	12	8	Quarterly	30-06-2024	31-03-2027
Bank	150.01	Secured	8.30%	10	7	Quarterly	30-09-2023	31-12-2025
Bank	249.97	Secured	8.50%	10	5	Quarterly	31-03-2024	30-06-2026
Bank	120.03	Secured	8.50%	10	6	Quarterly	30-04-2024	31-07-2026
Bank	50.01	Secured	8.50%	10	5	Quarterly	31-03-2024	30-06-2026

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

Institution	Amount outstanding as at 31 <sup>st</sup> March 2025	Type of security	Interest rate	Total instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Bank	100.02	Secured	8.50%	10	5	Quarterly	31-03-2024	30-06-2026
Bank	291.67	Secured	8.50%	12	7	Quarterly	29-02-2024	30-11-2026
Bank	416.68	Secured	8.50%	12	10	Quarterly	31-12-2024	30-09-2027
Bank	229.22	Secured	8.50%	12	11	Quarterly	28-02-2025	30-11-2027
Bank	229.22	Secured	8.50%	12	11	Quarterly	31-03-2025	31-12-2027
Bank	39.99	Secured	8.00%	10	2	Quarterly	30-06-2023	30-09-2025
Bank	90.02	Secured	8.05%	10	3	Quarterly	31-07-2023	31-10-2025
Bank	31.46	Secured	7.84%	8	1	Quarterly	20-07-2023	20-04-2025
Bank	167.72	Secured	7.84%	12	4	Quarterly	10-05-2023	10-02-2026
Bank	66.81	Secured	7.69%	12	8	Quarterly	27-06-2024	27-03-2027
Bank	67.17	Secured	7.69%	12	8	Quarterly	27-06-2024	27-03-2027
Bank	67.17	Secured	7.69%	12	8	Quarterly	27-06-2024	27-03-2027
Bank	335.79	Secured	7.69%	12	8	Quarterly	27-06-2024	27-03-2027
Bank	134.31	Secured	7.69%	12	8	Quarterly	27-06-2024	27-03-2027
Bank	752.57	Secured	8.30%	15	15	Quarterly	29-05-2025	29-11-2028
Bank	251.77	Secured	8.30%	15	15	Quarterly	29-05-2025	29-11-2028
Bank	1,007.09	Secured	8.30%	15	15	Quarterly	29-05-2025	29-11-2028
Bank	1,000.69	Secured	8.30%	15	15	Quarterly	29-05-2025	29-11-2028
Bank	245.44	Secured	8.45%	11	9	Quarterly	26-12-2024	26-06-2027
Bank	272.79	Secured	8.45%	11	10	Quarterly	30-01-2025	30-07-2027
Bank	363.72	Secured	8.45%	11	10	Quarterly	28-02-2025	31-08-2027
Bank	500.02	Secured	8.05%	11	11	Quarterly	30-06-2025	31-12-2027
Bank	500.11	Secured	8.05%	11	11	Quarterly	30-09-2025	31-03-2028
Others	231.41	Secured	8.32%	43	33	Monthly	10-06-2024	10-12-2027
Others	334.87	Secured	8.07%	12	9	Quarterly	10-06-2024	10-03-2027
Others	376.78	Secured	7.78%	12	9	Quarterly	10-08-2024	10-05-2027
Bank-ECB	299.22	Secured	7.77%	1	1	Bullet	27-03-2028	27-03-2028
<b>Total</b>	<b>18,000.09</b>							
<b>Subordinated liabilities</b>								
Perpetual debt	103.57	Unsecured	11.50%	1	1	Bullet	25-11-2027	25-11-2027
<b>Other subordinated liabilities:</b>								
Others	154.27	Unsecured	9.40%	1	1	Bullet	10-06-2026	10-06-2026
Others	151.35	Unsecured	9.40%	1	1	Bullet	26-08-2026	26-08-2026
Others	101.91	Unsecured	8.85%	1	1	Bullet	02-06-2027	02-06-2027
Others	359.39	Unsecured	8.85%	1	1	Bullet	11-06-2027	11-06-2027
Others	101.46	Unsecured	9.50%	1	1	Bullet	18-01-2028	18-01-2028
Others	324.01	Unsecured	9.50%	1	1	Bullet	31-01-2028	31-01-2028



# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

Institution	Amount outstanding as at 31 <sup>st</sup> March 2025	Type of security	Interest rate	Total instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Others	201.19	Unsecured	9.35%	1	1	Bullet	29-08-2028	29-08-2028
Others	512.31	Unsecured	9.30%	1	1	Bullet	27-06-2029	27-06-2029
Others	157.63	Unsecured	9.38%	1	1	Bullet	24-04-2030	24-04-2030
Others	102.22	Unsecured	10.00%	1	1	Bullet	01-07-2026	01-07-2026
<b>Total</b>	<b>2,165.74</b>							
<b>Subordinated liabilities total</b>	<b>2,269.31</b>							

Institution	Amount outstanding as at 31 <sup>st</sup> March 2024	Type of security	Interest rate	Total instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
<b>Debt securities</b>								
Non Convertible Debentures	834.02	Secured	8.30%	2	2	Bullet	14-08-2025	12-09-2025
Non Convertible Debentures	439.05	Secured	8.15%	2	2	Bullet	19-09-2024	18-10-2024
Non Convertible Debentures	237.92	Secured	8.40%	1	1	Bullet	26-06-2026	26-06-2026
	<b>1,510.99</b>							
<b>Loan repayable on demand</b>	3,376.93	Secured	7.70% - 8.71%	Repayable on demand				
	426.96	Unsecured						
	<b>3,803.89</b>							
<b>Term loan</b>								
Bank	62.48	Secured	6.30%	8	2	Quarterly	31-12-2022	30-09-2024
Bank	124.99	Secured	6.30%	8	4	Quarterly	31-05-2023	28-02-2025
Bank	299.96	Secured	7.00%	10	6	Quarterly	30-04-2023	30-07-2025
Bank	489.04	Secured	7.59%	10	7	Quarterly	30-09-2023	31-12-2025
Bank	746.04	Secured	8.34%	15	14	Quarterly	31-03-2024	01-10-2027
Bank	99.22	Secured	7.70%	39	39	Monthly	31-07-2024	30-09-2027
Bank	499.91	Secured	8.25%	11	11	Quarterly	01-10-2024	01-04-2027
Bank	281.26	Secured	8.30%	16	15	Quarterly	29-03-2024	29-12-2027
Bank	125.01	Secured	7.94%	4	2	Quarterly	30-11-2023	31-08-2024
Bank	299.95	Secured	8.35%	14	14	Quarterly	31-08-2024	30-11-2027
Bank	200.14	Secured	7.00%	1	1	Bullet	27-10-2024	27-10-2024
Bank	400.32	Secured	8.10%	1	1	Bullet	29-05-2026	29-05-2026
Bank	124.99	Secured	8.26%	5	5	Half Yearly	29-02-2024	31-08-2026
Bank	42.03	Secured	7.75%	36	3	Monthly	25-07-2021	24-06-2024
Bank	83.94	Secured	7.50%	36	6	Monthly	28-10-2021	27-09-2024
Bank	63.02	Secured	8.27%	36	9	Monthly	31-01-2022	30-12-2024

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

Institution	Amount outstanding as at 31 <sup>st</sup> March 2024	Type of security	Interest rate	Total instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Bank	176.46	Secured	5.60%	37	13	Monthly	30-04-2022	29-04-2025
Bank	326.12	Secured	6.35%	37	16	Monthly	29-07-2022	28-07-2025
Bank	293.14	Secured	7.25%	12	7	Quarterly	23-03-2023	21-01-2026
Bank	59.72	Secured	7.60%	37	22	Monthly	02-02-2023	21-01-2026
Bank	40.26	Secured	7.75%	12	8	Quarterly	20-05-2023	21-03-2026
Bank	58.77	Secured	7.75%	37	24	Monthly	20-03-2023	21-03-2026
Bank	251.06	Secured	7.25%	12	8	Quarterly	30-06-2023	28-04-2026
Bank	459.37	Secured	7.10%	16	13	Quarterly	30-09-2023	29-06-2027
Bank	152.58	Secured	7.10%	16	13	Quarterly	30-09-2023	29-06-2027
Bank	337.83	Secured	7.10%	16	14	Quarterly	27-12-2023	26-09-2027
Bank	101.29	Secured	7.54%	16	14	Quarterly	27-12-2023	26-09-2027
Bank	376.84	Secured	7.15%	16	15	Quarterly	29-02-2024	30-11-2027
Bank	94.23	Secured	7.15%	16	15	Quarterly	26-03-2024	27-12-2027
Bank	749.41	Secured	7.10%	13	13	Quarterly	30-12-2024	30-09-2026
Bank	249.95	Secured	8.25%	1	1	Bullet	29-09-2025	29-09-2025
Bank	249.90	Secured	8.25%	1	1	Bullet	30-06-2026	30-06-2026
Bank	60.48	Secured	8.50%	10	6	Quarterly	29-06-2023	29-09-2025
Bank	302.10	Secured	8.50%	10	6	Quarterly	01-07-2023	01-10-2025
Bank	241.73	Secured	8.50%	10	6	Quarterly	01-07-2023	01-10-2025
Bank	100.01	Secured	7.28%	10	5	Quarterly	31-01-2023	30-04-2025
Bank	249.96	Secured	8.08%	10	10	Quarterly	29-04-2024	29-07-2026
Bank	249.96	Secured	8.20%	10	10	Quarterly	20-07-2024	20-10-2026
Bank	99.99	Secured	7.10%	13	13	Quarterly	30-06-2024	30-06-2027
Bank	299.97	Secured	8.15%	8	8	Quarterly	11-03-2025	08-12-2026
Bank	119.96	Secured	8.03%	10	6	Quarterly	31-07-2023	31-10-2025
Bank	210.03	Secured	8.03%	10	7	Quarterly	31-07-2023	31-10-2025
Bank	349.99	Secured	8.65%	10	7	Quarterly	30-09-2023	30-12-2025
Bank	719.94	Secured	8.35%	10	9	Quarterly	31-03-2024	30-06-2026
Bank	200.03	Secured	8.35%	10	10	Quarterly	30-04-2024	31-07-2026
Bank	458.30	Secured	8.35%	12	11	Quarterly	29-02-2024	30-11-2026
Bank	49.94	Secured	8.30%	12	12	Quarterly	30-06-2024	31-03-2027
Bank	125.89	Secured	8.40%	8	4	Quarterly	23-06-2023	23-03-2025
Bank	157.44	Secured	8.40%	8	5	Quarterly	20-07-2023	20-04-2025
Bank	335.58	Secured	8.40%	12	8	Quarterly	10-05-2023	10-02-2026
Bank	1,006.73	Secured	8.25%	12	12	Quarterly	27-06-2024	27-03-2027
Bank	301.83	Secured	8.25%	1	1	Bullet	27-03-2025	27-03-2025

(All amounts in ₹ crore unless otherwise stated)

Institution	Amount outstanding as at 31 <sup>st</sup> March 2024	Type of security	Interest rate	Total instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Others	301.58	Secured	8.00%	43	43	Monthly	10-06-2024	10-12-2027
Others	500.97	Secured	8.25%	12	12	Quarterly	10-06-2024	10-03-2027
Others	40.23	Secured	7.85%	5	1	Quarterly	05-05-2023	30-04-2024
Bank-ECB	838.01	Secured	6.92%	1	1	Bullet	02-12-2024	02-12-2024
<b>Total</b>	<b>15,239.88</b>							
<b>Subordinated liabilities</b>								
<b>Perpetual debt</b>	103.57	Unsecured	11.50%	1	1	Bullet	25-11-2027	25-11-2027
<b>Other subordinated liabilities:</b>								
Others	101.75	Unsecured	10.90%	1	1	Bullet	07-08-2024	07-08-2024
Others	152.95	Unsecured	9.40%	1	1	Bullet	10-06-2026	10-06-2026
Others	150.26	Unsecured	9.40%	1	1	Bullet	26-08-2026	26-08-2026
Others	101.92	Unsecured	8.85%	1	1	Bullet	02-06-2027	02-06-2027
Others	359.56	Unsecured	8.85%	1	1	Bullet	11-06-2027	11-06-2027
Others	101.46	Unsecured	9.50%	1	1	Bullet	18-01-2028	18-01-2028
Others	324.79	Unsecured	9.50%	1	1	Bullet	31-01-2028	31-01-2028
Others	201.89	Unsecured	9.35%	1	1	Bullet	29-08-2028	29-08-2028
Others	512.57	Unsecured	9.30%	1	1	Bullet	27-06-2029	27-06-2029
Others	102.24	Unsecured	10.00%	1	1	Bullet	01-07-2026	01-07-2026
<b>Total</b>	<b>2,109.39</b>							
<b>Subordinated liabilities total</b>	<b>2,212.96</b>							

#### Details of security

- Non convertible debentures of ₹ 2,625 crore inclusive of current and non-current dues (As at 31st March 2024 ₹ 1,511 crore) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Company.
- Term loan received from banks and other parties of ₹ 18,000 crore inclusive of current and non-current dues (As at 31st March 2024 ₹ 15,240 crore) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Company.
- Working capital demand loan and cash credit of ₹ 1,792 crore (As at 31st March 2024 ₹ 3,377 crore) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Company.

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

## NOTE 20 Other financial liabilities

S.No.	Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
a)	Employee related liabilities	134.41	166.04
b)	Security deposit	15.51	137.23
c)	Lease liability (refer note 41)	71.43	31.36
	<b>Total</b>	<b>221.35</b>	<b>334.63</b>

## NOTE 21 Provisions

S.No.	Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
a)	Pension (refer note 37)	12.70	11.23
b)	Gratuity (refer note 37)	3.60	0.57
c)	Compensated absences (refer note 37)	43.28	55.79
	<b>Total</b>	<b>59.58</b>	<b>67.59</b>

## NOTE 22 Other non-financial liabilities

S.No.	Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
a)	Statutory dues	42.87	52.84
	<b>Total</b>	<b>42.87</b>	<b>52.84</b>

## NOTE 23 Equity share capital

### a) Terms/Rights attached to equity shares

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

### b) Terms/Rights attached to Compulsory convertible preference shares

The Company has only one class of compulsory convertible preference shares having a par value of ₹ 10 per share which shall convert into one equity share as laid out in the agreement. Upon conversion into equity shares, the shareholder shall be entitled to participate in the dividend on equity shares on pari passu basis along with holders of other equity shares.

S.No.	Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
c)	<b>Authorised share capital:</b>		
	300,000,000 (As at 31 <sup>st</sup> March 2024 : 300,000,000) equity shares of ₹10 each	300.00	300.00
	20,000,000 (As at 31 <sup>st</sup> March 2024 : 20,000,000) 0.001% Compulsorily convertible preference shares of ₹10 each	20.00	20.00
	<b>Total</b>	<b>320.00</b>	<b>320.00</b>
d)	<b>Issued, subscribed and paid-up:</b>		
	<b>Equity share:</b>		
	236,272,706 (As at 31 <sup>st</sup> March 2024 : 228,223,926) equity shares of ₹10 each	236.27	228.22
	<b>Total</b>	<b>236.27</b>	<b>228.22</b>
	<b>Instruments entirely equity in nature:</b>		
	18,384,684 (As at 31 <sup>st</sup> March 2024: 18,384,684) 0.001% Compulsorily convertible preference shares of ₹10 each	18.38	18.38
	<b>Total</b>	<b>18.38</b>	<b>18.38</b>





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(All amounts in ₹ crore unless otherwise stated)

**NOTE 23 Equity share capital (Contd.)**

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

**Equity share:**

Particulars	As at 31 <sup>st</sup> March 2025		As at 31 <sup>st</sup> March 2024	
	No. of shares	Amount	No. of shares	Amount
<b>At the beginning of the year</b>	22,82,23,926	228.22	22,82,23,926	228.22
Add: Issued during the year*	80,48,780	8.05	-	-
<b>At the end of the year</b>	<b>23,62,72,706</b>	<b>236.27</b>	<b>22,82,23,926</b>	<b>228.22</b>

\* On 28th June 2024, the Company through preferential issue on private placement basis allotted 80,48,780 equity shares to eligible buyers at a price of ₹410 per equity share of ₹10 face value (inclusive of premium of ₹400 per share) aggregating to approximately ₹330 crore.

**0.001% Compulsorily convertible preference shares:**

Particulars	As at 31 <sup>st</sup> March 2025		As at 31 <sup>st</sup> March 2024	
	No. of shares	Amount	No. of shares	Amount
<b>At the beginning of the year</b>	1,83,84,684	18.38	-	-
Add: Issued during the year	-	-	1,83,84,684	18.38
<b>At the end of the year</b>	<b>1,83,84,684</b>	<b>18.38</b>	<b>1,83,84,684</b>	<b>18.38</b>

**f) Shares held by Holding companies:**

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>Equity shares:</b>		
TVS Motor Company Limited	20,23,19,089	19,54,24,754
<b>0.001% Compulsorily convertible preference shares:</b>		
TVS Motor Company Limited	31,69,773	31,69,773

**g) Number of shares held by share holders more than 5% of total shares as at the end of the year**

Name of the shareholders	As at 31 <sup>st</sup> March 2025		As at 31 <sup>st</sup> March 2024	
	No. of shares	% of holding	No. of shares	% of holding
<b>Equity shares:</b>				
TVS Motor Company Limited	20,23,19,089	85.63%	19,54,24,754	85.63%
PI Opportunities Fund I Scheme II	1,22,72,143	5.19%	1,14,03,378	5.00%
<b>0.001% Compulsorily convertible preference shares:</b>				
TVS Motor Company Limited	31,69,773	17.24%	31,69,773	17.24%
PI Opportunities Fund I Scheme II	1,52,14,911	82.76%	1,52,14,911	82.76%

**h) Shares held by promoters at the end of year**

Promoter Name	No. of shares	% of total shares	% change during the year
<b>Equity share:</b>			
TVS Motor Company Limited	20,23,19,089	85.63%	0.00%
<b>0.001% Compulsorily convertible preference shares:</b>			
TVS Motor Company Limited	31,69,773	17.24%	0.00%

(All amounts in ₹ crore unless otherwise stated)

**NOTE 24 Other equity**

Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
a) Securities premium	2,196.14	1,874.19
b) Statutory reserves	509.85	356.40
c) Share based payment reserve	0.27	-
d) Retained earnings	1,988.24	1,382.40
e) Other reserves-Hedging reserve	(1.23)	5.89
<b>Total reserves and surplus</b>	<b>4,693.27</b>	<b>3,618.88</b>

Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>a) Securities premium</b>		
Opening balance	1,874.19	1,336.35
Additions during the year	321.95	537.84
<b>Closing balance</b>	<b>2,196.14</b>	<b>1,874.19</b>

Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>b) Statutory reserves</b>		
Opening balance	356.40	242.03
Transfer from retained earnings	153.45	114.37
<b>Closing balance</b>	<b>509.85</b>	<b>356.40</b>

Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>c) Share based payment reserve</b>		
Opening balance	-	-
Transfer from retained earnings	0.27	-
<b>Closing balance</b>	<b>0.27</b>	<b>-</b>

Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>d) Retained earnings</b>		
Opening balance	1,382.40	932.20
Net profit for the Year	767.25	571.83
Items of other comprehensive income recognised directly in retained earnings:		
- Remeasurements of post-employment benefit obligation net off tax	(7.96)	(7.26)
Transfer to statutory reserve	(153.45)	(114.37)
<b>Closing balance</b>	<b>1,988.24</b>	<b>1,382.40</b>

Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>e) Other reserves - Hedging reserve</b>		
Opening balance	5.89	19.31
Add: Change in fair value of hedging instruments, net off tax	(6.65)	(13.42)
Add: Fair value gain/(loss) on financial instruments through other comprehensive income	(0.47)	-
<b>Closing balance</b>	<b>(1.23)</b>	<b>5.89</b>

**Securities premium**

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

**Statutory reserves:**

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

(All amounts in ₹ crore unless otherwise stated)

**Retained earnings:**

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

**Share based payment reserve:**

It is created as required by Ind AS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the Company for its employees.

**Other reserve-Hedging reserve**

It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

**NOTE 25 Interest income**

Description	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
<b>On financial assets measured at amortised cost:</b>		
Interest on loans	5,774.29	5,048.52
Interest on deposits with bank	16.24	64.01
Interest on Government securities	6.79	0.05
<b>Total</b>	<b>5,797.32</b>	<b>5,112.58</b>

**NOTE 26 Fees and commission income**

Description	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Fee-based income	525.12	408.18
Service income	211.34	183.87
<b>Total</b>	<b>736.46</b>	<b>592.05</b>

**NOTE 27 Net gain on fair value changes**

Description	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Net gain on fair value changes on FVTPL - Realised	92.32	-
<b>Total</b>	<b>92.32</b>	<b>-</b>

**NOTE 28 Other operating income**

Description	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Realisation on sale of written off and stressed loans	-	85.09
<b>Total</b>	<b>-</b>	<b>85.09</b>

**NOTE 29 Other income**

Description	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Unwinding of discount on security deposits and receivable for investments	0.97	0.95
Other non-operating income	0.44	3.88
Interest on income tax refund	2.52	0.64
<b>Total</b>	<b>3.93</b>	<b>5.47</b>

(All amounts in ₹ crore unless otherwise stated)

**NOTE 30 Finance costs**

Description	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
<b>Interest expense on financial liabilities measured at amortised cost:</b>		
- Interest on borrowings (other than debt securities)	1,476.13	1,253.76
- Interest on debt securities	169.54	216.98
- Interest on subordinated liabilities	203.74	172.23
<b>Other interest expense:</b>		
- Interest on lease liabilities	6.12	2.82
- Others	7.79	7.85
<b>Total</b>	<b>1,863.32</b>	<b>1,653.64</b>

**NOTE 31 Impairment on financial instruments**

Description	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
<b>On financial instruments measured at amortised cost</b>		
Bad debts written off (net)	940.98	633.57
Net loss on sale of repossessed assets	410.38	274.09
Impairment provision on loans	(57.20)	217.01
Impairment provision on trade receivables and other financial assets	1.20	2.38
<b>Total</b>	<b>1,295.36</b>	<b>1,127.05</b>

**NOTE 32 Employee benefit expenses**

Description	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Salaries and wages	1,019.56	1,051.73
Contribution to provident and other funds	56.86	53.91
Gratuity expenses (refer note 37)	6.87	5.10
Share based payments to employees	0.27	-
Staff welfare expenses	52.02	90.04
<b>Total</b>	<b>1,135.58</b>	<b>1,200.78</b>

**NOTE 33 Other expenses**

Description	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Rent, taxes and energy costs ( Refer note 41d))	39.71	34.31
Repairs and maintenance	18.31	17.26
Communication costs	97.21	128.83
Printing and stationery	1.59	6.05
Travelling and conveyance	46.13	81.01
Directors sitting fees & commission expenses	1.03	0.81
Legal and professional charges	92.49	140.59
Insurance expenses	0.90	0.39
Information technology expenses	106.16	88.97
Manpower support expenses	274.49	49.45
Brand royalty fees	24.96	15.60
Auditors fees and expenses*	0.73	0.67
Corporate social responsibility **	10.00	10.00
Donation	20.00	13.70
Others	3.26	6.88
<b>Total</b>	<b>736.97</b>	<b>594.52</b>



(All amounts in ₹ crore unless otherwise stated)

**\*Auditors fees and expenses**

Description	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Statutory audit	0.42	0.39
Limited review	0.13	0.12
Tax audit	0.08	0.08
Certification	0.05	0.04
Reimbursement of expenses	0.05	0.04
<b>Auditors fees and expenses</b>	<b>0.73</b>	<b>0.67</b>

**\*\* Expenditure incurred on corporate social responsibility activities:**

Particulars	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
(i) Amount required to be spent by the Company during the year	9.53	5.12
(ii) Amount of expenditure incurred	10.00	10.00
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	NA	NA
(vi) Nature of CSR activities		
a. Expenses incurred through Trusts	10.00	10.00
<b>Total</b>	<b>10.00</b>	<b>10.00</b>

**NOTE 34 Income tax expenses**

Description	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
(a) Income tax expense:		
Current tax on profits for the year	323.80	307.64
Tax profits relating to prior period	-	-
<b>Total current tax expense</b>	<b>323.80</b>	<b>307.64</b>
Deferred tax		
Decrease/(Increase) in deferred tax assets	(65.61)	(117.53)
(Decrease)/Increase in deferred tax liabilities	-	-
<b>Total deferred tax expense/(benefit)</b>	<b>(65.61)</b>	<b>(117.53)</b>
<b>Income tax expense for the year</b>	<b>258.19</b>	<b>190.11</b>
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	1,025.44	761.94
Tax at the Indian tax rate of 25.168% (31 <sup>st</sup> March 2024: 25.168%)	258.08	191.76
Tax effect of amounts which are permanent differences in nature in calculation of taxable income	0.11	(1.65)
<b>Income tax expense</b>	<b>258.19</b>	<b>190.11</b>

(All amounts in ₹ crore unless otherwise stated)

**NOTE 35 Other comprehensive income**

Description	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurement of the defined benefit plans	(10.64)	(9.72)
Income tax relating to these items	2.68	2.46
<b>Items that will be reclassified to profit or loss</b>		
Fair value change on cash flow hedge	(8.89)	(17.95)
Income tax relating to these items	2.24	4.52
Fair value gain/(loss) on financial instruments through other comprehensive income	(0.62)	-
Income tax relating to these items	0.16	-
<b>Other comprehensive income</b>	<b>(15.08)</b>	<b>(20.69)</b>

**NOTE 36 Earnings per equity share (EPS)**

Description	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
<b>(a) Basic earnings per share</b>		
Basic earnings per share attributable to the equity holders of the Company	30.36	23.90
<b>(b) Diluted earnings per share</b>		
Diluted earnings per share attributable to the equity holders of the Company	30.36	23.90
<b>(c) Reconciliations of earnings used in calculating earnings per share</b>		
Basic earnings per share:		
Profit attributable to equity holders of the Company used in calculating basis earnings per share	767.25	571.83
Diluted earnings per share:		
Profit attributable to equity holders of the Company used in calculating diluted earnings per share	767.25	571.83
<b>(d) Weighted average number of equity shares used as the denominator in calculating basic earnings per share</b>	25,27,16,862	23,92,28,062
Effect of dilution:		
Employee stock options	2,782	-
<b>(e) Weighted average number of equity shares used as the denominator in calculating diluted earnings per share</b>	25,27,19,644	23,92,28,062

(All amounts in ₹ crore unless otherwise stated)

**NOTE 37 Employee benefit obligations**

**Defined benefit obligation**

The Company provides gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised fund in India.

The Company operates defined benefit pension plan, which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

Particulars	Gratuity			Pension			Compensated Absences		
	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total
<b>As at 1st April 2023</b>	<b>33.85</b>	<b>(36.16)</b>	<b>(2.31)</b>	<b>9.77</b>	-	<b>9.77</b>	<b>42.88</b>	-	<b>42.88</b>
Current service cost	5.38	-	5.38	-	-	-	-	-	-
Interest expense/(income)	2.54	(2.82)	(0.28)	0.74	-	0.74	3.28	-	3.28
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-	-	-	-	0.18	-	0.18
Experience (gains)/losses	-	-	-	-	-	-	9.45	-	9.45
<b>Total amount recognised in profit or loss</b>	<b>7.92</b>	<b>(2.82)</b>	<b>5.10</b>	<b>0.74</b>	-	<b>0.74</b>	<b>12.91</b>	-	<b>12.91</b>
Remeasurements									
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.74	0.74	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	0.16	-	0.16	0.22	-	0.22	-	-	-
Experience (gains)/losses	8.10	-	8.10	0.50	-	0.50	-	-	-
<b>Total amount recognised in other comprehensive (income)/losses</b>	<b>8.26</b>	<b>0.74</b>	<b>9.00</b>	<b>0.72</b>	-	<b>0.72</b>	-	-	-
Employer contributions	-	(11.22)	(11.22)	-	-	-	-	-	-
Benefit payments	(5.51)	5.51	-	-	-	-	-	-	-
<b>As at 31<sup>st</sup> March 2024</b>	<b>44.52</b>	<b>(43.95)</b>	<b>0.57</b>	<b>11.23</b>	-	<b>11.23</b>	<b>55.79</b>	-	<b>55.79</b>
<b>As at 1<sup>st</sup> April 2024</b>	<b>44.52</b>	<b>(43.95)</b>	<b>0.57</b>	<b>11.23</b>	-	<b>11.23</b>	<b>55.79</b>	-	<b>55.79</b>
Current service cost	7.07	-	7.07	-	-	-	-	-	-
Interest expense/(income)	3.12	(3.32)	(0.20)	0.79	-	0.79	3.81	-	3.81
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-	-	-	-	0.65	-	0.65
Experience (gains)/losses	-	-	-	-	-	-	(16.98)	-	(16.98)
<b>Total amount recognised in profit or loss</b>	<b>10.19</b>	<b>(3.32)</b>	<b>6.87</b>	<b>0.79</b>	-	<b>0.79</b>	<b>(12.51)</b>	-	<b>(12.51)</b>
Remeasurements									
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.44	0.44	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	0.76	-	0.76	0.84	-	0.84	-	-	-
Experience (gains)/losses	8.76	-	8.76	(0.16)	-	(0.16)	-	-	-
<b>Total amount recognised in other comprehensive (income)/losses</b>	<b>9.52</b>	<b>0.44</b>	<b>9.96</b>	<b>0.68</b>	-	<b>0.68</b>	-	-	-
Employer contributions	-	(13.80)	(13.80)	-	-	-	-	-	-
Benefit payments	(7.14)	7.14	-	-	-	-	-	-	-
<b>As at 31<sup>st</sup> March 2025</b>	<b>57.10</b>	<b>(53.48)</b>	<b>3.60</b>	<b>12.70</b>	-	<b>12.70</b>	<b>43.28</b>	-	<b>43.28</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

## NOTE 37 Employee benefit obligations (Contd.)

Details	Gratuity		Pension		Compensated Absences	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Discount rate	6.34%	6.95%	6.44%	6.95%	6.34%	6.95%
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 2024-25

Particulars	Gratuity			Pension			Compensated absences		
	Change in assumption	Due to increase in assumption	Due to decrease in assumption	Change in assumption	Due to increase in assumption	Due to decrease in assumption	Change in assumption	Due to increase in assumption	Due to decrease in assumption
Discount rate	0.50%	56.42	57.76	1.00%	11.45	14.18	0.50%	42.83	43.74
Salary growth rate	0.50%	57.74	56.43	1.00%	14.26	11.38	0.50%	43.73	42.82
Mortality	5.00%	57.08	57.08	5.00%	12.60	12.81	5.00%	43.28	43.28
Attrition	5.00%	56.68	57.49	5.00%	12.70	12.70	5.00%	43.29	43.26
₹10,00,000 benefit ceiling	-	55.33	-	-	-	-	-	-	-
No benefit ceiling	-	-	57.86	-	-	-	-	-	-

#### FY 2023-24

Particulars	Gratuity			Pension			Compensated absences		
	Change in assumption	Due to increase in assumption	Due to decrease in assumption	Change in assumption	Due to increase in assumption	Due to decrease in assumption	Change in assumption	Due to increase in assumption	Due to decrease in assumption
Discount rate	0.50%	44.00	45.03	1.00%	10.07	12.62	0.50%	55.22	56.37
Salary growth rate	0.50%	45.02	44.00	1.00%	12.69	10.00	0.50%	56.37	55.22
Mortality	5.00%	44.51	44.51	5.00%	11.15	11.32	5.00%	55.79	55.79

### (ii) Projected plan cash flow

Maturity profile	Amount (Rs. in crs)
Expected benefits for year 1	35.56
Expected benefits for year 2	26.70
Expected benefits for year 3	19.94
Expected benefits for year 4	14.43
Expected benefits for year 5	10.54
Expected benefits for year 6 and above	24.16
<b>Total</b>	<b>131.33</b>

### (iii) Risk exposure:

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

#### Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yield;

#### Changes in bond yields

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

### (iv) Defined contribution plans:

The Company's contribution to defined contribution plan viz. provident fund and ESI, of ₹ 55.80 crore (As at 31<sup>st</sup> March 2024: ₹ 52.65 crore) has been recognised in the Statement of Profit and Loss.

### (v) Category of plan assets

100% in insurer managed funds

(All amounts in ₹ crore unless otherwise stated)

**NOTE 38 Fair value measurements**

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

Financial assets and financial liabilities measured at amortised cost, including their levels in the fair value hierarchy.

Particulars	Carrying amount		Fair value hierarchy	Fair value	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024		31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
<b>Financial assets:</b>					
Cash and cash equivalents	3,583.40	1,745.97	Level 3	3,583.40	1,745.97
Other bank balances	5.95	5.90	Level 3	5.95	5.90
Trade receivables	152.21	117.20	Level 3	152.21	117.20
Loans	26,298.84	25,470.24	Level 3	26,298.84	25,470.24
Investment in subsidiaries	12.01	12.01	Level 3	12.01	12.01
Investment in Government securities	282.12	93.46	Level 1	282.12	93.46
Investment in Compulsory convertible debentures	0.25	0.25	Level 3	0.25	0.25
<b>Other financial assets</b>					
Employees related receivables	12.84	10.49	Level 3	12.84	10.49
Security deposit for leased premises	13.29	11.17	Level 3	13.29	11.17
Other financial assets - Related parties	0.03	0.02	Level 3	0.03	0.02
Other financial assets - Non related parties	-	0.71	Level 3	-	0.71
Deposit with service providers	2.12	2.65	Level 3	2.12	2.65
<b>Total</b>	<b>30,363.06</b>	<b>27,470.07</b>		<b>30,363.06</b>	<b>27,470.07</b>

**Financial liabilities carried at amortised cost**

Trade payables	1,091.33	1,049.27	Level 3	1,091.33	1,049.27
Debt securities	2,625.39	1,510.99	Level 2	2,625.39	1,510.99
Borrowings other than debt securities	19,792.47	19,043.77	Level 3	19,792.47	19,043.77
Subordinated liabilities	2,269.31	2,212.96	Level 2	2,269.31	2,212.96
Other financial liabilities	221.35	334.63	Level 3	221.35	334.63
<b>Total</b>	<b>25,999.85</b>	<b>24,151.62</b>		<b>25,999.85</b>	<b>24,151.62</b>

**Financial assets and financial liabilities measured at fair value:**

Particulars	Fair value hierarchy	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
<b>Financial assets</b>			
Derivative financial instruments	Level 2	-	90.67
Investment in Alternate investment fund	Level 3	5.38	4.00
Investment in Compulsory convertible debentures	Level 3	0.25	0.25
<b>Total financial assets</b>		<b>5.63</b>	<b>94.92</b>
<b>Financial liabilities</b>			
Derivative financial instruments	Level 2	2.24	-
<b>Total financial liabilities</b>		<b>2.24</b>	<b>-</b>

There were no transfers between any levels during the year.



(All amounts in ₹ crore unless otherwise stated)

**(i) Fair value hierarchy**

Ind AS 113, 'Fair Value Measurement' requires classification of the valuation method of financial instruments measured at fair value in the Statement of Balance sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and lowest priority to un-observable inputs (level 3 measurements). Fair value of derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. The three levels of the fair-value-hierarchy under Ind AS 113 are described below.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes publicly traded derivatives and mutual funds that have a quoted price. The quoted market price used for financial assets held by the company is the current bid price.

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

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. That is, Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Company develops Level 3 inputs based on the best information available in the circumstances

**(ii) Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- The Management assessed that cash and cash equivalents, bank balance other than cash and cash equivalents, receivable, other financial assets, payables and other financial liabilities approximates their carrying amount largely due to short term maturities of these instruments. The fair value of the investments have been considered as the carrying value of these investments since these investments have been made in the subsidiaries of the Company.
- The majority of borrowings are floating rate borrowings, the carrying value is representative of the fair value.
- The fair values for advance to related parties and rent advance were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.
- The fair value of forward foreign exchange contracts and cross currency interest rate swaps (CCIRS) is determined using forward exchange rates at the balance sheet date.

**NOTE 39 Financial risk management**

The Company's financial assets include loan and advances, investments and cash and cash equivalents that derive directly from its operations. The Company's financial liabilities comprise mainly borrowings from banks, debentures and commercial papers.

The Company is exposed to various risks such as Credit risk, Liquidity risk, foreign currency risks and interest rate risks.

The Board of directors have the overall responsibility for the establishment of governance and oversight in relation to the Company's Risk management framework. The Board of directors have established committees such as the Risk Management Committee and Asset Liability Committee for developing and monitoring the Company's risk management policies and treasury policies. The Committees reports regularly to the Board of directors on its activities.

The Company's risk management policies are established to identify and analyse the various risks faced by the Company, to set appropriate risk benchmarks limits and controls and to monitor risks and adherence to limits from time to time. The Risk management committee oversees how management monitors compliance with the risk management policies and procedures and other governance framework and reviews the adequacy of the risk management framework in relation to the various risks faced by the Company from time to time.

**(A) Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored to determine significant increase in credit risk. The Company monitors the credit assessment on a portfolio basis, assesses all credit exposures in excess of designated limits. The Company does a risk grading based upon the credit worthiness of the borrowers. All these factors are taken into consideration for computation of expected credit loss (ECL).

**Loans**

The following table sets out information about credit quality of retail loan assets measured at amortised cost based on number of days past due information. The amount represents the gross carrying value of assets as on each reporting date.

(All amounts in ₹ crore unless otherwise stated)

**NOTE 39 Financial risk management (Contd.)**

Particulars	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
<b>Gross Carrying value of loans</b>		
Stage 1 (Up to 30 days)	25,066.77	24,357.57
Stage 2 (31-90 days) <sup>#</sup>	1,329.68	1,305.94
Stage 3 (More than 90 days) <sup>*</sup>	782.97	742.80
<b>Total Gross carrying value as of year end</b>	<b>27,179.42</b>	<b>26,406.31</b>

<sup>#</sup> Includes restructured contracts under one time resolution framework vide RBI circular dated August 6, 2020 and RBI/2 021- 22/31/DOR. STR.REC.11 /21.04.048/2021-22 dated 5th May, 2021 even though days past due is less than and equal to 30 days on the reporting date.

<sup>\*</sup> Includes restructured contracts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR. No.BP.BC.45/21.04.048/2018-19 dated 7th June 2019 irrespective of days past due on the reporting date.

**Other financial assets**

Credit risk with respect to other financial assets are extremely low except "Other financial assets-non related parties". Based on the credit assessment, the historical trend of low default is expected to continue. No provision for ECL has been created for other financial assets except full provision on "Other financial assets-non related parties".

**Credit quality**

The Company has a comprehensive framework for monitoring credit quality of its retail and other loans based on days past due monitoring. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery is taken through follow ups and legal recourse.

**Inputs considered in the ECL model**

In assessing the impairment of loans assets under ECL model, the loan assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages relate to the recognition of expected credit losses and the calculation and presentation of interest revenue.

The Company categories loan assets into stages based on the days past due status:

- Stage 1: Up to 30 days past due
- Stage 2: 31-90 days past due
- Stage 3: More than 90 days past due

**Assumptions considered in the ECL model**

The Company has made the following assumptions in the ECL Model:

- "Loss given default" (LGD) is common for all three stages and is based on loss in past portfolio. Actual cash flows are discounted with average rate for arriving loss rate. EIR has been taken as discount rate for all loans.

**Estimation technique**

The Company has applied the following estimation technique in its ECL model :

- "Probability of default" (PD) is applied on stage 1 and stage 2 on portfolio basis and for stage 3 PD is 100%.
- Probability of default for stage 1 loan assets is calculated as average of historical trend from Stage 1 to Stage 3 in next 12 months.
- Probability of default for Stage 2 loan assets is calculated based on the lifetime PD as average of historical trend from Stage 2 to Stage 3 for the remaining tenure.
- Loss given default is calculated based on discounted actual cash flow on past portfolio in default along with reversals.

There is no change in estimation techniques or significant assumptions during the reporting period.

The Company considers a broad range of forward looking information with reference to external forecasts of economic parameters such as GDP growth, government borrowing, private consumption expenditure, policy interest rates, etc., as considered relevant so as to determine the impact of macroeconomic factors on the Company's ECL estimates. The internal estimates of PD, LGD rates used in the ECL model may not always capture all the characteristics of the market / external environment as at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

**Assessment of significant increase in credit risk**

When determining whether the risk of default has increased significantly since initial recognition, the Company considers both quantitative and qualitative information and analysis based on the business historical experience, including forward-looking information. The Company considers reasonable and supportable information that is relevant and available without undue cost and effort.

(All amounts in ₹ crore unless otherwise stated)

**NOTE 39 Financial risk management (Contd.)**

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 installments falling due between 1st March, 2020 and 31st August, 2020 to all eligible borrowers. The Company has extended One-Time Resolution framework as for COVID-19-related Stress to eligible customers as per applicable RBI guidelines and as per the policy of the Company. The Company has classified all restructured accounts done under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June 2019 in Stage 3 and with regard to restructured contracts done under one time resolution framework vide RBI circular dated 6th August, 2020 and RBI/2 021- 22/31/DOR.STR. REC.11 /21.04.048/2021-22 dated 5th May, 2021 in stage 2 irrespective of days past due status on the reporting date.

**Definition of default**

The Company considers a financial instrument is in default when the borrower becomes 90 days past due on its contractual payments. The Company considers loans under default as 'credit impaired' and classified as stage-3 except for restructured contracts as disclosed above.

**Impairment loss**

The expected credit loss allowance provision is determined as follows:

<b>FY 24-25</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Grand total</b>
Gross carrying value	25,066.76	1,329.68	782.98	27,179.42
Allowance for ECL	210.70	244.71	425.17	880.58
ECL coverage ratio	0.84%	18.40%	54.30%	3.24%

<b>FY 23-24</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Grand total</b>
Gross carrying value	24,357.57	1,305.94	742.80	26,406.31
Allowance for ECL	289.48	253.54	393.05	936.07
ECL coverage ratio	1.19%	19.41%	52.91%	3.54%

**Reconciliation of expected credit loss**

<b>Particulars</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Grand total</b>
<b>Balance as at 1st April 2024</b>	<b>264.74</b>	<b>138.78</b>	<b>306.54</b>	<b>710.06</b>
Transfer from stage 1	(15.17)	8.74	6.43	-
Transfer from stage 2	13.19	(55.32)	42.13	-
Transfer from stage 3	8.78	4.45	(13.23)	-
Loans that have derecognised during the period	(39.36)	(48.00)	(116.07)	(203.43)
New loans originated during the year	114.54	59.15	49.21	222.90
Net remeasurement of loss allowance	(57.24)	145.74	118.04	206.54
<b>Balance as at 31st March 2024</b>	<b>289.48</b>	<b>253.54</b>	<b>393.05</b>	<b>936.07</b>
Transfer from stage 1	(19.06)	8.64	10.42	-
Transfer from stage 2	13.19	(117.14)	103.95	-
Transfer from stage 3	5.27	2.57	(7.84)	-
Loans that have derecognised during the period	(51.64)	(67.96)	(104.94)	(224.55)
New loans originated during the year	91.52	47.32	50.74	189.58
Net remeasurement of loss allowance	(118.06)	117.74	(20.21)	(20.53)
<b>Balance as at 31st March 2025</b>	<b>210.70</b>	<b>244.71</b>	<b>425.17</b>	<b>880.58</b>

**Concentration of credit risk**

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

(All amounts in ₹ crore unless otherwise stated)

**NOTE 39 Financial risk management (Contd.)**

	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
<b>Carrying value</b>		
Concentration by geographical region in India		
South	11,173.70	10,636.43
West	6,927.67	7,256.11
East	4,736.87	4,252.84
North	4,341.18	4,260.93
<b>Total loans as at reporting period</b>	<b>27,179.42</b>	<b>26,406.31</b>

**(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 installment receivables/ sourcing through debts at each point of time. The fund requirement ascertain at the beginning of the period by taking into consideration installment receivable, likely disbursement, loan installment payment & other operational expenses. The Company is continuously getting good support from bankers & financial institutions at the time of need.

**(i) Financing arrangements**

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

	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
<b>Floating rate</b>		
Expiring within one year	4,820	1,950
Expiring beyond one year	-	-
	<b>4,820</b>	<b>1,950</b>

**(ii) Maturities of financial assets and liabilities:**

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

- All non-derivative financial liabilities and assets;
- Net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The table below summaries the maturity profile of the Company's financial assets and financial liabilities based on contractual undiscounted payments as at the balance sheet date.

Particulars	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total carrying amount
<b>As at 31st March 2025</b>						
<b>Financial assets:</b>						
Cash and cash equivalents	3,583.40	-	-	-	-	3,583.40
Fixed deposits	-	-	5.95	-	-	5.95
Trade receivables	38.64	38.13	75.44	-	-	152.21
Loans	6,920.21	4,872.60	7,383.26	14,009.22	3.83	33,189.12
Investments	-	-	300.00	-	17.63	317.63
Other financial assets	2.04	4.78	6.40	12.31	2.75	28.28
<b>Total</b>	<b>10,544.29</b>	<b>4,915.51</b>	<b>7,771.05</b>	<b>14,021.53</b>	<b>24.21</b>	<b>37,276.59</b>
<b>Financial liabilities:</b>						
Derivative financial instruments	-	-	-	2.24	-	2.24
Borrowings	2,497.56	3,562.25	7,232.59	14,073.57	150.58	27,516.56
Security deposit	-	-	9.25	6.26	-	15.51
Trade payables	637.50	208.44	245.39	-	-	1,091.33
Other financial liabilities	7.82	6.99	144.00	51.39	10.90	221.10
<b>Total</b>	<b>3,142.88</b>	<b>3,777.68</b>	<b>7,631.23</b>	<b>14,133.46</b>	<b>161.48</b>	<b>28,846.73</b>

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

## NOTE 39 Financial risk management (Contd.)

Particulars	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total carrying amount
<b>As at 31st March 2024</b>						
<b>Financial assets:</b>						
Cash and cash equivalents	1,745.97	-	-	-	-	1,745.97
Fixed deposits	-	-	5.90	-	-	5.90
Derivative financial instruments	-	-	90.67	-	-	90.67
Trade receivables	29.51	29.31	58.38	-	-	117.20
Loans	6,440.74	4,432.37	7,119.02	15,218.23	10.23	33,220.59
Investments	-	-	100.25	-	16.25	116.50
Other financial assets	3.09	1.88	7.60	12.48	-	25.05
<b>Total</b>	<b>8,219.31</b>	<b>4,463.56</b>	<b>7,381.82</b>	<b>15,230.71</b>	<b>26.48</b>	<b>35,321.88</b>
<b>Financial liabilities:</b>						
Borrowings	1,944.17	2,156.42	8,884.91	11,991.57	523.22	25,500.29
Security deposit	23.21	15.47	98.55	-	-	137.23
Trade payables	614.43	247.99	185.68	1.18	-	1,049.28
Other financial liabilities	4.02	2.45	168.74	17.16	11.82	204.19
<b>Total non-derivative liabilities</b>	<b>2,585.83</b>	<b>2,422.33</b>	<b>9,337.88</b>	<b>12,009.91</b>	<b>535.04</b>	<b>26,890.99</b>

The table below summaries the contractual maturity profile of carrying value of assets and liabilities:

Particulars	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total carrying amount
<b>As at 31st March 2025</b>						
<b>Financial assets:</b>						
Cash and cash equivalents	3,583.40	-	-	-	-	3,583.40
Fixed deposits	-	-	5.95	-	-	5.95
Trade receivables	38.64	38.13	75.44	-	-	152.21
Loans	5,994.70	3,796.80	5,793.35	11,591.81	2.76	27,179.42
Investments	-	-	282.12	-	17.63	299.75
Other financial assets	2.04	4.78	6.40	12.31	2.75	28.28
<b>Total</b>	<b>9,618.78</b>	<b>3,839.71</b>	<b>6,163.26</b>	<b>11,604.12</b>	<b>23.14</b>	<b>31,249.01</b>
<b>Financial liabilities:</b>						
Derivative financial instruments	-	-	-	2.24	-	2.24
Borrowings	2,034.39	3,152.20	6,577.72	12,772.86	150.00	24,687.17
Security deposit	-	-	9.25	6.26	-	15.51
Trade payables	637.50	208.44	245.39	-	-	1,091.33
Other financial liabilities	6.49	5.66	141.35	42.49	9.85	205.84
<b>Total</b>	<b>2,678.38</b>	<b>3,366.30</b>	<b>6,973.71</b>	<b>12,823.85</b>	<b>159.85</b>	<b>26,002.09</b>

Particulars	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total carrying amount
<b>As at 31st March 2024</b>						
Cash and cash equivalents	1,745.97	-	-	-	-	1,745.97
Fixed deposits	-	-	5.90	-	-	5.90
Derivative financial instruments	-	-	90.67	-	-	90.67
Trade receivables	29.51	29.31	58.38	-	-	117.20
Loans	5,229.47	3,333.03	5,339.72	12,495.10	8.99	26,406.31
Investments	-	-	93.46	-	16.25	109.71
Other financial assets	3.09	1.88	7.60	12.48	-	25.05
<b>Total</b>	<b>7,008.04</b>	<b>3,364.22</b>	<b>5,595.73</b>	<b>12,507.58</b>	<b>25.24</b>	<b>28,500.81</b>
<b>Financial liabilities:</b>						
Borrowings	1,596.16	1,779.51	8,090.76	10,801.26	500.03	22,767.72
Security deposit	23.21	15.47	98.55	-	-	137.23
Trade payables	614.43	247.99	185.68	1.18	-	1,049.28
Other financial liabilities	3.42	1.85	167.50	13.48	11.15	197.40
<b>Total non-derivative liabilities</b>	<b>2,237.22</b>	<b>2,044.82</b>	<b>8,542.49</b>	<b>10,815.92</b>	<b>511.18</b>	<b>24,151.63</b>

(All amounts in ₹ crore unless otherwise stated)

**NOTE 39 Financial risk management (Contd.)**

**(a) Foreign currency risk exposure:**

Foreign exchange risk arises on financial instruments being denominated in a currency that is not the functional currency of the entity. The Company is exposed to foreign exchange risk due to continuous fluctuation in the foreign currency(USD) of the loan originated. The Company has entered into cross currency swaps (CCS) /forward contracts/ Interest rate swap to fully hedge all foreign currency exchange risk on the principal and interest amount payable on borrowings.

Particulars	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
<b>Financial liabilities</b>		
Variable Foreign Currency Borrowings (USD 35 million ) (Year ended 31st March 2024 : USD 100 million)	300.13	751.50
<b>Derivative liabilities</b>		
Hedged through forward contracts and CCS	300.13	751.50
<b>Net exposure to foreign currency risk (liabilities)</b>	-	-

**(b) Sensitivity analysis:**

The Company has hedged all its foreign currency exposures by entering into CCS/ forwards contracts, hence it shall not be subjected to any sensitivity on settlement due to foreign currency fluctuation due to the movements in foreign exchanges i.e. USD. Forward contract & cross current swap are to buy USD for hedging foreign currency loan.

Impact on Profit After Tax		
USD sensitivity	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
INR/USD Increases by 5%	-	-
INR/USD Decreases by 5%	-	-

**(c) Fair value interest rate risk:**

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During year ended 31st March 2025 and 31st March 2024, the Company's borrowings at variable rate were mainly denominated in INR.

The Company's floating rate borrowings are carried at amortised cost. For NBFC business, loan is the major source for running the business. In India, loans are generally available at floating rate interest and there are no such option available to obtain swap option for floating rate interest linked to respective bank MCLR with fixed interest. Hence except foreign currency loans, other loans are not hedged.

**(a) Interest rate risk exposure**

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Variable rate borrowings	17,493.01	13,871.00
<b>Total borrowings</b>	<b>24,687.17</b>	<b>22,767.72</b>

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

Particulars	31 <sup>st</sup> March 2025		
	Weighted average interest rate	Balance	% of total loans
Cash credits, bank loans etc.	7.93%	17,493.01	70.86%

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

An analysis by maturities is provided in note 39 B (ii) above.



(All amounts in ₹ crore unless otherwise stated)

**NOTE 39 Financial risk management (Contd.)**

**(b) Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

Impact on profit after tax		
Particulars	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Interest rates – increase by 50 basis points (50 bps) *	(65.45)	(51.90)
Interest rates – decrease by 50 basis points (50 bps) *	65.45	51.90

\* Holding all other variables constant

**NOTE 40 Capital management**

**(a) Risk management**

The Risk Management policy includes identification of element of risks, including those which in the opinion of Board may lead to Company not meeting its financial objectives. The risk management process has been established across the Company and design to identify, access & frame a response to threat that affect the achievement of its objectives. Further it is embedded across all the major functions and revolve around the goals and objectives of the Company.

Maintaining optimal capital to debt is one such measure to ensure healthy returns to the shareholders. Company envisages maintaining gearing ratio of maximum 7 times to the total equity, the Company monitors the ratio as below:

Particulars	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Net debt (total borrowings, less cash and cash equivalents)	21,103.76	21,021.76
Total equity (as shown in the balance sheet)	4,947.92	3,865.48
<b>Net debt to equity ratio</b>	<b>4.27</b>	<b>5.44</b>

**(b) Externally imposed capital restrictions**

- 1) As per RBI requirements Capital Adequacy Ratio should be minimum 15%, not meeting RBI requirements will lead to cancellation of NBFC licenses issued by RBI. (Refer Note 44 17.2 A)
- 2) As per various lending arrangements with banks, TOL (Total Outside Liability) to TNW (Tangible Net Worth) ratio should be less than 8.5 times, not meeting the said requirements may lead to higher interest rates.
- 3) Shareholding of the promoter shall not be less than 51% without prior approval from lenders.

The Company has complied with these covenants throughout the reporting period.

(All amounts in ₹ crore unless otherwise stated)

**NOTE 41 Leases**

**a) Lease disclosures pertaining to right-to-use asset**

Particulars	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Opening balance	26.58	28.73
Add: Adjustments on account of modification	35.95	-
Add: Additions during the year	23.53	6.10
Less: Deletions during the year	-	-
Less: Depreciation during the year	(20.87)	(8.25)
<b>Closing balance</b>	<b>65.19</b>	<b>26.58</b>

**b) Lease liability movement**

Particulars	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Opening balance	31.36	33.11
Add: Adjustments on account of modification	34.72	-
Add: Additions during the year	23.53	6.10
Add: Interest accrued during the year	6.12	2.82
Less: Interest paid during the year	(6.12)	(2.82)
Less: Deletions during the year	-	-
Less: Principal repayment during the year	(18.20)	(7.84)
<b>Closing balance</b>	<b>71.41</b>	<b>31.36</b>

c) The Company has offices across the country with varied lease period. The lease term considered for arriving at the right to use asset and lease liabilities are based on the non-cancellable period of the respective agreements.

d) The Company has exercised the option of short term leases and low value asset exemption.

**e) Lease disclosures pertaining to Statement of Profit and Loss**

Particulars	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
<b>Finance charges</b>		
Interest expense	6.12	2.82
<b>Depreciation</b>		
Amortisation of right to use assets	20.87	8.25
<b>Other expenses</b>		
<u>Rent expenses</u>		
Expense relating to short-term leases (included in other expenses)	6.68	17.70
Expense relating to leases of low-value assets that are not short-term leases (included in other expenses)	-	-
Expense relating to variable lease payments not included in the measurement of lease liabilities	-	-
<b>Total</b>	<b>33.67</b>	<b>28.77</b>

**f) Additional disclosures in cash flow statement**

Particulars	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Cash flow financing activities		
Principal repayments related to lease liabilities	18.20	7.84
Interest payments related to lease liabilities	6.12	2.82

**g) Contractual maturities of lease liabilities outstanding**

Particulars	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Less than one year	19.07	9.12
One to five years	42.49	17.16
More than five years	9.85	5.08
<b>Total</b>	<b>71.41</b>	<b>31.36</b>

(All amounts in ₹ crore unless otherwise stated)

**42. Related party disclosure**

Disclosure in respect of related parties and their relationship where transaction exists:

Nature of relationship	Parties name
Reporting enterprise	TVS Credit Services Limited
Holding company	TVS Motor Company Limited
Ultimate holding company	TVS Holdings Limited
Subsidiaries	TVS Housing Finance Private Limited Harita ARC Private Limited Harita Two Wheeler Mall Private Limited
Fellow subsidiary	TVS Motor Services Limited Sundaram Auto Components Limited TVS Digital Pte Limited TVS Digital Limited (with effect from 16th September 2024) Drive X Mobility Millennial Solutions Private Limited (ceased to be associate of holding company and became fellow subsidiary with effect from 23rd December, 2024)
Enterprise under common control	Sundaram-Clayton Limited Srinivasan Services Trust
Associate of holding company	Scienaptic Systems Private Limited (upto 27th December 2024) TVS Training And Services Ltd
Non-executive directors	Mr. Venu Srinivasan Mr. Sudarshan Venu Mr. K.N. Radhakrishnan Mr. Sanjiv Chadha (with effect from 22nd November 2024)
Independent directors	Mr. R. Gopalan Mr. B. Sriram Ms. Kalpana Unadkat Ms. Deepali Pant Joshi (with effect from 6th August 2024) Mr. T. C. Suseel Kumar (with effect from 6th August 2024)
Director and CEO	Mr. Ashish Sapra, Director and Chief Executive Officer (Directorship with effect from 22nd November 2024)
Key managerial personnel	Ms. Roopa Sampath Kumar, Chief Financial Officer Mr. Sreejith P, Company Secretary (upto 20th January, 2025) Mr. Chetan Nage, Company Secretary (with effect from 27th January 2025)

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

S.No.	Name of the related party	Nature of Transactions	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
1	TVS Motor Company Limited	Contribution towards issuance of equity shares	282.67	-
		Contribution towards Issuance of compulsory convertible preference share	-	200.00
		Receipt of subvention income	10.11	1.35
		Reimbursement of IT expense	2.46	6.40
		Payment towards business support service	3.70	1.58
		Balance outstanding [Dr/(Cr)]	(0.94)	(6.45)

(All amounts in ₹ crore unless otherwise stated)

**42. Related party disclosure (Contd.)**

S.No.	Name of the related party	Nature of Transactions	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
2	TVS Holdings Limited	Payment towards brand royalty fees	22.87	15.55
		Payment towards business support service	2.82	2.88
		Balance outstanding [Dr/(Cr)]	(0.72)	(6.61)
3	TVS Housing Finance Private Limited	Reimbursement of expenses	0.17	0.14
		Balance outstanding [Dr/(Cr)]	-	-
4	Harita ARC Private Limited	Pre-operative expenses	0.00	0.00
		Balance outstanding [Dr/(Cr)]	0.02	0.01
5	Harita Two Wheeler Mall Private Limited	Pre-operative expenses	0.00	0.00
		Balance outstanding [Dr/(Cr)]	0.02	0.01
6	TVS Digital Pte. Limited	Payment towards software license fees	1.97	2.55
		Payment towards digital advertisement	-	0.06
		Payment towards business support service	0.01	-
		Balance outstanding [Dr/(Cr)]	(0.18)	(0.75)
7	TVS Digital Ltd	Payment towards business support service	0.36	-
		Balance outstanding [Dr/(Cr)]	(0.16)	-
8	Drive X Mobility Millennial Solutions Private Limited	Receipt towards sale of repossessed vehicles	7.87	29.34
		Balance outstanding [Dr/(Cr)]	-	-
9	Sundaram Clayton Limited	Payment towards business support service	1.27	0.31
		Balance outstanding [Dr/(Cr)]	(0.18)	(0.17)
10	Srinivasan Services Trust	Contribution towards corporate social responsibility	10.00	10.00
		Balance outstanding [Dr/(Cr)]	-	-
11	Scienaptic Systems Private Limited	Payment towards business support service	0.89	0.68
		Balance outstanding [Dr/(Cr)]	(0.17)	-
12	TVS Training and Services Limited	Interest on loan received	0.02	0.02
		Loan recovered	0.06	0.05
		Disbursal of loan	-	0.13
		Balance outstanding [Dr/(Cr)]	0.12	0.18

**Remuneration to Key Managerial Personnel\***

Particulars	2024-25	2023-24
Short term benefits	8.69	6.60
Post retirement benefits	0.28	0.23
Share based payment	0.27	-

\*Remuneration to Key Managerial Personnel excludes provision for gratuity, pension and compensated absences, since it is provided on actuarial basis for the Company as a whole.

The Company has not granted any loans or advances in the nature of loans to promoters, directors, key managerial personnel and the related parties, either severally or jointly with any other person, which are (a) repayable on demand; or (b) without specifying any terms or period of repayment.

(All amounts in ₹ crore unless otherwise stated)

**42. Related party disclosure (Contd.)**

**Directors' sitting fees and commission**

Sl. No.	Name of the Director	Nature	2024-25	2023-24
1	Mr. Venu Srinivasan	Sitting fees*	0.00	0.01
		Commission	-	-
2	Mr. K.N. Radhakrishnan	Sitting fees	0.03	0.02
		Commission	-	-
3	Mr. B.Sriram	Sitting fees	0.05	0.02
		Commission	0.20	0.20
4	Mr. R.Gopalan	Sitting fees	0.03	0.02
		Commission	0.20	0.20
5	Ms. Kalpana Unadkat	Sitting fees	0.04	0.02
		Commission	0.20	0.20
6	Mr. V Srinivasa Rangan	Sitting fees	-	0.01
		Commission	-	0.12
7	Ms. Deepali Pant Joshi	Sitting fees	0.01	-
		Commission	0.13	-
8	Mr. T.C. Suseel Kumar	Sitting fees	0.01	-
		Commission	0.13	-
TOTAL			1.03	0.81

- \* The sitting fees paid during year ended 31st March 2025 are below the rounding off norms of the company.
- Transaction values are excluding taxes and duties

(All amounts in ₹ crore unless otherwise stated)

**42. Related party disclosure (Contd.)**

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

**Related party balance outstanding:**

Related party items	Parent (as per ownership or control)		Subsidiaries		Associates / Joint ventures		Entity under common control		KMP*		Relatives of KMP*		Fellow subsidiaries and others		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
<b>Borrowings:</b>																
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Deposits:</b>																
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Placement of deposits:</b>																
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Advances:</b>																
Outstanding at the year end	-	-	-	-	0.12	0.18	-	-	-	-	-	-	-	-	0.12	0.18
Maximum outstanding during the year	-	-	-	-	0.18	0.22	-	-	-	-	-	-	-	-	0.18	0.22
<b>Investments:</b>																
Outstanding at the year end	-	-	12.01	12.01	-	-	-	-	-	-	-	-	-	-	12.01	12.01
Maximum outstanding during the year	-	-	12.01	12.01	-	-	-	-	-	-	-	-	-	-	12.01	12.01



(All amounts in ₹ crore unless otherwise stated)

**42. Related party disclosure (Contd.)**

**Related party transactions during the year:**

Related party items	Parent (as per ownership or control)		Subsidiaries		Associates / Joint ventures		Entity under common control		KMP*		Relatives of KMP*		Others		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Contribution towards issuance of equity shares	282.67	-	-	-	-	-	-	-	-	-	-	-	-	-	282.67	-
Contribution towards Issuance of compulsory convertible preference share	-	200.00	-	-	-	-	-	-	-	-	-	-	-	-	-	200.00
Receipt of subvention income	10.11	1.35	-	-	-	-	-	-	-	-	-	-	-	-	10.11	1.35
Reimbursement of IT expense	2.46	6.40	-	-	-	-	-	-	-	-	-	-	-	-	2.46	6.40
Payment towards business support service	6.52	4.46	-	-	0.89	0.68	1.27	0.31	-	-	-	-	0.36	-	9.04	5.45
Payment towards brand royalty fees	22.87	15.55	-	-	-	-	-	-	-	-	-	-	-	-	22.87	15.55
Reimbursement of expenses	-	-	0.17	0.14	-	-	-	-	-	-	-	-	-	-	0.17	0.14
Pre-operative expenses	-	-	0.01	-	-	-	-	-	-	-	-	-	-	-	0.01	-
Payment towards software license fees	-	-	-	-	-	-	-	-	-	-	-	-	1.97	2.55	1.97	2.55
Payment towards digital advertisement	-	-	-	-	-	-	-	-	-	-	-	-	-	0.06	-	0.06
Receipt towards sale of repossessed vehicles	-	-	-	-	-	-	-	-	-	-	-	-	7.87	29.34	7.87	29.34
Contribution towards corporate social responsibility	-	-	-	-	-	-	10.00	10.00	-	-	-	-	-	-	10.00	10.00
Disbursal of loan	-	-	-	-	-	0.13	-	-	-	-	-	-	-	-	-	0.13
Loan recovered	-	-	-	-	0.06	0.05	-	-	-	-	-	-	-	-	0.06	0.05
Interest on loan received	-	-	-	-	0.02	0.02	-	-	-	-	-	-	-	-	0.02	0.02

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

(All amounts in ₹ crore unless otherwise stated)

**43. Employee stock option plan**

**(A) Employee stock option plan**

The Employee Stock Options Scheme titled "ESOP 2024" or "Plan" was approved by the shareholders of the Company through the special resolution passed on 11th November 2024. The Plan grants upto 5,34,800 options. The Plan allows the issue of options to employees who are permanent employees of the Company which are convertible to one equity share of the Company subject to payment / recovery of requisite exercise price. As per the Plan, the Nomination and Remuneration Committee grants the options to the employees deemed eligible. The options granted vest over a period of 4 years from the date of the grant in proportions specified in the ESOP Plan. The fair value as on the date of the grant of the options, representing stock compensation charge, is expensed over the vesting period.

Details of ESOP granted during the year is as follows:

Plan	No. of options granted	Grant date	No. of options outstanding	Vesting condition and vesting period	Exercise price (Rs.)	Weighted average fair value of the options at the grant date (Rs.)
ESOP 2024	1,55,400	12th November 2024	1,55,400	1461 days	440.00	178.45

**(B) Method used for accounting for share based payment plan**

The Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options granted are estimated on the date of grant using the Black – Scholes Model. The key assumptions used in Black – Scholes Model for calculating fair value as on the date of respective grants are:

Grant date	Weighted average fair value of the options at the grant date	Weighted average share price	Exercise price	Expected volatility*	Option life (years)	Dividend yield (%)	Risk-free interest rate (%)
12th November 2024	178.45	461.54	440.00	33.16%	4	-	6.86%

\* Expected volatility calculation is based on volatility of stock prices of comparable companies on NSE based on ex-dividend price

For the year ended 31st March 2025, the Company has accounted expense of ₹0.27 crore as employee benefits expense (Note no. 32) on the aforementioned employee stock option plan (31st March 2024: Nil)

**(C) Movement in ESOP**

Particulars	As at 31st March 2025		As at 31st March 2024	
	No of options	Weighted average fair value of the options at the grant date (Rs per share)	No of options	Weighted average fair value of the options at the grant date (Rs per share)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	1,55,400	178.45	-	-
Forfeited/ cancelled during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	1,55,400	178.45	-	-
Exercisable at the end of the year	-	-	-	-

Particulars	As at 31st March 2025 (In days)	As at 31st March 2024 (In days)
Weighted average remaining contractual life of options outstanding as at year end	1,321	-

(All amounts in ₹ crore unless otherwise stated)

**44. Additional notes forming part of standalone financial statements for the year ended 31<sup>st</sup> March 2025**

**1. Capital commitments**

Description	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Estimated amount of contracts remaining to be executed on capital account not provided for	13.38	4.47

**2. Other commitments**

Description	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Undrawn Loans sanctioned to borrowers	41.29	63.47

**3. Contingent liabilities not provided for**

Claims against the Company not acknowledged as debts

Description	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Disputed Service Tax and GST demand inclusive of penalty (Pre-deposit of ₹ 0.63 crore)	10.65	9.46
Legal cases filed by borrowers against the Company	13.15	6.15

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 gold loan auction for the Company during FY 24-25 was zero.
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. (a) 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.  
(b) The Company operates primarily within India and therefore there is no separate reportable geographic statement.  
(c) Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the Company's total revenue.
7. The Company has the process, whereby periodically all long-term contracts are assessed for material foreseeable losses. At the year end, Company has reviewed and ensured that adequate provision as required under any law/accounting standard for material foreseeable losses on such long-term contracts have been made in the books of accounts.
8. The Company has no transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
9. The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
10. There have been no significant events after the reporting date that require disclosure in the financial statements.
11. Prior period figures have been regrouped, wherever necessary, to confirm to the current period presentation.

(All amounts in ₹ crore unless otherwise stated)

**44. Additional notes forming part of standalone financial statements for the year ended 31<sup>st</sup> March 2025 (Contd.)**

**12. Disclosure of ratios:**

S.No.	Particulars	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
a.	Current ratio	NA	NA
b.	Total borrowings	24,687.17	22,767.72
	Shareholder's equity	4,947.92	3,865.48
	Debt-equity ratio	4.99	5.89
	[Total borrowings/shareholder's equity]		
c.	Debt service coverage ratio	NA	NA
d.	Return on equity ratio	17.41%	17.27%
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	11.57%	9.87%
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)	20.30%	18.59%
m.	Tier I CRAR (Calculated as per RBI guidelines)	15.84%	12.84%
n.	Tier II CRAR (Calculated as per RBI guidelines)*	4.46%	5.75%
o.	Liquidity Coverage Ratio (LCR) (Calculated as per RBI guidelines)#	288%	236%

\* The Company has issued subordinated debenture of ₹150 crore during the year ended 31<sup>st</sup> March 2025

# Refer disclosure on Liquidity coverage ratio (Note 17.23 (vii))

Notes:

- 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
- Return on Equity Ratio = Profit after tax/Average Network
- Net profit ratio (%) = Profit after tax / Total income

- No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- The Company has not traded or invested in crypto currency or virtual currency during the financial year.

(All amounts in ₹ crore unless otherwise stated)

**44. Additional notes forming part of standalone financial statements for the year ended 31<sup>st</sup> March 2025 (Contd.)**

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

S.No.	Description	Amount outstanding	Amount overdue
		As at 31 <sup>st</sup> March 2025	
	<b>Liabilities</b>		
<b>(1)</b>	<b>Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:</b>		
A	Debentures	-	-
	- Secured	2,625.39	-
	- Unsecured (other than falling within the meaning of public deposits and including subordinated debt)	2,167.10	-
B	Deferred credits	-	-
C	Term loans (including subordinated debt)	18,102.30	-
D	Inter-corporate loans and borrowings	-	-
E	Commercial paper	-	-
F	Other loans:	-	-
	i. Cash credit & WCDL	1,792.38	-
	ii. Securitised trust borrowing	-	-
	<b>Total</b>	<b>24,687.17</b>	<b>-</b>

S.No.	Description	Amount outstanding	Amount overdue
		As at 31 <sup>st</sup> March 2024	
	<b>Liabilities</b>		
<b>(1)</b>	<b>Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid:</b>		
A	Debentures	-	-
	- Secured	1,510.99	-
	- Unsecured (other than falling within the meaning of public deposits and including subordinated debt)	2,110.72	-
B	Deferred credits	-	-
C	Term loans (including subordinated debt)	15,342.12	-
D	Inter-corporate loans and borrowings	-	-
E	Commercial paper	-	-
F	Other loans:	-	-
	i. Cash credit & WCDL	3,803.89	-
	ii. Securitised trust borrowing	-	-
	<b>Total</b>	<b>22,767.72</b>	<b>-</b>

(All amounts in ₹ crore unless otherwise stated)

**44. Additional notes forming part of standalone financial statements for the year ended 31<sup>st</sup> March 2025 (Contd.)**

S.No.	Description	Amount outstanding as at 31 <sup>st</sup> March 2025	Amount outstanding as at 31 <sup>st</sup> March 2024
	<b>Assets</b>		
(2)	<b>Break-up of loans and advances including bills receivable (other than those included in (4) below) :</b>		
(a)	Secured	21,918.72	20,897.00
(b)	Unsecured considered good	5,260.70	5,509.31
(3)	<b>Break-up of leased assets and stock on hire and other assets counting towards AFC activities:</b>		
	(i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	-	-
	(b) Operating lease	-	-
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	-	-
	(b) Repossessed assets	-	-
	(iii) Other Loan counting towards AFC activities:		
	(a) Loans where assets have been repossessed	-	-
	(b) Loans other than (a) above	-	-
	<b>Total</b>	<b>27,179.42</b>	<b>26,406.31</b>

S.No.	Description	Amount outstanding	Amount overdue
		As at 31 <sup>st</sup> March 2025	
(4)	<b>Current Investments:</b>		
	1. Quoted:		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	282.12	93.46
	(v) Others	-	-
	2. Unquoted:		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-
	<b>Long-term Investments:</b>		
	1. Quoted:		
	(i) Shares: (a) Equity	-	-
	(b) Preference	-	-
	(ii) Debentures and Bonds	-	-
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others	-	-



(All amounts in ₹ crore unless otherwise stated)

**44. Additional notes forming part of standalone financial statements for the year ended 31<sup>st</sup> March 2025 (Contd.)**

S.No.	Description	Amount outstanding	Amount overdue
		As at 31 <sup>st</sup> March 2025	
	2. Unquoted:		
	(i) Shares: (a) Equity	12.00	12.00
	(b) Preference	-	-
	(ii) Debentures and Bonds	0.25	0.25
	(iii) Units of Mutual Funds	-	-
	(iv) Government Securities	-	-
	(v) Others (Alternate investment fund)	5.38	4.00
	<b>Total</b>	<b>299.75</b>	<b>109.71</b>

<b>(5)</b>	<b>Borrower group-wise classification of assets financed as in (2) and (3) above</b>			
	Category	Amount (Net of provisions for non-performing assets)		
		Secured	Unsecured	Total
	1. Related Parties			
	(a) Subsidiaries	-	-	-
	(b) Companies in the same group	2.22	-	2.22
	(c) Other related parties	-	-	-
	2. Other than related parties	21,448.38	5,153.48	26,601.86
	<b>Total</b>	<b>21,450.60</b>	<b>5,153.48</b>	<b>26,604.08</b>

<b>(6)</b>	<b>Investor group-wise classification of all investments (current and long-term) in shares and securities (both quoted and unquoted)</b>			
	Category	Market value/ Breakup of fair value of NAV	Book value (Net of provisions)	
1	Related parties			
	(a) Subsidiaries	12.00		12.00
	(b) Companies in the same group	-		-
	(c) Other related parties	-		-
2	Other than related parties	287.75		97.71
	<b>Total</b>	<b>299.75</b>		<b>109.71</b>

<b>(7)</b>	<b>Other Information</b>		<b>Amount</b>
(i)	Gross non-performing assets		
	(a) Related Parties		-
	(b) Other than related parties		1,338.63
(ii)	Net Non-performing assets		-
	(a) Related Parties		-
	(b) Other than related parties		763.29
(iii)	Assets acquired in satisfaction of debt		-

(All amounts in ₹ crore unless otherwise stated)

**44. Additional notes forming part of standalone financial statements for the year ended 31<sup>st</sup> March 2025 (Contd.)**

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

**(A) Capital adequacy ratio**

Description	2024-25	2023-24
Tier I capital	4,592.73	3,596.18
Tier II capital	1,293.60	1,611.84
<b>Total capital</b>	<b>5,886.33</b>	<b>5,208.02</b>
<b>Total risk weighted assets</b>	<b>28,986.83</b>	<b>28,013.47</b>
Amount of subordinated debt as Tier II capital (Discounted value)	1,089.60	1,329.40
<b>Capital ratios</b>		
Tier I capital as a percentage of total risk weighted assets (%)	15.84%	12.84%
Tier II capital as a percentage of total risk weighted assets (%)	4.46%	5.75%
<b>Total (%)</b>	<b>20.30%</b>	<b>18.59%</b>
Amount of perpetual debt raised and qualifying as Tier I capital during the year	-	-
Amount of subordinated debt raised and qualifying as Tier II capital during the year	150.00	500.00

**(B) Investment**

S.No.	Description	2024-25	2023-24
<b>1.</b>	<b>Value of investments</b>		
	i) Gross value of investments		
	a) In India	299.75	109.71
	b) Outside India	-	-
	ii) Provision for depreciation		
	a) In India	-	-
	b) Outside India	-	-
	iii) Net value of investments		
	a) In India	299.75	109.71
	b) Outside India	-	-
<b>2.</b>	<b>Movement of provisions held towards depreciation on investments</b>		
	i) Opening Balance	-	-
	ii) Add: Provisions made during the year	-	-
	iii) Less: Write off/write back of excess provisions during the year	-	-
	iv) Closing balance	-	-

**(C) Derivative**

The Company has fully hedged all its foreign currency borrowing at the time of drawal of each loan.

(All amounts in ₹ crore unless otherwise stated)

**44. Additional notes forming part of standalone financial statements for the year ended 31<sup>st</sup> March 2025 (Contd.)**

**(D) Exposure to Real estate sector, both direct and indirect**

Description	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
<b>(i) Direct exposure</b>		
<b>(a) Residential mortgages -</b>		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	2.88	2.55
<b>(b) Commercial real estate -</b>	-	
Lending secured by mortgages on commercial real estates (office building, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc.).	1.86	2.80
<b>(c) Investments in Mortgage backed securities (MBS) and other securitised exposures-</b>		
a. Residential	-	-
b. Commercial Real Estate	-	-
<b>(ii) Indirect exposure</b>		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFC's)	-	-
<b>Total exposure to real estate sector</b>	<b>4.74</b>	<b>5.35</b>

**(E) Exposure to capital market**

S.No.	Description	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
i	Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt.	0.25	0.25
ii	Advances against shares/bonds/debentures or other securities or on clean basis to individuals for investment in shares (including IPOs/ ESOPs), convertible bonds, convertible debentures and units of equity-oriented mutual funds.	-	-
iii	Advances for any other purpose where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as a primary security.	-	-
iv	Advances for any other purpose to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares/convertible bonds/convertible debentures/units of equity oriented mutual funds does not fully cover the advances.	-	-
v	Secured and unsecured advances to stock brokers and guarantees issued on behalf of stock brokers and market makers.	-	-
vi	Loans sanctioned to corporates against the security of shares/bonds/ debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources.	-	-
vii	Bridge loans to companies against expected equity flows/issues.	-	-
viii	All exposures to Venture Capital Funds (both registered and unregistered)	-	-
ix	Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	-	-
x	Financing to stockbrokers for margin trading	-	-
xi	All exposures to Alternative investment funds:		
	(i) Category I	6.00	4.00
	(ii) Category II	-	-
	(iii) Category III	-	-
	<b>Total exposure to capital market</b>	<b>6.25</b>	<b>4.25</b>

(All amounts in ₹ crore unless otherwise stated)

**44. Additional notes forming part of standalone financial statements for the year ended 31<sup>st</sup> March 2025 (Contd.)**

**(F) Disclosure on sectoral exposures**

S.No.	Sector	2024-25			2023-24		
		Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPA	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPA	Percentage of Gross NPAs to total exposure in that sector
1	Agriculture and allied activities	4,726.15	560.49	11.86%	5,817.28	700.62	12.04%
2	Industry						
	i. MSME	2,186.66	58.85	2.69%	1,216.86	1.84	0.15%
	ii. Other	147.01	6.04	4.11%	214.85	11.89	5.53%
	<b>Total</b>	<b>2,333.67</b>	<b>64.89</b>	<b>2.78%</b>	<b>1,431.71</b>	<b>13.73</b>	<b>0.96%</b>
3	Services	-	-	-	-	-	-
4	Personal loans	4,616.42	177.29	3.84%	4,803.36	179.40	3.73%
5	Others						
	i. Vehicles	11,608.62	460.63	3.97%	11,641.22	371.33	3.19%
	ii. Consumer durable	3,689.42	74.71	2.02%	2,488.52	35.15	1.41%
	iii. Advance to dealers	184.25	0.68	0.37%	223.57	4.75	2.13%
	iv. Other	20.89	-	-	0.65	-	-
	<b>Total</b>	<b>15,503.18</b>	<b>536.02</b>	<b>3.46%</b>	<b>14,353.96</b>	<b>411.23</b>	<b>2.86%</b>
	<b>Grand total</b>	<b>27,179.42</b>	<b>1,338.69</b>	<b>4.93%</b>	<b>26,406.31</b>	<b>1,304.98</b>	<b>4.94%</b>

**(G) Disclosure on intra-group exposures**

Description	2024-25	2023-24
Total amount of intra-group exposures	2.22	2.31
Total amount of top 20 intra-group exposures	2.22	2.31
Percentage of intra-group exposures to total exposure of the NBFC on borrower/customers	0.01%	0.01%

The above disclosure in notes 44.17.2C to 44.17.2G also covers disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24.

**(H) Asset liability management maturity pattern of certain items of assets and liabilities**

As at 31 <sup>st</sup> March 2025										
Time Bucket	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years
Deposits	-	-	-	-	-	-	5.95	-	-	-
Advances	865.98	577.32	618.56	1,660.15	1,804.89	3,618.33	5,514.24	10,193.00	2,043.45	283.50
Investments	-	-	-	-	-	-	282.12	-	-	17.63
Borrowings	98.21	14.12	300.35	546.88	1,074.82	3,152.20	6,577.72	11,127.12	1,346.52	150.00
Foreign currency assets	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	299.22	-	-

(All amounts in ₹ crore unless otherwise stated)

**44. Additional notes forming part of standalone financial statements for the year ended 31<sup>st</sup> March 2025 (Contd.)**

As at 31 <sup>st</sup> March 2024										
Time Bucket	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 months up to 6 months	Over 6 months up to 1 year	Over 1 year up to 3 years	Over 3 years up to 5 years	Over 5 years
Deposits	-	-	-	-	-	-	5.90	-	-	-
Advances	781.41	520.94	558.15	1,433.43	1,608.64	3,163.49	5,065.92	10,643.51	2,379.45	251.37
Investments	-	-	-	-	-	-	93.46	-	-	16.25
Borrowings	0.09	-	468.90	280.43	846.75	1,779.51	7,252.75	9,034.07	1,767.18	500.03
Foreign currency assets	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	838.01	-	-	-

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

There were 20 cases of frauds amounting to ₹ 0.47 crore reported during the year. (Previous year 7 cases amounting to ₹ 0.93 crore).

**17.3 Disclosure-relating securitisation**

**(a) Outstanding amount of securitised assets of as per books of SPVs**

S.No.	Description	2024-25	2023-24
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)

**44. Additional notes forming part of standalone financial statements for the year ended 31<sup>st</sup> March 2025 (Contd.)**

(b) The value of "excess interest spread receivable" and "unrealized gain" on securitization transactions undertaken in terms of guidelines on securitization transaction issued by Reserve bank of India on 21<sup>st</sup> August, 2012 are given below:

S.No.	Description	2024-25		2023-24	
		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	2024-25	2023-24
No. of accounts	-	17,184.00
Aggregate value (net of provisions) of accounts sold to SC/RC	-	8.40
Aggregate consideration	-	7.66
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain/loss over net book value	-	(0.74)

**(d) Details of assignment transactions undertaken by NBFCs**

Description	2024-25	2023-24
No. of accounts	-	-
Aggregate value (net of provisions) of accounts sold	-	-
Aggregate consideration	-	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-
Aggregate gain/loss over net book value	-	-

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

S.No.	Movement of NPA	2024-25	2023-24
(I)	<b>Net NPA to Net advances (%)</b>	<b>2.87%</b>	<b>2.89%</b>
(II)	<b>Movement of gross NPA*</b>		
	a. Opening balance	1,304.98	910.02
	b. Additions during the year	1,554.26	1,411.17
	c. Reductions during the year	500.10	409.31
	d. Write off during the year	1,020.45	606.90
	e. Closing balance	1,338.69	1,304.98
(III)	<b>Movement of net NPA</b>		
	a. Opening balance	748.26	552.53
	b. Additions during the year	1,078.09	1,056.51
	c. Reductions during the year	42.55	253.88
	d. Write off during the year	1,020.45	606.90
	e. Closing balance	763.35	748.26
(IV)	<b>Movement of provision for NPAs*</b>		
	a. Opening balance	556.72	357.49
	b. Provisions made during the year	476.10	354.66
	c. Reductions/Write off during the year	457.49	155.43
	d. Closing balance	575.33	556.72



(All amounts in ₹ crore unless otherwise stated)

**44. Additional notes forming part of standalone financial statements for the year ended 31<sup>st</sup> March 2025 (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 / harmonized 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, 2025, 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 mentioned above includes Restructured contracts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June 2019

**(b) Details of resolution plan implemented under the Resolution Framework for COVID-19-related Stress as per RBI circular dated 6th August, 2020 and RBI/2021-22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated 5th May, 2021 are given below:**

	(A)	(B)	(C)	(D)	(E)
Type of Borrower	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of previous half-year (A)	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year	Of (A), amount paid by borrowers during the half-year	Exposure to accounts classified as standard consequent to implementation of resolution plan - position as at the end of this half-year (A)
Personal loans	4.36	0.26	0.01	1.73	2.36
Corporate persons	0.93	0.75	-	0.18	-
Of which, MSMEs	0.93	0.75	-	0.18	-
Others	-	-	-	-	-
<b>Total</b>	<b>5.29</b>	<b>1.01</b>	<b>0.01</b>	<b>1.91</b>	<b>2.36</b>

**(c) Disclosure on restructured accounts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June, 2019**

Particulars	Amount
Restructured loans as on 1 <sup>st</sup> April 2024	Amount outstanding 14.23
	Provision thereon 5.98
Fresh restructuring during the year	Amount outstanding -
	Provision thereon -
Reductions during the year	Amount outstanding 3.50
	Provision thereon 1.77
Write-off of restructured accounts during the year	Amount outstanding 8.20
	Provision thereon 3.04
Restructured loans as on 31 <sup>st</sup> March 2025	Amount outstanding 2.53
	Provision thereon 1.17

(All amounts in ₹ crore unless otherwise stated)

**44. Additional notes forming part of standalone financial statements for the year ended 31<sup>st</sup> March 2025 (Contd.)**

**(d) Provisions and contingencies**

Break-up of 'Provisions and contingencies' shown under the head expenditure in Statement of Profit and Loss

Description	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Provision for depreciation on investments	-	-
Provision/Impairment allowance towards NPA (Net)	32.11	190.23
Provision/Impairment allowance towards standard assets	(87.60)	26.78
Provision/Impairment allowance on trade receivables & other financial assets	1.20	2.38
Provision made towards income tax	323.80	307.64
<b>Total</b>	<b>269.51</b>	<b>527.03</b>

**17.5 Disclosure as required by DOR (NBFC).CC.PD.No.109/22.10.106/2019-20  
Comparison between ECL as per books and RBI provision  
As at 31<sup>st</sup> March 2025**

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS 109	Loss allowances (Provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
<b>Performing assets</b>						
Standard	Stage 1	25,000.22	204.00	24,796.22	100.00	104.00
Standard	Stage 2	840.51	101.25	739.26	3.36	97.89
<b>Subtotal for standard</b>		<b>25,840.73</b>	<b>305.25</b>	<b>25,535.48</b>	<b>103.36</b>	<b>201.89</b>
<b>Non-performing assets (NPA)</b>						
Substandard	Stage 1	55.60	5.44	50.16	7.56	(2.12)
Substandard	Stage 2	416.77	121.09	295.68	63.89	57.20
Substandard	Stage 3	585.51	321.38	264.13	105.08	216.30
<b>Subtotal for substandard</b>		<b>1,057.88</b>	<b>447.91</b>	<b>609.97</b>	<b>176.53</b>	<b>271.38</b>
Doubtful 1- upto 1 year	Stage 1	10.93	1.26	9.67	2.77	(1.51)
Doubtful 1- upto 1 year	Stage 2	72.39	22.37	50.02	24.77	(2.40)
Doubtful 1- upto 1 year	Stage 3	194.74	102.13	92.61	63.70	38.43
Doubtful 2- 1 to 3 years	Stage 1	0.01	0.00	0.01	0.00	0.00
Doubtful 2- 1 to 3 years	Stage 3	2.31	1.48	0.83	0.93	0.55
Doubtful 3- More than 3 years	Stage 2	0.01	0.00	0.01	0.01	(0.01)
Doubtful 3- More than 3 years	Stage 3	0.42	0.18	0.24	0.22	(0.04)
<b>Subtotal for doubtful</b>		<b>280.81</b>	<b>127.42</b>	<b>153.40</b>	<b>92.40</b>	<b>35.02</b>
Loss	Stage 3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>1,338.69</b>	<b>575.33</b>	<b>763.37</b>	<b>268.93</b>	<b>306.40</b>
<b>Total</b>	<b>Stage 1</b>	<b>25,066.76</b>	<b>210.70</b>	<b>24,856.07</b>	<b>110.33</b>	<b>100.37</b>
	<b>Stage 2</b>	<b>1,329.68</b>	<b>244.71</b>	<b>1,084.97</b>	<b>92.03</b>	<b>152.68</b>
	<b>Stage 3 *</b>	<b>782.98</b>	<b>425.17</b>	<b>357.81</b>	<b>169.93</b>	<b>255.24</b>
	<b>Total</b>	<b>27,179.42</b>	<b>880.58</b>	<b>26,298.84</b>	<b>372.29</b>	<b>508.29</b>

\*Includes restructured contracts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June 2019 irrespective of days past due on the reporting date.

(All amounts in ₹ crore unless otherwise stated)

**44. Additional notes forming part of standalone financial statements for the year ended 31<sup>st</sup> March 2025 (Contd.)**

**As at 31<sup>st</sup> March 2024**

Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS 109	Loss allowances (Provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
<b>Performing assets</b>						
Standard	Stage 1	24,276.24	282.43	23,993.81	97.10	185.33
Standard	Stage 2	825.09	96.91	728.18	3.30	93.61
<b>Subtotal for standard</b>		<b>25,101.33</b>	<b>379.34</b>	<b>24,721.99</b>	<b>100.40</b>	<b>278.94</b>
<b>Non-performing assets (NPA)</b>						
Substandard	Stage 1	70.76	6.08	64.68	9.61	(3.53)
Substandard	Stage 2	426.60	139.46	287.14	65.46	74.00
Substandard	Stage 3	564.76	302.36	262.40	105.62	196.74
<b>Subtotal for substandard</b>		<b>1,062.12</b>	<b>447.90</b>	<b>614.22</b>	<b>180.69</b>	<b>267.21</b>
Doubtful 1- up to 1 year	Stage 1	10.58	0.96	9.62	2.81	(1.85)
Doubtful 1- up to 1 year	Stage 2	54.24	17.17	37.07	16.37	0.80
Doubtful 1- up to 1 year	Stage 3	176.01	89.30	86.71	57.43	31.87
Doubtful 2- 1 to 3 years	Stage 3	1.77	1.28	0.49	0.84	0.44
Doubtful 3- More than 3 years	Stage 3	0.26	0.12	0.14	0.16	(0.04)
<b>Subtotal for doubtful</b>		<b>242.86</b>	<b>108.83</b>	<b>134.03</b>	<b>77.61</b>	<b>31.22</b>
Loss	Stage 3	-	-	-	-	-
<b>Subtotal for NPA</b>		<b>1,304.98</b>	<b>556.73</b>	<b>748.25</b>	<b>258.30</b>	<b>298.43</b>
<b>Total</b>	<b>Stage 1</b>	<b>24,357.58</b>	<b>289.47</b>	<b>24,068.11</b>	<b>109.52</b>	<b>179.95</b>
	<b>Stage 2</b>	<b>1,305.93</b>	<b>253.54</b>	<b>1,052.39</b>	<b>85.13</b>	<b>168.41</b>
	<b>Stage 3</b>	<b>742.80</b>	<b>393.06</b>	<b>349.74</b>	<b>164.05</b>	<b>229.01</b>
	<b>Total</b>	<b>26,406.31</b>	<b>936.07</b>	<b>25,470.24</b>	<b>358.70</b>	<b>577.37</b>

In terms of the above notification on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and Income Recognition, Asset Classification and Provisioning (IRACP) norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning), as at 31<sup>st</sup> March 2025 and as at 31<sup>st</sup> March 2024 and accordingly, no amount is required to be transferred to Impairment reserve.

**17.6 Concentration of advances, exposures & NPAs**

**(a) Concentration of advances**

Description	2024-25	2023-24
Total advances to twenty largest borrowers	121.15	108.18
Percentage of advances to twenty largest borrowers to total advances	0.45%	0.41%

**(b) Concentration of exposures**

Description	2024-25	2023-24
Total exposures to twenty largest borrowers/customers	121.15	108.18
Percentage of exposures to twenty largest borrowers to total exposures	0.45%	0.41%

**(c) Concentration of NPAs**

Description	2024-25	2023-24
Total exposure to top four NPA accounts	7.34	7.68

(All amounts in ₹ crore unless otherwise stated)

**44. Additional notes forming part of standalone financial statements for the year ended 31<sup>st</sup> March 2025 (Contd.)**

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

Description	2024-25	2023-24
No. of complaints pending at the beginning of the year	109	156
No. of complaints received during the year	4,505	3,960
No. of complaints disposed during the year	4,482	4,007
of which No. of complaints rejected by the NBFC	79	45
No. of complaints pending at the end of the year	132	109

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

Description	2024-25	2023-24
No. of complaints received by the NBFC from the office of Ombudsman	416	369
No. of complaints resolved in favour of the NBFC by office of Ombudsman	406	362
No. of complaints resolved after passing of awards by office of Ombudsman against the NBFC	-	-
No. of complaints resolved through conciliation/mediation/advisories issued by office of Ombudsman	10	7
Number of awards unimplemented within the stipulated time (other than those appealed)	-	-

**c. Details of awards unimplemented within the stipulated time**

Description	2024-25	2023-24
No. of awards unimplemented within the stipulated time (other than those appealed)	-	-

**d. Top five grounds of complaints received by the NBFCs from customers**

Grounds of complaints	No. of complaints pending at the beginning of the Year	No. of complaints received during the year	% Increase/ Decrease in the no. of complaints received over the previous year	No. of complaints pending at the end of the year	No. of complaints pending beyond 30 Days
<b>2024-25</b>					
(a) Staff interaction related	22	851	4%	21	-
(b) Sourcing Related	14	44	(85%)	1	-
(c) Levy of charges related	1	161	(14%)	2	1
(d) SMS calls related	3	228	73%	4	-
(e) Loan Application related	-	-	(100%)	-	-
(f) Others	69	3,221	30%	104	-
<b>2023-24</b>					
(a) Staff interaction related	19	816	63%	22	-
(b) Sourcing Related	20	299	(15%)	14	-
(c) Levy of charges related	8	187	(63%)	1	-
(d) SMS calls related	9	132	(61%)	3	-
(e) Loan Application related	6	47	(85%)	-	-
(f) Others	94	2,479	0%	69	10

The above disclosure in note 44.17.7 also covers disclosure pursuant to Scale Based Regulation (SBR) disclosure requirements vide notification no. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24.

(All amounts in ₹ crore unless otherwise stated)

**44. Additional notes forming part of standalone financial statements for the year ended 31<sup>st</sup> March 2025 (Contd.)**

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

**Details of stressed loans transferred during the year ended 31<sup>st</sup> March 2025:**

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

**Details of stressed loans transferred during the year ended 31<sup>st</sup> March 2024:**

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

In addition to above the Company has transferred written off loans amounting to ₹ 654.00 crore for consideration of ₹ 78.48 crore in FY 23-24.

**Details of stressed loans acquired\*:**

Description	2024-25	2023-24
No. of accounts	-	448
Aggregate outstanding	-	15.5
Aggregate consideration received	-	15.5

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





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FUNDING

**MINIMAL**  
DOCUMENTATION

**INSTANT\***  
APPROVAL

(All amounts in ₹ crore unless otherwise stated)

**44. Additional notes forming part of standalone financial statements for the year ended 31<sup>st</sup> March 2025 (Contd.)**

**17.9 Registration under other regulators**

S.No.	Regulator	Registration No.
1	Ministry of Company Affairs	CIN:U65920TN2008PLC069758
2	Reserve Bank of India	Certificate of Registration dt 13/04/2010 No. 07-00783

**17.10 Disclosure of penalties imposed by RBI and other regulators**

No penalties have been imposed by RBI and other regulators during the year ended 31<sup>st</sup> March 2025 and 31<sup>st</sup> March 2024

**17.11 Details of financing of parent company products**

During the year the Company has financed 6,20,637 nos. of two wheelers and 5,360 nos. of three wheelers of TVS Motor Company Limited as against 6,22,101 nos. of two wheelers and 1,657 nos. of three wheelers during the year ended 31<sup>st</sup> March, 2024.

**17.12 Ratings assigned by credit rating agencies**

Rating agency	Facility	2024-25	2023-24
Care Ratings	Long term bank facilities	CARE AA+ /(Stable)	-
	Non-convertible debentures	CARE AA+ /(Stable)	-
ICRA	Long term bank facilities	ICRA AA+ /(Stable)	ICRA AA /(Stable)
	Short-term bank facilities	ICRA A1+	ICRA A1+
	Subordinated debt	ICRA AA+ /(Stable)	ICRA AA /(Stable)
	Perpetual debt (Tier I)	ICRA AA /(Stable)	ICRA AA- /(Stable)
	Commercial paper	ICRA A1+	ICRA A1+
CRISIL*	Long term rating - bank loan facilities	CRISIL AA+ /(Stable)	CRISIL AA /(Stable)
	Short term rating - bank loan facilities	CRISIL A1+	CRISIL A1+
	Non-convertible debentures	CRISIL AA+ /(Stable)	CRISIL AA /(Stable)
	Tier II Bond	CRISIL AA+ /(Stable)	CRISIL AA /(Stable)
	Perpetual bonds (Tier I)	CRISIL AA /(Stable)	CRISIL AA- /(Stable)
	Commercial paper	CRISIL A1+	CRISIL A1+
Brickwork Ratings	Subordinated debt (Tier II)	BWR AA+ /(Stable)	BWR AA /(Stable)

\* CRISIL has upgraded the rating vide its rationale dated 9<sup>th</sup> April 2025.

**17.13 Details of single borrower limits (SBL)/group borrower limits (GBL) exceeded**

The Company has not exceeded the single borrower limit and group borrower limit as set by Reserve Bank of India for the year ended 31<sup>st</sup> March 2025.

**17.14 Advance against intangible securities**

The Company has not given any loans against intangible securities.

**17.15 Unsecured advances**

Gross loans and advances includes unsecured advances of ₹ 5,260.70 crore (31<sup>st</sup> March 2024 : ₹ 5,509.31 crore). There are no advances secured against intangible assets.

**17.16 Related Party Transactions**

Refer Note 42 to Ind AS financial statements.

(All amounts in ₹ crore unless otherwise stated)

**44. Additional notes forming part of standalone financial statements for the year ended 31<sup>st</sup> March 2025 (Contd.)**

**17.17 Derivatives**

**1. Forward rate agreement/Interest rate swap**

S.No.	Description	2024-25	2023-24
(i)	The notional principal of swap agreements	300.13	751.50
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
(iii)	Collateral required by the NBFC upon entering into swaps	-	-
(iv)	Concentration of credit risk arising from the swaps	-	-
(v)	The fair value of the swap books	297.89	842.17

**2. Exchange traded interest rate (IR) derivatives**

S.No.	Description	Amount
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument wise)	-
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31st March, 2024 (instrument wise)	-
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)	-
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument -wise)	-

**3. Disclosure on risk exposure in derivatives**

Towards the foreign currency loan availed, the Company has taken forward cover to hedge the foreign current risks and cross currency interest rate swap.

S.No.	Description	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
i)	Outstanding derivatives For hedging (Currency/Interest rate derivatives)	297.89	842.17
ii)	Marked to market positions		
a)	Asset (+)	-	90.67
b)	Liability (-)	2.24	-
iii)	Credit exposure	300.13	751.50
iv)	Unhedged exposures	-	-

**17.18 Overseas assets (for those with JV and Subsidiaries abroad)**

There are no overseas assets owned by the Company during the year ended 31st March 2025 and 31st March 2024

**17.19 Drawdown from Reserves**

No draw down from reserves existed for the year ended 31st March 2025 and 31st March 2024.

**17.20 Off balance sheet SPV sponsored**

There are no SPVs which are required to be consolidated by the Company during the year ended 31st March 2025 and 31st March 2024.

**17.21** There are no prior period items accounted during the year.

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



(All amounts in ₹ crore unless otherwise stated)

**44. Additional notes forming part of standalone financial statements for the year ended 31<sup>st</sup> March 2025 (Contd.)**

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

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

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Number of significant counter parties*	19	19
Amount (₹ in Cr)	23,212.04	20,041.90
Percentage of funding concentration to total deposits	NA	NA
Percentage of funding concentration to total liabilities**	88.92%	82.57%

\* Significant counterparty is defined as a single counterparty or group of connected or affiliated counterparties accounting in aggregate for more than 1% of the NBFC's total liabilities.

\*\* Total Liabilities have been computed as sum of all balance sheet liabilities excluding share capital and reserves.

**(ii) Top 20 large deposits (amount in crore and % of total deposits) - NA**

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

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Total amount of top 10 borrowings	19,092.77	16,677.05
Percentage of amount of top 10 borrowings to total borrowings	77.34%	73.25%

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

Particulars	As at 31 <sup>st</sup> March 2025	Percentage of total liabilities	As at 31 <sup>st</sup> March 2024	Percentage of total liabilities
Term loans from banks	16,757.81	64.20%	13,559.32	55.86%
Term loan from financial institution	943.06	3.61%	842.55	3.47%
External commercial borrowings	299.22	1.15%	838.01	3.45%
Sub-ordinated debts	2,165.74	8.30%	2,109.39	8.69%
Non-convertible debentures	2,625.39	10.06%	1,510.99	6.23%
Working capital demand loan	1,792.35	6.87%	3,803.80	15.67%

\* A "Significant instrument/product" is defined as a single instrument/product of group of similar instruments/products which in aggregate amount to more than 1% of the NBFC's total liabilities.

(All amounts in ₹ crore unless otherwise stated)

**44. Additional notes forming part of standalone financial statements for the year ended 31<sup>st</sup> March 2025 (Contd.)**

**(v) Stock Ratios**

S.No.	Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
1.	Commercial papers as a % of total public funds	0.00%	0.00%
2.	Commercial papers as a % of total liabilities	0.00%	0.00%
3.	Commercial papers as a % of total assets	0.00%	0.00%
4.	Non-convertible debentures (original maturity of less than one year) as a % of total public funds	NA	NA
5.	Non-convertible debentures (original maturity of less than one year) as a % of total liabilities	NA	NA
6.	Non-convertible debentures (original maturity of less than one year) as a % of total assets	NA	NA
7.	Other short- term Liabilities as a % of total public funds	53.00%	56.67%
8.	Other short- term Liabilities as a % of total liabilities	50.12%	53.15%
9.	Other short- term Liabilities as a % of total assets	42.14%	45.85%

\* 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**

Liquidity refers to the Company's ability to fund asset growth and meet both anticipated and unforeseen cash flow and collateral obligations in a timely manner, at a reasonable cost, and without incurring unacceptable losses. Liquidity risk arises when the Company is unable to meet such obligations as they fall due because of mismatches in the timing of cash flows under both normal and stress scenarios, potentially impairing its financial condition. Effective liquidity risk management helps ensure the company's ability to meet its obligations as and when they fall due and reduces the probability of an adverse situation developing.

At TVS Credit, liquidity risk management is governed by the Company's Asset Liability Management (ALM) Policy approved by the Board. The ALM policy outlines the principles, processes, and responsibilities related to liquidity risk management. The Company constituted an Asset Liability Management Committee (ALCO) as per guidelines issued by the RBI to NBFCs. ALCO provides strategic direction and guidance on liquidity and interest rate risk management within the framework approved by the Board. ALCO reviews the current and projected liquidity position, adequacy and diversification of funding sources, asset-liability mismatches, contingency funding plan, liquidity stress testing and interest rate risk management, among other responsibilities.

To implement ALCO directives, an ALM support group is formed, which is responsible for the day-to-day monitoring of the Company's liquidity management including short-term investments. This includes daily oversight of liquidity levels to ensure sufficient buffers for both business and contingency needs. The team monitors the concentration of borrowings across counterparties, instruments, and reviews ALM and Interest Rate Sensitivity (IRS) mismatches monthly to ensure compliance with internal and regulatory limits. It also monitors "Stock" ratios, manages the Company's collateral position, and regularly assesses the availability of unencumbered assets to support both expected and unexpected funding requirements. Furthermore, the team ensures that internal systems, controls, and procedures remain aligned with the ALM Policy.

**(vii) Disclosure on Liquidity coverage ratio (LCR)**

The Liquidity Coverage Ratio (LCR) is a key compliance requirement for NBFCs. Its objective is to ensure short-term resilience of the liquidity risk profile of the NBFCs by way of maintenance of adequate High Quality Liquid Assets (HQLA) to survive a significant financial/economic stress scenario lasting for thirty days period. The Company is maintaining adequate liquidity to honor its commitments. Additionally, the Company has unutilized sanctioned lines of credits from banks to meet liquidity needs.

The key drivers for computing the LCR are as follows. Cash outflows under secured wholesale funding and unsecured wholesale funding include contractual obligations payable under various secured and unsecured borrowings respectively within the next 30 days. Inflows from fully performing exposures include the collection from performing advances in the next 30 days. Other Cash inflows include inflows from investments in fixed deposits, mutual funds and other cash inflows not covered under other line items. The LCR has been consistently maintained above 100% through the year which is well over the regulatory threshold of 100% (85 % upto 30th November, 2024).

(All amounts in ₹ crore unless otherwise stated)

**44. Additional notes forming part of standalone financial statements for the year ended 31<sup>st</sup> March 2025 (Contd.)**

S.No.	Particulars	Q1 FY25		Q2 FY25		Q3 FY25		Q4 FY25	
		Total unweighted value (average) (i)	Total weighted value (average) (ii)	Total unweighted value (average) (i)	Total weighted value (average) (ii)	Total unweighted value (average) (i)	Total weighted value (average) (ii)	Total unweighted value (average) (i)	Total weighted value (average) (ii)
	<b>High quality liquid assets</b>								
1	Total high quality liquid assets (HQLA)	675.03	675.03	730.32	730.32	923.32	923.32	1,210.05	1,210.05
	<b>Cash outflows</b>								
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding (iii)	-	-	138.59	159.38	252.72	290.63	216.67	249.17
4	Secured wholesale funding (iv)	498.20	572.93	670.38	770.93	877.86	1,009.54	714.61	821.80
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	388.04	446.25	451.23	518.91	455.82	524.19	432.00	496.80
7	Other contingent funding obligations	69.18	79.55	80.11	92.13	83.37	95.88	100.00	115.00
8	<b>Total cash outflows</b>	<b>955.42</b>	<b>1,098.73</b>	<b>1,340.31</b>	<b>1,541.35</b>	<b>1,669.77</b>	<b>1,920.23</b>	<b>1,463.28</b>	<b>1,682.77</b>
	<b>Cash inflows</b>								
9	Secured lending	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	1,619.63	1,214.72	1,522.87	1,142.15	1,741.62	1,306.21	1,700.01	1,275.01
11	Other cash inflows	920.05	690.04	1,513.59	1,135.19	1,597.28	1,197.96	2,313.33	1,735.00
12	<b>Total cash inflows</b>	<b>2,539.68</b>	<b>1,904.76</b>	<b>3,036.46</b>	<b>2,277.34</b>	<b>3,338.90</b>	<b>2,504.17</b>	<b>4,013.34</b>	<b>3,010.01</b>

		Q1 FY25 Total adjusted value	Q2 FY25 Total adjusted value	Q3 FY25 Total adjusted value	Q4 FY25 Total adjusted value
	<b>TOTAL HQLA</b>	675.03	730.32	923.32	1,210.05
	<b>TOTAL NET CASH OUTFLOWS</b> (Weighted value of total cash outflows – Minimum of (Weighted value of total cash inflows, 75% of weighted value of total cash outflows))	274.68	385.34	480.06	420.69
	<b>LIQUIDITY COVERAGE RATIO (%)</b>	246%	190%	192%	288%



(All amounts in ₹ crore unless otherwise stated)

**44. Additional notes forming part of standalone financial statements for the year ended 31<sup>st</sup> March 2025 (Contd.)**

S.No.	High quality liquid assets (HQLA)	Q1 FY25		Q2 FY25		Q3 FY25		Q4 FY25	
		Total unweighted value (average) (i)	Total weighted value (average) (ii)	Total unweighted value (average) (i)	Total weighted value (average) (ii)	Total unweighted value (average) (i)	Total weighted value (average) (ii)	Total unweighted value (average) (i)	Total weighted value (average) (ii)
1	Assets to be included as HQLA without any haircut	675.03	675.03	730.32	730.32	923.32	923.32	1,210.05	1,210.05
2	Assets to be considered for HQLA with a minimum haircut of 15%	-	-	-	-	-	-	-	-
3	Assets to be considered for HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-
4	Approved securities held as per the provisions of section 45 IB of RBI Act	-	-	-	-	-	-	-	-
	<b>Total HQLA</b>	<b>675.03</b>	<b>675.03</b>	<b>730.32</b>	<b>730.32</b>	<b>923.32</b>	<b>923.32</b>	<b>1,210.05</b>	<b>1,210.05</b>

(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) Components of HQLA : Cash on hand and demand deposits with Scheduled Commercial Banks and Government Securities (T-Bill).

Investment in Gsec of ₹ 281.82 crore made on 27th March 2025 (Last year investment of ₹ 93.41 crore matured on 27th March 2025) and accordingly it has been included in HQLA computation.

**17.24 Summary of total borrowings, receivables and provision**

Category-wise breakup	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
<b>Secured:</b>		
Term loan from banks	18,000.09	15,239.88
Working capital demand loan	1,792.38	3,376.93
Non-convertible debentures	2,625.39	1,510.99
Securitized trust borrowing	-	-
<b>Unsecured:</b>		
Term loan from banks	-	-
Working capital demand loan	-	426.96
Commercial paper	-	-
Subordinated debts	2,165.74	2,109.39
Perpetual debt	103.57	103.57
<b>Total</b>	<b>24,687.17</b>	<b>22,767.72</b>

**Total loans**

Description	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
<b>Category-wise breakup</b>		
Secured loans	21,918.72	20,897.00
Unsecured loans	5,260.70	5,509.31
<b>Total loans</b>	<b>27,179.42</b>	<b>26,406.31</b>
Less: Impairment loss allowance	880.58	936.07
<b>Net loans</b>	<b>26,298.84</b>	<b>25,470.24</b>

(All amounts in ₹ crore unless otherwise stated)

**44. Additional notes forming part of standalone financial statements for the year ended 31<sup>st</sup> March 2025 (Contd.)**

**Total assets provisions**

Description	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Provision/Impairment allowance towards NPA	575.33	556.72
Provision/Impairment allowance towards standard assets	305.25	379.35
Provision/Impairment allowance for trade receivables and other financial assets	9.74	9.75
<b>Total</b>	<b>890.32</b>	<b>945.82</b>

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

Particulars	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Fund raised through PDI during the year	-	-
Outstanding at the end of the financial year	103.57	103.57
Percentage of PDI to Tier I capital	2.3%	2.9%
Financial year in which interest for PDI not paid	NA	NA

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

**Loans to Directors, Senior Officers and relatives of Directors:**

Particulars	2024-25	2023-24
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior Officers and their relatives	-	-

The above notification is applicable w.e.f. 1st October, 2022 and accordingly the transactions have been disclosed.

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

The Company qualifies as a Large Corporate under Chapter XII of the SEBI Master Circular dated 22nd May, 2024, on the issuance and listing of Non-Convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities, and Commercial Paper. In accordance with these guidelines, the Company is required to raise at least 25% of its incremental borrowings during a financial year through the issuance of debt securities. This requirement must be fulfilled within a contiguous block of three years.

During the year under review, the Company's incremental eligible borrowings stood at ₹10,650 crore. Accordingly, it was required to raise ₹2,663 crore through issuance of debt securities. Of this, the company raised ₹1,675 crore in FY25. The balance ₹988 crore will be raised within the prescribed timeline of three contiguous years i.e. 31st March, 2027, to ensure compliance with the SEBI circular.

21 Disclosure on Restructuring Pursuant to Reserve Bank of India Notification Rbi/Dor/2023-24/106 Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 Dor.Fin.Rec.No.45/03.10.119/2023-24 updated as on 31<sup>st</sup> March 2025

S.No.	Type of Restructuring	Under CDR mechanism				Under SME debt restructuring mechanism				Others				Total							
	Asset Classification Details	Stan- dard	Sub- stand- ard	Doubt- ful	Loss	Total	Stan- dard	Sub- stand- ard	Doubt- ful	Loss	Total	Stan- dard	Sub- stand- ard	Doubt- ful	Loss	Total					
1	Restructured accounts as on 1st April of the FY (opening figures)*	No. of borrowers	-	-	-	-	50.00	4.00	33.00	-	87.00	782.00	434.00	1,383.00	-	2,599.00	832.00	438.00	1,416.00	-	2,686.00
Amount outstanding		-	-	-	-	-	2.33	0.20	1.15	-	3.68	7.35	4.90	16.59	-	28.83	9.68	5.10	17.74	-	32.51
Provision thereon		-	-	-	-	-	0.11	0.06	0.15	-	0.33	0.47	1.87	6.95	-	9.29	0.58	1.93	7.10	-	9.62
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount outstanding		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision thereon		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Upgradations to restructured standard category during the FY	No. of borrowers	-	-	-	-	-	-	-	-	-	48.00	2.00	46.00	-	-	48.00	2.00	46.00	-	-
Amount outstanding		-	-	-	-	-	-	-	-	-	-	0.58	0.00	0.58	-	-	0.58	0.00	0.58	-	-
Provision thereon		-	-	-	-	-	-	-	-	-	-	0.21	0.01	0.39	-	0.19	0.21	0.01	0.39	-	0.19
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of borrowers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount outstanding		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provision thereon		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Downgradation of restructured accounts during the FY	No. of borrowers	-	-	-	-	9.00	9.00	-	-	-	59.00	59.00	-	-	-	68.00	68.00	-	-	-
Amount outstanding		-	-	-	-	-	0.79	0.79	-	-	-	0.42	0.42	-	-	-	1.22	1.22	-	-	-
Provision thereon		-	-	-	-	-	0.09	0.25	-	-	0.16	0.04	0.17	-	-	0.13	0.13	0.42	-	-	0.29
6	Write-offs of restructured accounts during the FY	No. of borrowers	-	-	-	-	-	1.00	17.00	-	18.00	52.00	193.00	494.00	-	739.00	52.00	194.00	511.00	-	757.00
Amount outstanding		-	-	-	-	-	-	0.11	0.17	-	0.27	0.08	3.37	7.50	-	10.95	0.08	3.47	7.67	-	11.22
Provision thereon		-	-	-	-	-	-	0.03	0.05	-	0.08	0.01	1.33	3.21	-	4.54	0.01	1.36	3.26	-	4.63
7	Collection	No. of borrowers	-	-	-	-	30.00	4.00	15.00	-	41.00	522.00	6.00	722.00	-	1,250.00	552.00	2.00	737.00	-	1,291.00
Amount outstanding		-	-	-	-	-	1.41	0.39	0.98	-	2.01	5.21	0.62	7.41	-	12.01	6.62	1.00	8.40	-	14.01
Provision thereon		-	-	-	-	-	-	0.02	0.15	0.13	-	0.01	0.28	0.40	3.11	-	2.99	0.31	0.55	3.24	-
8	Restructured accounts as on 1st April of the FY (closing figures*)	No. of borrowers	-	-	-	-	11.00	16.00	1.00	-	28.00	197.00	292.00	121.00	-	610.00	208.00	308.00	122.00	-	638.00
Amount outstanding		-	-	-	-	-	0.13	1.27	-	-	1.40	2.22	2.57	1.09	-	5.87	2.34	3.84	1.09	-	7.27
Provision thereon		-	-	-	-	-	-	0.00	0.44	0.03	-	0.41	0.34	1.11	0.24	-	1.69	0.34	1.55	0.21	-

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

The statutory auditors have not expressed any modified opinion on the financial statement for the year ended 31st March 2025.

As per our report of even date

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

**C.N. Gangadaran**  
Partner  
Membership No. 011205

Place : Chennai  
Date : 28<sup>th</sup> April 2025

**For Suri & Co.**  
Chartered Accountants  
ICAI Regn. No. FRN 004283S

**Sanjeev Aditya. M**  
Partner  
Membership No. 229694

**Sudarshan Venu**  
Chairman  
DIN-03601690

**Roopa Sampath Kumar**  
Chief Financial Officer

Place : Chennai  
Date : 28<sup>th</sup> April 2025

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

**Ashish Sapra**  
Director and Chief Executive Officer  
DIN-09805893

**Chetan Nage**  
Company Secretary

To the Members of TVS Credit Services Limited

## Report on the Consolidated Financial Statements

### Opinion

We have audited the accompanying Consolidated Financial Statements of TVS Credit Services Limited ("the Parent" / "the Holding Company") and its three subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and notes to the Consolidated Financial Statements, and a summary of the material accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act 2013 ("The Act") in the manner so required and give a true and fair view in conformity with the 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 Group as at 31st March 2025, and its consolidated profit and total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SA") specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the 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 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

### Key Audit matters

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

Key Audit matters	How our audit addressed the Key matters
<p><b>Impairment Loss Allowance</b></p> <p>Management's judgements in the calculation of impairment allowances have significant impact on the Consolidated Financial Statements. The estimates regarding impairment allowances are complex and require a significant degree of judgement, which increased with implementation of Expected Credit Loss ("ECL") approach as required by Ind AS 109 relating to "Financial instruments."</p> <p>Management is required to determine the expected credit loss that may occur over either a 12-month period or the remaining life of an asset, depending on the categorization of the individual asset.</p>	<p>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.</p> <p>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.</p> <p>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.</p>

Key Audit matters	How our audit addressed the Key matters
<p>The key areas of judgement include:</p> <ol style="list-style-type: none"> <li>1. Categorization of loans in Stage I, II and III based on identification of:               <ol style="list-style-type: none"> <li>(a) exposures with significant increase in credit risk since their origination and</li> <li>(b) Individually impaired / default exposures.</li> </ol> </li> <li>2. Techniques used to determine Loss Given Default ('LGD') and Probability of Default ('PD') to calculate an ECL based on experience.</li> <li>3. The impact of different future macroeconomic conditions in the determination of ECL.</li> </ol> <p>These judgements required the models to be reassessed including the impact of Covid-19 Pandemic to measure the ECL.</p> <p>Management has made several interpretations and assumptions when designing and implementing models that are compliant with the standard.</p> <p>The accuracy of data flows and the implementation of related controls is critical for the integrity of the estimated impairment provisions. Given the significance of judgements and the high complexity related particularly to the calculation of ECL we considered this area as a Key Audit Matter.</p>	<p>We also assessed the approach of the Group for categorization of the loans in various stages reflecting the inherent risk in the respective loans.</p> <p>For a sample of financial assets, we tested the correctness of Staging, reasonableness of PD, accuracy of LGD and ECL computation.</p> <p>We have also verified the compliance of circulars issued by Reserve Bank of India from time to time during the year on this subject.</p> <p>As a result of the above audit procedures no material differences were noted. We confirm the adequacy of disclosures made in the financial statements</p>
<p><b>IT Systems and Controls</b></p> <p>The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems,</p> <p>Any control lapses, Validation failures, incorrect input data and wrong extraction of data may result in the financial accounting and reporting records being misstated.</p>	<p>We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations.</p> <p>We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties.</p> <p>We have focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.</p> <p>Reliance was also placed on the System Audit report of the Company.</p> <p>Based on our review no material weakness was found in the IT Systems and Controls.</p>

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

The Parent 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 and Consolidated Financial Statements and our auditor's report thereon.



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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements**

The Parent 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 financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent 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 respective entities 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 Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial 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 Group has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 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.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

- 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. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' below.

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 Consolidated 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.

### Other Matters

We did not audit the financial statements / financial information of three subsidiaries, whose financial statements / financial information reflect total assets of ₹16.31 crore as of 31st March 2025, total revenues of ₹1.08 crore and net cash inflows amounting to ₹0.62 crore for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of 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 financial statements certified by the Management. One of the joint statutory auditors has not audited the comparative consolidated financial statements for the year ended 31st March 2024. The comparative consolidated financial statements for the year ended 31st March 2024 were audited by the previous joint statutory auditors whose report dated 8th May 2024 expressed an unmodified opinion on those consolidated financial statements.

Our opinion on the Consolidated Financial Statements is not modified in respect of above matters.

**Report on Other Legal and Regulatory Requirements**

- 1) 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 accounts as required by law have been kept by the Group so far as it appears from our examination of those books;
  - (c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the books of accounts;
  - (d) in our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under including the Indian 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 of the Parent Company as on 31st March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to Consolidated Financial Statements 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:  
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 Group has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements in Note no.44.
    - ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The derivative contracts being in the nature of the hedge contracts, the 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 Group.
    - iv.
      - a) The respective Managements of the Company and its Subsidiaries have 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 or its Subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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 respective Managements of the Company and its Subsidiaries have represented, that, to the best of it's knowledge and belief, no funds have been received by the Company or its Subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or its Subsidiaries 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 our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- (i) The Group has not declared or paid any Dividend during the year.
- (j) With respect to Rule 11(g) of Companies (Audit & Auditors) Rules, 2014, on maintenance of audit trail, transaction and edit log, based on our examination which included test checks, the Company and its subsidiaries has used multiple accounting softwares for maintaining its books of accounts which has the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Group as per the statutory requirements for record retention.

With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Companies included in the Consolidated Financial Statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

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

**C.N.Gangadaran**  
Partner  
Membership No. 011205

Date: 28.4.2025  
Place: Chennai

UDIN: 25011205BMIIJB15928

For **Suri & Co.,**  
Chartered Accountants  
Firm Regn. No. 004283S

**Sanjeev Aditya.M**  
Partner  
Membership No. 229694

Date: 28.4.2025  
Place: Chennai

UDIN: 25229694BMIIHF1398

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

We have audited the internal financial controls with reference to Consolidated Financial Statements of TVS Credit Services Limited ("the Company") and its three subsidiaries which are companies incorporated in India, as of 31st March 2025 in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The respective Management of the Parent company and its subsidiaries, which are companies incorporated in India is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Consolidated Financial Statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements includes obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. Our responsibilities in this regard are further described in the section titled 'Other Matters' below.

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 with reference to Consolidated Financial Statements.

**Meaning of Internal Financial Controls with reference to Consolidated Financial Statements**

A company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Consolidated Financial Statements includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 Consolidated Financial Statements.

**Inherent Limitations of Internal Financial controls with reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Consolidated Financial Statements 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 with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at 31st March 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

The Internal Financial Control with reference to Financial Statements for the subsidiaries in the Group is not applicable since its 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 and accordingly, the subsidiaries are exempted from getting an audit opinion with respect to the adequacy of the internal financial controls with reference to the Financial Statements and the operating effectiveness of such controls vide Notification dated 13th June, 2017.

Our opinion is not modified in respect of the above matter.

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

**C.N.Gangadaran**  
Partner  
Membership No. 011205

Date: 28.4.2025  
Place: Chennai

UDIN: 25011205BMIJBI5928

For **Suri & Co.,**  
Chartered Accountants  
Firm Regn. No. 004283S

**Sanjeev Aditya.M**  
Partner  
Membership No. 229694

Date: 28.4.2025  
Place: Chennai

UDIN: 25229694BMIIHF1398



# CONSOLIDATED BALANCE SHEET AS ON 31<sup>ST</sup> MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

S.No.	Particulars	Note No.	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
	<b>ASSETS</b>			
<b>1</b>	<b>Financial assets</b>			
(a)	Cash and cash equivalents	4	3,599.65	1,761.42
(b)	Bank balances other than (a) above	5	5.95	5.90
(c)	Derivative financial instruments	6	-	90.67
(d)	Receivables			
i)	Trade receivables	7	152.21	117.20
(e)	Loans	8	26,298.84	25,470.24
(f)	Investments	9	287.75	97.71
(g)	Other financial assets	10	28.25	25.02
	<b>Total</b>		<b>30,372.65</b>	<b>27,568.16</b>
<b>2</b>	<b>Non-financial assets</b>			
(a)	Current tax assets (net)	11	11.04	19.81
(b)	Deferred tax assets (net)	12	408.64	337.96
(c)	Investment property	13	85.16	85.16
(d)	Property, plant and equipment	14	45.07	35.92
(e)	Right-to-use asset	14	65.19	26.58
(f)	Capital work-in-progress	14	2.40	2.73
(g)	Intangible assets under development	14	10.96	3.18
(h)	Other intangible assets	14	2.53	2.94
(i)	Other non-financial assets	15	53.10	58.57
	<b>Total</b>		<b>684.09</b>	<b>572.85</b>
	<b>Total assets</b>		<b>31,056.74</b>	<b>28,141.01</b>
	<b>LIABILITIES AND EQUITY</b>			
	<b>LIABILITIES</b>			
<b>1</b>	<b>Financial liabilities</b>			
(a)	Derivative financial instruments	6	2.24	-
(b)	Payables			
i.	Trade payables			
ii)	Total outstanding dues of micro enterprises and small enterprises	16	9.35	14.19
iii)	Total outstanding dues of creditors other than micro enterprises and small enterprises	16	1,081.98	1,035.09
(c)	Debt securities	17	2,625.39	1,510.99
(d)	Borrowings (other than debt securities)	18	19,792.47	19,043.77
(e)	Subordinated liabilities	19	2,269.31	2,212.96
(f)	Other financial liabilities	20	221.35	334.63
	<b>Total</b>		<b>26,002.09</b>	<b>24,151.63</b>
<b>2</b>	<b>Non-financial liabilities</b>			
(a)	Provisions	21	59.58	67.59
(b)	Other non-financial liabilities	22	42.87	52.85
	<b>Total</b>		<b>102.45</b>	<b>120.44</b>
<b>3</b>	<b>Equity</b>			
(a)	Equity share capital	23	236.27	228.22
(b)	Instruments entirely equity in nature	23	18.38	18.38
(c)	Other equity	24	4,697.55	3,622.34
	<b>Total</b>		<b>4,952.20</b>	<b>3,868.94</b>
	<b>Total liabilities and equity</b>		<b>31,056.74</b>	<b>28,141.01</b>
<b>See accompanying notes to the consolidated financial statements</b>				
<b>Material accounting policies forming part of consolidated financial statements</b>			3	
<b>Additional notes forming part of consolidated financial statements</b>			44	

As per our report of even date

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

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

**C.N. Gangadaran**  
Partner  
Membership No. 011205

Place : Chennai  
Date : 28<sup>th</sup> April 2025

**For Suri & Co.**  
Chartered Accountants  
ICAI Regn. No. FRN 004283S

**Sanjeev Aditya. M**  
Partner  
Membership No. 229694

**Sudarshan Venu**  
Chairman  
DIN-03601690

**Roopa Sampath Kumar**  
Chief Financial Officer

Place : Chennai  
Date : 28<sup>th</sup> April 2025

**Ashish Sapra**  
Director and Chief Executive Officer  
DIN-09805893

**Chetan Nage**  
Company Secretary

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

S. No.	Particulars	Note No.	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
	<b>Revenue from operations</b>			
i)	Interest income	25	5,798.41	5,113.55
ii)	Fees and commission income	26	736.46	592.05
iii)	Net gain on fair value changes on financial instruments	27	92.32	-
iv)	Other operating income	28	-	85.09
<b>I)</b>	<b>Total revenue from operations</b>		<b>6,627.19</b>	<b>5,790.69</b>
II)	Other Income	29	3.93	5.47
<b>III)</b>	<b>Total income (I + II)</b>		<b>6,631.12</b>	<b>5,796.16</b>
	<b>Expenses</b>			
i)	Finance costs	30	1,863.32	1,653.64
ii)	Fees and commission expense		527.16	429.87
iii)	Impairment on financial instruments (net)	31	1,295.36	1,127.05
iv)	Employee benefits expenses	32	1,135.58	1,200.78
v)	Depreciation and amortization expenses	14	46.20	27.39
vi)	Other expenses	33	736.97	594.55
<b>IV)</b>	<b>Total expenses (IV)</b>		<b>5,604.59</b>	<b>5,033.28</b>
<b>V)</b>	<b>Profit before exceptional items and tax (III-IV)</b>		<b>1,026.53</b>	<b>762.88</b>
VI)	Exceptional items		-	-
<b>VII)</b>	<b>Profit before tax (V-VI)</b>		<b>1,026.53</b>	<b>762.88</b>
<b>VIII)</b>	<b>Tax expense</b>	34		
	(1) Current tax		324.07	307.87
	(2) Deferred tax		(65.61)	(117.55)
<b>IX)</b>	<b>Profit for the year</b>		<b>768.07</b>	<b>572.56</b>
X)	Other comprehensive income	35		
A.	(i) Items that will not be reclassified to profit or loss			
	- Remeasurement of the defined benefit plans		(10.64)	(9.72)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		2.68	2.45
	<b>Subtotal (A)</b>		<b>(7.96)</b>	<b>(7.27)</b>
B.	(i) Items that will be reclassified to profit or loss			
	- Fair value change on cash flow hedge		(8.89)	(17.95)
	- Fair value gain/(loss) on financial instruments through other comprehensive income		(0.62)	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		2.39	4.52
	<b>Subtotal (B)</b>		<b>(7.12)</b>	<b>(13.43)</b>
	<b>Other comprehensive income (A+B)</b>		<b>(15.08)</b>	<b>(20.70)</b>
<b>XI)</b>	<b>Total comprehensive income for the year (Comprising Profit/(Loss) and other comprehensive income for the year)</b>		<b>752.99</b>	<b>551.86</b>
XII)	Earnings per equity share (Face value of ₹ 10/- each)	36		
	Basic (₹)		30.39	23.93
	Diluted (₹)		30.39	23.93
<b>See accompanying notes to the consolidated financial statements</b>				
<b>Material Accounting Policies forming part of consolidated financial statements</b>		3		
<b>Additional notes forming part of consolidated financial statements</b>		44		

As per our report of even date

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

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

**C.N. Gangadaran**  
Partner  
Membership No. 011205

Place : Chennai  
Date : 28<sup>th</sup> April 2025

**For Suri & Co.**  
Chartered Accountants  
ICAI Regn. No. FRN 004283S

**Sanjeev Aditya. M**  
Partner  
Membership No. 229694

**Sudarshan Venu**  
Chairman  
DIN-03601690

**Roopa Sampath Kumar**  
Chief Financial Officer

Place : Chennai  
Date : 28<sup>th</sup> April 2025

**Ashish Sapra**  
Director and Chief Executive Officer  
DIN-09805893

**Chetan Nage**  
Company Secretary

# CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

Particulars	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
<b>Cash flows from operating activities</b>		
Profit before tax	1,026.53	762.88
<b>Adjustments for:-</b>		
Depreciation and amortization	46.20	27.39
Impairment of financial instruments	(56.00)	219.39
Profit on disposal of property, plant and equipment	(0.20)	(0.47)
Finance costs	1,863.32	1,653.64
Unwinding of discount on security deposits	(0.97)	(0.95)
Remeasurement of defined benefit plans	(10.64)	(9.72)
Share-based payment expenses	0.27	-
Cash outflow towards finance costs	(1,858.87)	(1,653.00)
<b>Cash generated from operations before working capital changes</b>	<b>(16.89)</b>	<b>236.28</b>
<b>Changes in working capital</b>		
(Increase)/Decrease in Trade receivables	(36.21)	(55.22)
(Increase)/Decrease in Loans	(771.40)	(5,142.17)
(Increase)/Decrease in Other financial assets and other bank balances	(3.53)	(1.42)
(Increase)/Decrease in Other non-financial assets	5.47	(13.24)
Increase/(Decrease) in Trade payables	42.05	413.59
Increase/(Decrease) in Other financial liabilities	(153.33)	99.53
Increase/(Decrease) in Provisions and other non-financial liabilities	(17.99)	36.35
<b>Net cash used in operating activities before income tax</b>	<b>74.70</b>	<b>(3,663.42)</b>
Income taxes paid (net of refund)	(315.30)	(337.27)
<b>Net cash used in operating activities (I)</b>	<b>(240.60)</b>	<b>(4,000.69)</b>
<b>Cash flows from investing activities</b>		
Investment in Property, plant and equipment	(34.12)	(26.89)
Proceeds from sale of Property, plant and equipment	0.23	0.56
Investment in Capital work-in-progress	0.33	(2.73)
Investment in Intangible assets under development	(7.78)	(3.18)
Investment in Government securities	(188.66)	(93.46)
Investment in Compulsory convertible debentures	-	(0.25)
Investment in Alternate investment fund	(2.00)	(4.00)
<b>Net cash used in investing activities</b>	<b>(232.00)</b>	<b>(129.95)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of Equity shares	330.00	-
Proceeds from issue of Compulsorily convertible preference shares	-	558.00
Proceeds from Issue/(Repayment) of Debt securities (net)	1,114.40	(1,147.81)
Proceeds/(Repayment) of Borrowings other than debt securities (net)	834.47	4,538.80
Proceeds/(Repayment) of Subordinated liabilities (net)	56.35	413.87
Payments of Lease liabilities	(24.33)	(10.66)
<b>Net cash generated from financing activities (III)</b>	<b>2,310.89</b>	<b>4,352.20</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>1,838.29</b>	<b>221.56</b>
Cash and cash equivalents at the beginning of the year	1,761.33	1,539.77
<b>Cash and cash equivalents at the end of the year</b>	<b>3,599.62</b>	<b>1,761.33</b>

Components of cash and cash equivalents for the purpose of Statement of Cash Flows:

Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Cash and cash equivalents as per Balance Sheet	3,599.65	1,761.42
Less: Overdrafts utilised	0.03	0.09
(Grouped under Borrowings (other than debt securities) - Note 18)		
<b>Cash and cash equivalents for the purpose of Statement of Cash Flows</b>	<b>3,599.62</b>	<b>1,761.33</b>

As per our report of even date

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

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

**C.N. Gangadaran**  
Partner  
Membership No. 011205

Place : Chennai  
Date : 28<sup>th</sup> April 2025

**For Suri & Co.**  
Chartered Accountants  
ICAI Regn. No. FRN 004283S

**Sanjeev Aditya. M**  
Partner  
Membership No. 229694

**Sudarshan Venu**  
Chairman  
DIN-03601690

**Roopa Sampath Kumar**  
Chief Financial Officer

Place : Chennai  
Date : 28<sup>th</sup> April 2025

**Ashish Sapra**  
Director and Chief Executive Officer  
DIN-09805893

**Chetan Nage**  
Company Secretary

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

## I) Equity share capital

	Notes	Amounts
<b>Balance as at 1st April 2023</b>		<b>228.22</b>
Changes in equity share capital during the year	23	-
<b>Balance as at 31st March 2024</b>		<b>228.22</b>
Changes in equity share capital during the year	23	8.06
<b>Balance as at 31st March 2025</b>		<b>236.27</b>

## II) Instruments entirely equity in nature

	Notes	Amounts
<b>Balance as at 1st April 2023</b>		<b>-</b>
Changes in equity share capital during the year	23	18.38
<b>Balance as at 31st March 2024</b>		<b>18.38</b>
Changes in equity share capital during the year	23	-
<b>Balance as at 31st March 2025</b>		<b>18.38</b>

## III) Other Equity

		Reserves and Surplus					
	Notes	Securities premium account	Statutory reserve	Share based payment reserve	Retained earnings	Other reserves - Hedging reserve	Total
<b>Balance as at 1st April 2023</b>		<b>1,336.35</b>	<b>242.03</b>	-	<b>934.95</b>	<b>19.32</b>	<b>2,532.65</b>
Profit for the year	24	-	-	-	572.56	-	572.56
Other comprehensive income	24	-	-	-	(7.28)	(13.43)	(20.71)
<u>Transaction in the capacity as owners</u>							
Transfer to Statutory reserve	24	-	114.37	-	(114.37)	-	-
Issuance of equity shares	24	537.84	-	-	-	-	537.84
<b>Balance as at 31st March 2024</b>		<b>1,874.19</b>	<b>356.40</b>	-	<b>1,385.86</b>	<b>5.89</b>	<b>3,622.34</b>
Profit for the year	24	-	-	-	768.07	-	768.07
Other comprehensive income	24	-	-	-	(7.96)	(7.12)	(15.08)
<u>Transaction in the capacity as owners</u>							
Transfer to Statutory reserve	24	-	153.45	-	(153.45)	-	-
Issuance of equity shares	24	321.95	-	-	-	-	321.95
Share-based payment expenses	24	-	-	0.27	-	-	0.27
<b>Balance as at 31<sup>st</sup> March 2025</b>		<b>2,196.14</b>	<b>509.85</b>	<b>0.27</b>	<b>1,992.52</b>	<b>(1.23)</b>	<b>4,697.55</b>

As per our report of even date

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

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

**C.N. Gangadaran**  
Partner  
Membership No. 011205

Place : Chennai  
Date : 28<sup>th</sup> April 2025

**For Suri & Co.**  
Chartered Accountants  
ICAI Regn. No. FRN 004283S

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Chief Financial Officer

Place : Chennai  
Date : 28<sup>th</sup> April 2025

**Ashish Sapra**  
Director and Chief Executive Officer  
DIN-09805893

**Chetan Nage**  
Company Secretary

(All amounts in ₹ crore unless otherwise stated)

## **1 Corporate information**

TVS Credit Services Limited ('the Parent 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 Parent Company with its subsidiaries is collectively referred to as a Group.

The Parent Company received Certificate of Registration (No. N-07-00783) dated 13<sup>th</sup> April, 2010 from Reserve Bank of India (RBI) and commenced Non-Banking financial activity there on. The Parent Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company, as defined under Section 45-IA of Reserve Bank of India (RBI) Act, 1934. The Parent Company is engaged in providing automobile finance, consumer durable loans and small business loans. The Parent Company is categorised as "NBFC - Investment and Credit Company (NBFC-ICC)" vide RBI circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated 22nd February, 2019. Effective 1st October, 2022, the Parent Company has been categorised as NBFC-Middle Layer under the RBI Scale Based Regulation dated 22nd October, 2021.

## **2 Basis of preparation**

### **2.1 Statement of compliance**

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

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

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

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

### **Principles of consolidation**

#### **Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the Parent Company and its subsidiaries line by line adding together items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries are consistent with the policies adopted by the Parent Company.

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.

(All amounts in ₹ crore unless otherwise stated)

The subsidiary companies considered in consolidated financial statements are:

S. No.	Name of the subsidiary	Proportion of ownership (interest/voting power -%)		Reporting date
		2024-25	2023-24	
1	Harita ARC Private Limited	100%	100%	31st March 2025
2	TVS Housing Finance Private Limited	100%	100%	31st March 2025
3	Harita Two Wheeler Mall Private Limited	100%	100%	31st March 2025

All the subsidiaries are incorporated in India.

## 2.2 Presentation of financial statements

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

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

## 2.3 Significant estimates and judgements

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future period. This note provides an overview of the areas that involved a higher degree of 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.

The areas involving critical estimates are:

- Business model assessment - Refer Note 3.5.1A
- Fair value of financial instruments - Refer Note 38
- Impairment of financial asset - Refer Note 39
- Provisions & Other Contingent Liabilities - Refer Note 21
- Estimation of defined benefit obligation - Refer Note 37

## 3 Material accounting policies

### 3.1 Property, plant and equipment (PPE)

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

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

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

### 3.2 Depreciation

Depreciation is provided on straight-line basis over the estimated useful lives of the assets. The useful life estimated by the Group is in line with the useful life prescribed under Part C of Schedule II of the Companies Act,



(All amounts in ₹ crore unless otherwise stated)

2013 except in the case of mobile phone and tablets (office equipment), on which depreciation is considered as 2 years based on the technical evaluation and leased vehicles (vehicles) have been depreciated over lease period.

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

Nature of asset	Useful life as per Schedule II	Useful life adopted by the Group
Computers	3 years	3 years
Computer software	3 years	3 years
Furniture and fixtures	10 years	10 years
Leasehold improvements (Furniture and fixtures)	10 years	As per lease tenure
Office equipments	5 years	5 years
Office equipments (Mobile phones and tablet)	5 years	2 years
Vehicles(Motor cycle)	10 years	10 years
Vehicles (Motor car)	8 years	8 years

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

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

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

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

### **3.3 Investment property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, 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 capitalized to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

### **3.4 Intangible assets**

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

### **3.5 Financial instruments**

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

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

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

#### **3.5.1 Financial assets**

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

(All amounts in ₹ crore unless otherwise stated)

### **3.5.1A Classification**

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

- (a) Amortized cost,
- (b) Fair value through other comprehensive income (FVTOCI), and
- (c) Fair value through profit or loss (FVTPL)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group 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 Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because it reflects the best way the business is managed, and information is provided to the management.

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

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

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

### **3.5.1B Measurement**

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

#### **i. Debt instruments carried at amortized cost (AC):**

- (a) The business model of the Group for assets subsequently measured at amortised cost category is to hold and collect contractual cash flows. However, considering the economic viability of carrying the delinquent portfolios on the books of the Group, it may enter into immaterial and infrequent transactions to sell these portfolios to banks and/or asset reconstruction companies without affecting the business model of the Group.
- (b) After initial measurement, such financial assets are subsequently measured at amortised cost on effective interest rate (EIR). Refer note 3.5.5A for further details.

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

- (a) A financial asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Since, the loans are held to sale and collect contractual cash flows, they are measured at FVTOCI.
- (b) Financial assets included within the FVTOCI category are measured at each reporting date at fair value with such changes being recognised in other comprehensive income (OCI). The interest income on these assets is recognised in profit or loss.

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

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

#### **iv. Equity instruments at cost:**

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

(All amounts in ₹ crore unless otherwise stated)

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

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

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

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

**vi. Investment in Government securities:**

The Parent Company also made an investment in the Government securities in order to comply with the liquidity ratio compliance as required by RBI pursuant to its master directions. The Parent Company intends to hold these assets till maturity and any sale if necessitated by requirements are likely to be infrequent and immaterial. Accordingly, the related assessment becomes a critical judgement to determine the business model for such financial assets under Ind AS 109.

**vii. Investment in Compulsory convertible debenture:**

The Parent Company recognises the investment in Compulsory convertible debenture on the issuance date and is classified and measured, at fair value through other comprehensive income.

**viii. Investment in Alternate investment fund:**

The Parent Company recognises the investment in alternate investment funds on trade date and is classified and measured, at fair value through other comprehensive income. Any gain/losses on disposal or subsequent re-measurement is recognised in the other comprehensive income.

**3.5.2 Financial liabilities**

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

**3.5.2A Initial recognition and measurement**

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

**3.5.2B Subsequent measurement**

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

**3.5.3 Reclassification of financial assets and liabilities**

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Group did not reclassify any of its financial assets or liabilities in the year ended 31st March 2025 and 31st March 2024.

**3.5.4 Derecognition of financial assets & liabilities**

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

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

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

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



**Your business journey isn't like anyone else's.  
Your loan shouldn't be, either.**

As companies grow and strive for more, our **Emerging & Mid-Corporate Business Loans** provide each organisation with customised offerings.

**QUICK\***  
TURNAROUND TIME

**CUSTOMISED**  
OFFERINGS

**ATTRACTIVE\***  
INTEREST RATE





## When income isn't fixed, EMIs should be flexible, too.

Customers who have taken our **Three Wheeler Loans** have found themselves benefitting immensely from our flexible EMIs.

**SAME-DAY\***  
LOAN APPROVAL

**MINIMAL\***  
DOCUMENTATION

**FLEXIBLE**  
EMIs

(All amounts in ₹ crore unless otherwise stated)

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

**iii) Derecognition of financial liabilities**

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

**3.5.5 Revenue recognition**

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

**A) Interest income:**

- (1) Interest income is recognized using the effective interest rate (EIR) method for all financial assets measured at amortized cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to its gross carrying amount. The calculation of the effective interest rate includes transaction costs and transaction income that are directly attributable to the acquisition of a financial asset.
- (2) Income by way of additional interest on account of delayed payment by the customers is recognized on realization basis, due to uncertainty in collection.
- (3) Interest on govt securities is recognised as interest income in profit and loss statement

**B) Dividend income:**

Dividend income is recognised when the Group's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group 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 recognized 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 recognized on realization, due to uncertainty in collection.
- (3) The Group 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 operating income:**

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

**E) Other income:**

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

**3.5.6 Impairment of financial assets**

The Group recognizes loss allowance for expected credit loss (ECL) on the following financial assets that are not measured at FVTPL:

- i. Loans
- ii. Trade receivables and other financial assets



(All amounts in ₹ crore unless otherwise stated)

**i. Loans**

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

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

Both life time ECLs (LTECL) and 12 months ECLs are calculated on collective basis.

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

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

**Stage 1:**

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

**Stage 2:**

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

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

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

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

Loans considered credit impaired are the loans which are past due for more than 90 days and has not been completely regularised to zero DPD & includes restructured contracts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June 2019 irrespective of days past due on the reporting date. Loan accounts where principal and/or interest are past due for more than 90 days along with all other loans of such customer, continue to be classified as stage 3, till overdue across all loan accounts are cleared. The Group records an allowance for life time ECL.

(All amounts in ₹ crore unless otherwise stated)

#### Measurement of ECLs

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

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

#### **Probability of default ('PD'):**

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

#### **Exposure at default ('EAD'):**

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

#### **Loss given default ('LGD'):**

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

#### Mechanics of ECLs

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

##### Stage 1: 12 month ECL

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

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

These expected 12-month default probabilities are applied to a forecasted exposure at default (EAD) and multiplied by the expected loss given default (LGD).

##### Stage 2: Lifetime ECL-not credit impaired

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

The mechanics are similar to stage 1 but the probability of default (PD) and LGD are estimated over the remaining lifetime of the instrument.

##### Stage 3: Lifetime ECL-credit impaired

For financial assets that are credit-impaired, the Group recognizes the lifetime ECL.

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

#### **Forward looking information:**

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

## **ii. Trade receivables and other financial assets**

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

(All amounts in ₹ crore unless otherwise stated)

**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 amortized cost as a deduction from the gross carrying amount of the assets.

Collateral repossessed:

The Group does the regular repossession of collateral provided against the loans in case of default in agreed payments. The Group generally sells the asset repossessed to recover the underlying loan and does not use for internal operation. Any surplus funds are returned to the borrower and accordingly collateral repossessed are not recorded on the balance sheet and not treated as assets held for sale.

Write-off:

Loans are written off when there is no reasonable expectation of recovering in its entirety or a portion thereof. This is generally the case when the Group 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 Group's procedures for recovery of amounts due.

**3.5.7 Derivatives**

Derivatives are initially recognized 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 Group designates derivatives taken on external commercial borrowings (ECB) as cashflow hedges (hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions).

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

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

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 38. Movements in the hedging reserve in shareholders' equity are shown in Note 24.

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

**3.5.8 Offsetting financial instruments**

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

**3.6 Cash and cash equivalents**

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

**3.7 Taxation**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) prescribed therein. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

- (i) Deferred income tax provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not 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.

- (ii) 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 the Statement of Profit or 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.

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

### **3.8 Employee Benefits**

#### **(a) Short term employee benefits**

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

#### **(b) Long term employee benefits**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

#### **(c) Post-employment obligation:**

The Group operates the following post-employment schemes:

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

##### **(i) 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 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 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.

##### **(ii) Provident fund:**

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

**(d) Share based payment**

The Parent Company operates an equity settled share-based payment arrangement for its employees. The Parent determines the fair value of the employee stock options on the grant date using the Black Scholes model. The total cost of the share option is accounted for on a straight-line basis over the vesting period of the grant. The cost attributable to the services rendered by employees is recognised as employee benefits expenses in the Statement of Profit and Loss.

**(e) Other employee benefits**

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

**3.9 Functional currency**

**3.9.1 Functional and presentation currencies:**

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

**3.9.2 Transactions and balances:**

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

**3.10 Borrowing cost**

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

**3.11 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of the transactions of non-cash nature as permitted by Ind AS 7.

**3.12 Earnings per share**

In accordance with Ind AS 33 the basic earnings per share is computed by dividing the net profit / loss attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving earnings per share, and also the weighted average number of equity shares, which could have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share, only potential equity shares that are dilutive and that reduce profit per share are included.

**3.13 Impairment of non-financial assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is 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.

**3.14 Lease**

The Group evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116. The Group 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 Group at the inception of the lease contract recognizes 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 Group 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 INR 500,000 in value) the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

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

**3.15 Segment reporting**

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

**3.16 Provisions**

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

**3.17 Contingent liabilities**

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

**3.18 Equity**

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



(All amounts in ₹ crore unless otherwise stated)

**NOTE 4 Cash and cash equivalents**

S.No.	Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
a)	Cash on hand*	0.33	4.91
b)	Balance with banks		
	- Current accounts	3,583.73	1,741.10
	- Deposit	15.59	15.91
	<b>Total</b>	<b>3,599.65</b>	<b>1,761.42</b>

\* Includes cash collected from borrowers as on Balance Sheet date subsequently deposited with bank.

**NOTE 5 Bank balance other than cash and cash equivalents\***

S.No.	Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
a)	Bank balance other than cash and cash equivalents	5.95	5.90
	<b>Total</b>	<b>5.95</b>	<b>5.90</b>

\* Balance maintained in fixed deposits with original maturity more than 3 months as cash collateral towards cash credit (CC) facilities.

**NOTE 6 Derivative Financial Instruments**

S.No.	Description	As at 31 <sup>st</sup> March 2025		
		Notional amounts	Fair value - Assets	Fair value - Liabilities
a)	Part I - Currency derivatives- Cross currency interest rate swaps	300.13	-	2.24
	Part II - Derivatives included in above are derivatives held for hedging and risk management purposes as cash flow hedges	300.13	-	2.24
	<b>Total</b>	<b>300.13</b>	<b>-</b>	<b>2.24</b>

S.No.	Description	As at 31 <sup>st</sup> March 2024		
		Notional amounts	Fair value - Assets	Fair value - Liabilities
a)	Part I - Currency derivatives- Cross currency interest rate swaps	751.50	90.67	-
	Part II - Derivatives included in above are derivatives held for hedging and risk management purposes as cash flow hedges	751.50	90.67	-
	<b>Total</b>	<b>751.50</b>	<b>90.67</b>	<b>-</b>

The Group has a Board approved policy for entering into derivative transactions. Derivative transactions comprises of cross currency interest rate swaps (CCIRS). The Group undertakes such transactions for hedging interest/foreign exchange risk on borrowings. The Asset Liability Management Committee (ALCO) periodically monitors and reviews the risks involved.

The notional amount for CCIRS represents underlying foreign currency borrowings for which the Group has entered to hedge the variable interest rate and foreign exchange risks. Refer Note 39 for foreign currency risk management and interest rate sensitivity on derivative financial instruments respectively.

**NOTE 7 Trade receivables**

S.No.	Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
(i)	Receivables considered good - secured	-	-
(ii)	Receivables considered good - unsecured	153.94	118.95
(iii)	Receivables which have significant increase in credit risk	-	-
(iv)	Receivables - credit impaired	-	-
	<b>Total (A)</b>	<b>153.94</b>	<b>118.95</b>
	Less: Allowance for impairment loss (B)	1.73	1.75
	<b>Net (C) = (A-B)</b>	<b>152.21</b>	<b>117.20</b>

There are no dues by Directors or other officers of the Group or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

(All amounts in ₹ crore unless otherwise stated)

**NOTE 7 Trade receivables (Ageing schedule)**

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31 <sup>st</sup> March 2025					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed trade receivable – considered good	152.21	1.60	0.13	-	-	153.94
(ii)	Undisputed trade receivable – which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed trade receivable – credit impaired	-	-	-	-	-	-
(iv)	Disputed trade receivable–considered good	-	-	-	-	-	-
(v)	Disputed trade receivable – which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed trade receivable – credit impaired	-	-	-	-	-	-
	<b>Total (A)</b>	<b>152.21</b>	<b>1.60</b>	<b>0.13</b>	<b>-</b>	<b>-</b>	<b>153.94</b>
	Less: Allowance for impairment loss (B)	-	1.60	0.13	-	-	1.73
	<b>Net (C) = (A-B)</b>	<b>152.21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>152.21</b>

S.No.	Particulars	Outstanding for following periods from due date of payment as at 31 <sup>st</sup> March 2024					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed trade receivable – considered good	118.95	-	-	-	-	118.95
(ii)	Undisputed trade receivable – which have significant increase in credit risk	-	-	-	-	-	-
(iii)	Undisputed trade receivable – credit impaired	-	-	-	-	-	-
(iv)	Disputed trade receivable–considered good	-	-	-	-	-	-
(v)	Disputed trade receivable – which have significant increase in credit risk	-	-	-	-	-	-
(vi)	Disputed trade receivable – credit impaired	-	-	-	-	-	-
	<b>Total (A)</b>	<b>118.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>118.95</b>
	Less: Allowance for impairment loss (B)	1.75	-	-	-	-	1.75
	<b>Net (C) = (A-B)</b>	<b>117.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>117.20</b>

**NOTE 8 Loans**

S.No.	Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>(A) Term loans</b>		Amortised cost	
	i) Automobile financing	18,130.65	18,339.55
	ii) Consumer lending	8,428.23	7,384.29
	iii) Small business lending	620.54	682.47
	<b>Total loans - Gross</b>	<b>27,179.42</b>	<b>26,406.31</b>
	Less: Impairment loss allowance	880.58	936.07
	<b>Total loans - Net (a) - (b)</b>	<b>26,298.84</b>	<b>25,470.24</b>
<b>(B) Nature</b>			
a)	Secured by tangible assets	21,918.72	20,897.00
b)	Unsecured loans	5,260.70	5,509.31
c)	<b>Total loans - Gross (a) + (b)</b>	<b>27,179.42</b>	<b>26,406.31</b>
d)	Less: Impairment loss allowance	880.58	936.07
e)	<b>Total loans - Net (c) - (d)</b>	<b>26,298.84</b>	<b>25,470.24</b>

(All amounts in ₹ crore unless otherwise stated)

**NOTE 8 Loans (Contd.)**

S.No.	Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
i)	Loans in India		
	Public sector	-	-
	Others	27,179.42	26,406.31
	<b>Total loans - Gross</b>	<b>27,179.42</b>	<b>26,406.31</b>
	Less: Impairment loss allowance	880.58	936.07
	<b>Total loans - Net</b>	<b>26,298.84</b>	<b>25,470.24</b>
ii)	Loans outside India	-	-
iii)	<b>Total loans (i) + (ii)</b>	<b>26,298.84</b>	<b>25,470.24</b>

- Secured indicates loans secured, wholly or partly, by way of hypothecation of automobile assets and / or equitable mortgage of property and / or equipment.
- The stock of loan (automobile finance) includes 6,266 nos repossessed vehicles as at Balance Sheet date. (As at 31<sup>st</sup> March 2024 : 5,863 nos).
- The term loans include loans given to related parties (refer note 42) 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 Group's accounting policy has been created.
- There is no divergence in asset classification and provisioning in the financial statement in the previous year assessed by RBI.
- Percentage (%) of gold loan to total assets as on 31<sup>st</sup> March 2025 is 0.07%.

**NOTE 9 Investments**

S.No.	Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>A</b>	<b>At cost:</b>		
<b>a)</b>	<b>Investment in Government securities</b>	282.12	93.46
<b>B</b>	<b>At fair value through other comprehensive income:</b>		
<b>a)</b>	<b>Investment in Alternative instrument fund:</b>		
	60,000 units of Eight Innovate fund II (31 <sup>st</sup> March 2024: 40,000)	5.38	4.00
<b>b)</b>	<b>Investment in Compulsory convertible debenture:</b>		
	25 (31 <sup>st</sup> March 2024 : 25) 0.001% compulsorily convertible debentures of ₹1,00,000 each in Hyper Grocers Private Limited	0.25	0.25
	<b>Total - Gross (A)</b>	<b>287.75</b>	<b>97.71</b>
	(i) Investments outside India	-	-
	(ii) Investments in India	287.75	97.71
	<b>Total</b>	<b>287.75</b>	<b>97.71</b>
	Less: Impairment loss allowance (B)	-	-
	<b>Total - Net = (A) - (B)</b>	<b>287.75</b>	<b>97.71</b>

(All amounts in ₹ crore unless otherwise stated)

**NOTE 10 Other financial assets**

S.No.	Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
	<b>At amortised cost:</b>		
a)	Employees related receivables	18.06	14.00
b)	Security deposit for leased premises	13.29	11.17
c)	Other financial assets - Non related parties	5.34	6.04
d)	Deposit with service providers	2.12	2.65
	<b>Total - Gross</b>	<b>38.81</b>	<b>33.86</b>
	Less: Impairment loss allowance	10.56	8.84
	<b>Total - Net</b>	<b>28.25</b>	<b>25.02</b>

**NOTE 11 Current tax assets**

S.No.	Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
a)	Opening balance	19.81	(9.59)
b)	Add: Taxes paid	315.30	337.27
c)	Less: Taxes payable	(324.07)	(307.87)
	<b>Total - Net</b>	<b>11.04</b>	<b>19.81</b>

**NOTE 12 Deferred tax assets/(liabilities)**

The balance comprises temporary differences attributable to:

S.No.	Description	As at 31 <sup>st</sup> March 2023	Charge/ (Credit) to profit and loss	Charge/ (Credit) to OCI	As at 31 <sup>st</sup> March 2024	Charge/ (Credit) to profit and loss	Charge/ (Credit) to OCI	As at 31 <sup>st</sup> March 2025
	<b>Deferred tax assets/(liabilities) on account of :</b>							
a)	Impairment allowance for financial instruments	175.16	48.82	-	223.98	16.90	-	240.88
b)	Difference between depreciation as per books of account and the Income Tax Act, 1961	4.84	0.04	-	4.88	1.44	-	6.32
c)	Provision for compensated absences and gratuity	11.81	1.13	2.27	15.21	(5.92)	2.48	11.77
d)	Provision for pension	2.46	0.18	0.19	2.83	0.20	0.20	3.23
e)	Expenses disallowed under Sec 40 (a) (ia)	22.50	24.16	-	46.66	16.87	-	63.53
f)	Impact of effective interest rate adjustment on financial assets	4.90	43.52	-	48.42	35.84	-	84.26
g)	Mark to market on derivatives	(6.50)	-	4.52	(1.98)	-	2.39	0.41
h)	Impact of effective interest rate adjustment on financial liabilities	(2.82)	(0.42)	-	(3.24)	(0.09)	-	(3.33)
i)	Impact of lease accounting as per Ind AS 116	1.10	0.10	-	1.20	0.37	-	1.57
	<b>Total tax assets/(liabilities)</b>	<b>213.45</b>	<b>117.53</b>	<b>6.98</b>	<b>337.96</b>	<b>65.61</b>	<b>5.07</b>	<b>408.64</b>

(All amounts in ₹ crore unless otherwise stated)

**NOTE 13 Investment property**

Description	Land	Building	Total
<b>As at 31st March 2025</b>			
Gross carrying amount as at 1st April 2024	85.16	-	85.16
Additions	-	-	-
<b>Sub-total</b>	<b>85.16</b>	<b>-</b>	<b>85.16</b>
Disposals	-	-	-
<b>Closing gross carrying amount (A)</b>	<b>85.16</b>	<b>-</b>	<b>85.16</b>
<b>Depreciation and amortisation</b>			
Opening accumulated depreciation	-	-	-
Depreciation/amortisation charge for the year	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>
Disposals	-	-	-
<b>Closing accumulated depreciation and amortisation(B)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net carrying value as at 31st March 2025 (A)-(B)</b>	<b>85.16</b>	<b>-</b>	<b>85.16</b>
<b>Net carrying value as at 31st March 2024</b>	<b>85.16</b>	<b>-</b>	<b>85.16</b>

Description	Land	Building	Total
<b>As at 31st March 2024</b>			
Gross carrying amount as at 1st April 2023	85.16	0.00	85.16
Additions	-	-	-
<b>Sub-total</b>	<b>85.16</b>	<b>-</b>	<b>85.16</b>
Disposals	-	-	-
<b>Closing gross carrying amount (A)</b>	<b>85.16</b>	<b>-</b>	<b>85.16</b>
<b>Depreciation and amortisation</b>			
Opening accumulated depreciation	-	-	-
Depreciation/amortisation charge for the year	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>
Disposals	-	-	-
<b>Closing accumulated depreciation and amortisation(B)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net carrying value as at 31st March 2024 (A)-(B)</b>	<b>85.16</b>	<b>-</b>	<b>85.16</b>

**(i) Fair value**

	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Investment properties	422.11	411.15

- a) The fair value of the investment property is based on the independent valuation obtained by the Parent Company.  
b) The title deed of the investment property is in the name of the Parent Company.

**(ii) Sensitivity analysis**

Particulars	Valuation technique	Significant unobservable inputs	Range (Weighted avg)	Sensitivity of the input to fair value	Fair Value (Rs. In crore)	Sensitivity (Rs. In crore)
Investment property as at 31st March 2025	Professional valuer	Per/Acre	15,40,00,000 per acre	5%	15.40	21.11
Investment property as at 31st March 2024	Professional valuer	Per/Acre	15,00,00,000 per acre	5%	15.00	20.56

(All amounts in ₹ crore unless otherwise stated)

**NOTE 14 (A) Property, plant and equipment and intangible assets**

Description	Property, plant and equipment						Right-to-use Asset	Intangible Assets (Computer Software)
	Computers	Furniture & fixtures	Office equipments	Vehicles	Leasehold improvements	Total		
<b>As at 31st March 2025</b>								
Gross carrying amount as at 1st April 2024	48.49	19.82	16.49	1.49	-	86.29	62.96	20.51
Additions and adjustments on account of modification	12.00	3.58	11.25	-	6.00	32.83	59.48	1.29
Adjustment due to revaluation and acquisitions through business combinations	-	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>60.49</b>	<b>23.40</b>	<b>27.74</b>	<b>1.49</b>	<b>6.00</b>	<b>119.12</b>	<b>122.44</b>	<b>21.80</b>
Disposals	0.26	0.20	2.24	-	-	2.70	-	-
<b>Closing gross carrying amount (A)</b>	<b>60.23</b>	<b>23.20</b>	<b>25.50</b>	<b>1.49</b>	<b>6.00</b>	<b>116.42</b>	<b>122.44</b>	<b>21.80</b>
<b>Depreciation and amortisation</b>								
Opening accumulated depreciation	27.95	10.84	11.29	0.29	-	50.37	36.38	17.57
Depreciation/amortisation charge for the year	14.72	2.59	5.35	0.19	0.78	23.63	20.87	1.70
<b>Sub-total</b>	<b>42.67</b>	<b>13.43</b>	<b>16.64</b>	<b>0.48</b>	<b>0.78</b>	<b>74.00</b>	<b>57.25</b>	<b>19.27</b>
Disposals	0.25	0.19	2.22	-	-	2.66	-	-
<b>Closing accumulated depreciation and amortisation(B)</b>	<b>42.42</b>	<b>13.24</b>	<b>14.42</b>	<b>0.48</b>	<b>0.78</b>	<b>71.34</b>	<b>57.25</b>	<b>19.27</b>
<b>Net carrying value as at 31st March 2025(A)-(B)</b>	<b>17.81</b>	<b>9.96</b>	<b>11.08</b>	<b>1.01</b>	<b>5.21</b>	<b>45.07</b>	<b>65.19</b>	<b>2.53</b>
<b>Net carrying value as at 31st March 2024</b>	<b>20.54</b>	<b>8.98</b>	<b>5.20</b>	<b>1.20</b>	<b>-</b>	<b>35.92</b>	<b>26.58</b>	<b>2.94</b>

Description	Property, plant and equipment						Right-to-use Asset	Intangible Assets (Computer Software)
	Computers	Furniture & fixtures	Office equipments	Vehicles	Leasehold improvements	Total		
<b>As at 31st March 2024</b>								
Gross carrying Amount as at 1st April 2023	43.10	13.26	15.45	1.49	-	73.30	56.86	18.37
Additions and adjustments on account of modification	14.05	7.52	3.19	-	-	24.75	6.10	2.14
Adjustment due to revaluation and acquisitions through business combinations	-	-	-	-	-	-	-	-
<b>Sub-total</b>	<b>57.15</b>	<b>20.78</b>	<b>18.64</b>	<b>1.49</b>	<b>-</b>	<b>98.05</b>	<b>62.96</b>	<b>20.51</b>
Disposals	8.66	0.96	2.15	-	-	11.77	-	-
<b>Closing gross carrying amount (A)</b>	<b>48.49</b>	<b>19.82</b>	<b>16.49</b>	<b>1.49</b>	<b>-</b>	<b>86.28</b>	<b>62.96</b>	<b>20.51</b>
<b>Depreciation and amortisation</b>								
Opening accumulated depreciation	23.32	9.77	10.87	0.10	-	44.06	28.13	16.42
Depreciation/amortisation charge for the year	13.27	1.97	2.56	0.19	-	17.99	8.25	1.15
<b>Sub-total</b>	<b>36.59</b>	<b>11.74</b>	<b>13.43</b>	<b>0.29</b>	<b>-</b>	<b>62.05</b>	<b>36.38</b>	<b>17.57</b>
Disposals	8.64	0.90	2.14	-	-	11.69	-	-
<b>Closing accumulated depreciation and amortisation(B)</b>	<b>27.95</b>	<b>10.84</b>	<b>11.29</b>	<b>0.29</b>	<b>-</b>	<b>50.36</b>	<b>36.38</b>	<b>17.57</b>
<b>Net carrying value as at 31st March 2024(A)-(B)</b>	<b>20.54</b>	<b>8.98</b>	<b>5.20</b>	<b>1.20</b>	<b>-</b>	<b>35.92</b>	<b>26.58</b>	<b>2.94</b>

The Group follows cost model as per Ind AS 16 and the Group has not revalued its PPE (including right-to-use asset).

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



(All amounts in ₹ crore unless otherwise stated)

**NOTE 14 (B) Capital work-in-progress and intangible assets under development**

The Group discloses property, plant and equipment that are not ready for use as Capital work-in-progress. These are carried at cost, comprising direct cost and related incidental expenses. Intangible assets not ready for their intended use on the date of Balance Sheet are disclosed as 'Intangible assets under development'.

**Capital work-in-progress**

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Opening balance	2.73	0.41
Additions	6.93	3.55
Deductions	7.26	1.23
<b>Closing balance</b>	<b>2.40</b>	<b>2.73</b>

**Aging for capital work-in-progress**

Particulars	As at	Amount in CWIP for a period of				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	31 <sup>st</sup> March 2025	2.40	-	-	-	2.40
Projects in progress	31 <sup>st</sup> March 2024	2.73	-	-	-	2.73

There are no projects temporarily suspended or projects whose completion is overdue or has exceeded its cost compared to its original plan.

**Intangible assets under development**

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Opening balance	3.18	1.17
Additions	8.32	5.70
Deductions	0.54	3.69
<b>Closing balance</b>	<b>10.96</b>	<b>3.18</b>

**Aging for intangible assets under development**

Particulars	As at	Amount for a period of				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	31 <sup>st</sup> March 2025	8.04	2.92	-	-	10.96
Projects in progress	31 <sup>st</sup> March 2024	3.18	-	-	-	3.18

There are no projects temporarily suspended or projects whose completion is overdue or has exceeded its cost compared to its original plan.

(All amounts in ₹ crore unless otherwise stated)

**NOTE 15 Other non-financial assets**

S.No.	Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
a)	Advances to dealers	0.17	0.31
b)	Prepaid expenses	33.00	22.43
c)	Vendor advances	12.97	28.07
d)	Balances with GST/ Service tax department	6.96	7.76
	<b>Total</b>	<b>53.10</b>	<b>58.57</b>

**NOTE 16 Trade payables**

S.No.	Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
(a)	Total outstanding dues of micro enterprises and small enterprises	9.35	14.19
(b)	Total outstanding dues of creditors other than micro enterprises and small enterprises	1,081.98	1,035.09
	<b>Total</b>	<b>1,091.33</b>	<b>1,049.28</b>

**NOTE 16.1 Trade payables (Ageing schedules)**

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

S.No.	Descriptions	Outstanding for following periods from due date of payment as at 31 <sup>st</sup> March 2025				
		<1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed dues – MSME*	9.35	-	-	-	9.35
(ii)	Undisputed dues – Others	1081.81	0.09	0.08	-	1,081.98
(iii)	Disputed dues – MSME*	-	-	-	-	-
(iv)	Disputed dues – Others	-	-	-	-	-
	<b>Total</b>	<b>1091.16</b>	<b>0.09</b>	<b>0.08</b>	<b>-</b>	<b>1,091.33</b>

S.No.	Descriptions	Outstanding for following periods from due date of payment as at 31 <sup>st</sup> March 2024				
		<1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed dues – MSME*	14.19	-	-	-	14.19
(ii)	Undisputed dues – Others	1,034.99	0.10	-	-	1,035.09
(iii)	Disputed dues – MSME*	-	-	-	-	-
(iv)	Disputed dues – Others	-	-	-	-	-
	<b>Total</b>	<b>1,049.18</b>	<b>0.10</b>	<b>-</b>	<b>-</b>	<b>1,049.28</b>

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

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

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

(All amounts in ₹ crore unless otherwise stated)

**NOTE 16 Trade payables (Contd.)**

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting period:		
- Principal	9.35	14.19
- Interest	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

**NOTE 17 Debt securities**

Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>At amortised cost</b>		
Commercial paper (Unsecured)	-	-
Non-Convertible debentures (Secured)	2,625.39	1,510.99
<b>Total (A)</b>	<b>2,625.39</b>	<b>1,510.99</b>
Debt securities in India	2,625.39	1,510.99
Debt securities outside India	-	-
<b>Total (B)</b>	<b>2,625.39</b>	<b>1,510.99</b>

**NOTE 18 Borrowings (Other than debt securities)**

Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>At amortised cost</b>		
(a) Term loans (Secured)		
i) from banks	16,757.81	13,559.32
ii) from other parties	943.06	842.55
iii) external commercial borrowings	299.22	838.01
(b) Loans repayable on demand		
i) cash credit from banks (Secured)	0.03	0.09
ii) working capital demand loan (Secured)	1,792.35	3,376.84
iii) working capital demand loan (Unsecured)	-	426.96
<b>Total (A)</b>	<b>19,792.47</b>	<b>19,043.77</b>
Borrowings in India	19,493.25	18,205.76
Borrowings outside India	299.22	838.01
<b>Total (B)</b>	<b>19,792.47</b>	<b>19,043.77</b>

Period and amount of default: NIL (31st March 2024: NIL)

(All amounts in ₹ crore unless otherwise stated)

**NOTE 19 Subordinated liabilities**

Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>At amortised cost - Unsecured</b>		
(a) Perpetual debt instruments to the extent that do not qualify as equity	103.57	103.57
(b) Other subordinated liabilities		
From banks	-	-
From others	2,165.74	2,109.39
<b>Total (A)</b>	<b>2,269.31</b>	<b>2,212.96</b>
Subordinated liabilities in India	2,269.31	2,212.96
Subordinated liabilities outside India	-	-
<b>Total (B)</b>	<b>2,269.31</b>	<b>2,212.96</b>

Period and amount of default: NIL (31<sup>st</sup> March 2024: NIL)

- Refer Annexure for the terms of the debt securities, borrowings and subordinated liabilities.
- The Group has utilised the borrowed funds for the purposes for which the fund is obtained.
- The Group has not been declared willful defaulter by any Bank or financial Institution or other lender.
- There are no charges or satisfaction yet to be registered with ROC beyond the statutory time period.
- There are no unhedged foreign currency exposures.
- The Group has not breached any covenant of loan availed or debt securities issued.
- Change in liabilities arising from financing activities

Particulars	As at 1 <sup>st</sup> April 2024	Cash flows	Exchange differences	Other*	As at 31 <sup>st</sup> March 2025
Debt securities	1,510.99	1,100.00	-	14.40	2,625.39
Borrowings other than debt securities	19,043.77	821.98	(82.64)	9.36	19,792.47
Subordinated liabilities	2,212.96	50.00	-	6.34	2,269.31
<b>Total</b>	<b>22,767.72</b>	<b>1,971.98</b>	<b>(82.64)</b>	<b>30.10</b>	<b>24,687.17</b>

Particulars	As at 1 <sup>st</sup> April 2023	Cash flows	Exchange differences	Other*	As at 31 <sup>st</sup> March 2024
Debt securities	2,658.80	(1,175.00)	-	27.19	1,510.99
Borrowings other than debt securities	14,568.48	4,537.97	(62.06)	(0.63)	19,043.77
Subordinated liabilities	1,798.27	400.38	-	14.33	2,212.96
<b>Total</b>	<b>19,025.55</b>	<b>3,763.35</b>	<b>(62.06)</b>	<b>40.89</b>	<b>22,767.72</b>

- \* (i) Other column represents the amortisation of processing fees and movement in interest accrued but not due  
(ii) Liabilities represents debt securities, borrowings(other than debt securities) and subordinated liabilities

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

## Annexure

Terms of the debt securities, borrowings and subordinated liabilities as at 31st March 2025

Institution	Amount outstanding as at 31 <sup>st</sup> March 2025	Type of security	Interest rate	Total instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
<b>Debt securities</b>								
Non Convertible Debentures	833.78	Secured	8.30%	2	2	Bullet	14-08-2025	12-09-2025
Non Convertible Debentures	237.83	Secured	8.15%	1	1	Bullet	26-06-2026	26-06-2026
Non Convertible Debentures	516.09	Secured	8.35%	2	2	Bullet	29-10-2026	29-10-2027
Non Convertible Debentures	534.75	Secured	8.25%	2	2	Bullet	31-12-2026	31-12-2027
Non Convertible Debentures	502.94	Secured	8.25%	3	3	Bullet	03-03-2027	03-03-2028
	<b>2,625.39</b>							
<b>Loan repayable on demand</b>	1,792.38	Secured	7.50% - 7.82%	Repayable on demand				
	<b>1,792.38</b>							
<b>Term loan</b>								
Bank	66.26	Secured	7.74%	15	10	Quarterly	31-03-2024	01-10-2027
Bank	200.00	Secured	7.74%	15	10	Quarterly	31-03-2024	01-10-2027
Bank	200.00	Secured	7.74%	15	10	Quarterly	31-03-2024	01-10-2027
Bank	66.67	Secured	7.74%	15	10	Quarterly	31-03-2024	01-10-2027
Bank	59.67	Secured	7.59%	10	3	Quarterly	30-09-2023	31-12-2025
Bank	90.00	Secured	7.59%	10	3	Quarterly	30-09-2023	31-12-2025
Bank	60.00	Secured	7.59%	10	3	Quarterly	30-09-2023	31-12-2025
Bank	99.99	Secured	7.00%	10	2	Quarterly	30-04-2023	30-07-2025
Bank	99.38	Secured	7.95%	15	15	Quarterly	30-06-2025	31-12-2028
Bank	76.92	Secured	7.45%	39	30	Monthly	31-07-2024	30-09-2027
Bank	153.85	Secured	7.45%	39	30	Monthly	31-07-2024	30-09-2027
Bank	76.92	Secured	7.45%	39	30	Monthly	31-07-2024	30-09-2027
Bank	337.91	Secured	7.45%	39	33	Monthly	15-10-2024	15-12-2027
Bank	411.93	Secured	8.25%	11	9	Quarterly	01-10-2024	01-04-2027
Bank	206.28	Secured	8.35%	16	11	Quarterly	29-03-2024	29-12-2027
Bank	291.73	Secured	8.35%	12	10	Quarterly	30-12-2024	30-09-2027
Bank	124.95	Secured	8.35%	12	10	Quarterly	30-12-2024	30-09-2027
Bank	75.00	Secured	7.87%	6	3	Half Yearly	29-02-2024	31-08-2026
Bank	72.33	Secured	7.10%	16	10	Quarterly	27-12-2023	26-09-2027
Bank	62.84	Secured	7.25%	13	8	Quarterly	26-03-2024	27-03-2027
Bank	278.05	Secured	6.39%	10	9	Quarterly	30-03-2025	30-06-2027
Bank	219.44	Secured	6.39%	26	19	Monthly	30-06-2024	28-07-2026
Bank	232.19	Secured	6.71%	11	10	Quarterly	29-03-2025	29-09-2027
Bank	149.42	Secured	6.71%	27	22	Monthly	29-09-2024	30-01-2027

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

Institution	Amount outstanding as at 31 <sup>st</sup> March 2025	Type of security	Interest rate	Total instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Bank	255.45	Secured	6.89%	13	11	Quarterly	30-12-2024	27-12-2027
Bank	178.58	Secured	6.89%	27	25	Monthly	30-12-2024	27-04-2027
Bank	351.96	Secured	6.60%	13	13	Quarterly	31-05-2025	29-05-2028
Bank	146.00	Secured	6.60%	31	30	Monthly	31-03-2025	27-09-2027
Bank	125.70	Secured	7.25%	12	3	Quarterly	23-03-2023	21-01-2026
Bank	27.19	Secured	7.60%	37	10	Monthly	02-02-2023	21-01-2026
Bank	20.13	Secured	7.75%	12	4	Quarterly	20-05-2023	21-03-2026
Bank	29.39	Secured	7.75%	37	12	Monthly	20-03-2023	21-03-2026
Bank	125.67	Secured	7.25%	12	4	Quarterly	30-06-2023	28-04-2026
Bank	317.88	Secured	7.10%	16	9	Quarterly	30-09-2023	29-06-2027
Bank	105.89	Secured	7.10%	16	9	Quarterly	30-09-2023	29-06-2027
Bank	241.35	Secured	7.10%	16	10	Quarterly	27-12-2023	26-09-2027
Bank	251.25	Secured	7.15%	13	8	Quarterly	29-02-2024	01-03-2027
Bank	13.64	Secured	5.60%	37	1	Monthly	30-04-2022	29-04-2025
Bank	81.61	Secured	6.35%	37	4	Monthly	29-07-2022	28-07-2025
Bank	249.99	Secured	8.00%	1	1	Bullet	29-09-2025	29-09-2025
Bank	249.96	Secured	8.00%	1	1	Bullet	30-06-2026	30-06-2026
Bank	299.92	Secured	8.10%	1	1	Bullet	26-09-2027	26-09-2027
Bank	100.70	Secured	8.40%	10	2	Quarterly	02-06-2023	02-09-2025
Bank	20.19	Secured	8.40%	10	2	Quarterly	29-06-2023	29-09-2025
Bank	80.83	Secured	8.40%	10	2	Quarterly	01-07-2023	01-10-2025
Bank	181.37	Secured	8.40%	10	9	Quarterly	29-03-2025	29-06-2027
Bank	503.44	Secured	8.30%	10	10	Quarterly	30-09-2025	30-12-2027
Bank	90.39	Secured	7.52%	10	6	Quarterly	29-04-2024	29-07-2026
Bank	60.27	Secured	7.52%	10	6	Quarterly	29-04-2024	29-07-2026
Bank	164.71	Secured	7.76%	11	9	Quarterly	26-11-2024	26-05-2027
Bank	175.76	Secured	7.65%	10	7	Quarterly	20-07-2024	20-10-2026
Bank	69.23	Secured	6.85%	13	9	Quarterly	30-06-2024	30-06-2027
Bank	262.50	Secured	7.72%	8	7	Quarterly	11-03-2025	08-12-2026
Bank	400.36	Secured	8.10%	1	1	Bullet	29-05-2026	29-05-2026
Bank	33.30	Secured	8.30%	12	8	Quarterly	30-06-2024	31-03-2027
Bank	100.00	Secured	8.30%	12	8	Quarterly	30-06-2024	31-03-2027
Bank	150.01	Secured	8.30%	10	7	Quarterly	30-09-2023	31-12-2025
Bank	249.97	Secured	8.50%	10	5	Quarterly	31-03-2024	30-06-2026
Bank	120.03	Secured	8.50%	10	6	Quarterly	30-04-2024	31-07-2026
Bank	50.01	Secured	8.50%	10	5	Quarterly	31-03-2024	30-06-2026



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

Institution	Amount outstanding as at 31 <sup>st</sup> March 2025	Type of security	Interest rate	Total instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Bank	100.02	Secured	8.50%	10	5	Quarterly	31-03-2024	30-06-2026
Bank	291.67	Secured	8.50%	12	7	Quarterly	29-02-2024	30-11-2026
Bank	416.68	Secured	8.50%	12	10	Quarterly	31-12-2024	30-09-2027
Bank	229.22	Secured	8.50%	12	11	Quarterly	28-02-2025	30-11-2027
Bank	229.22	Secured	8.50%	12	11	Quarterly	31-03-2025	31-12-2027
Bank	39.99	Secured	8.00%	10	2	Quarterly	30-06-2023	30-09-2025
Bank	90.02	Secured	8.05%	10	3	Quarterly	31-07-2023	31-10-2025
Bank	31.46	Secured	7.84%	8	1	Quarterly	20-07-2023	20-04-2025
Bank	167.72	Secured	7.84%	12	4	Quarterly	10-05-2023	10-02-2026
Bank	66.81	Secured	7.69%	12	8	Quarterly	27-06-2024	27-03-2027
Bank	67.17	Secured	7.69%	12	8	Quarterly	27-06-2024	27-03-2027
Bank	67.17	Secured	7.69%	12	8	Quarterly	27-06-2024	27-03-2027
Bank	335.79	Secured	7.69%	12	8	Quarterly	27-06-2024	27-03-2027
Bank	134.31	Secured	7.69%	12	8	Quarterly	27-06-2024	27-03-2027
Bank	752.57	Secured	8.30%	15	15	Quarterly	29-05-2025	29-11-2028
Bank	251.77	Secured	8.30%	15	15	Quarterly	29-05-2025	29-11-2028
Bank	1,007.09	Secured	8.30%	15	15	Quarterly	29-05-2025	29-11-2028
Bank	1,000.69	Secured	8.30%	15	15	Quarterly	29-05-2025	29-11-2028
Bank	245.44	Secured	8.45%	11	9	Quarterly	26-12-2024	26-06-2027
Bank	272.79	Secured	8.45%	11	10	Quarterly	30-01-2025	30-07-2027
Bank	363.72	Secured	8.45%	11	10	Quarterly	28-02-2025	31-08-2027
Bank	500.02	Secured	8.05%	11	11	Quarterly	30-06-2025	31-12-2027
Bank	500.11	Secured	8.05%	11	11	Quarterly	30-09-2025	31-03-2028
Others	231.41	Secured	8.32%	43	33	Monthly	10-06-2024	10-12-2027
Others	334.87	Secured	8.07%	12	9	Quarterly	10-06-2024	10-03-2027
Others	376.78	Secured	7.78%	12	9	Quarterly	10-08-2024	10-05-2027
Bank-ECB	299.22	Secured	7.77%	1	1	Bullet	27-03-2028	27-03-2028
<b>Total</b>	<b>18,000.09</b>							
<b>Subordinated liabilities</b>								
Perpetual debt	103.57	Unsecured	11.50%	1	1	Bullet	25-11-2027	25-11-2027
<b>Other subordinated liabilities:</b>								
Others	154.27	Unsecured	9.40%	1	1	Bullet	10-06-2026	10-06-2026
Others	151.35	Unsecured	9.40%	1	1	Bullet	26-08-2026	26-08-2026
Others	101.91	Unsecured	8.85%	1	1	Bullet	02-06-2027	02-06-2027
Others	359.39	Unsecured	8.85%	1	1	Bullet	11-06-2027	11-06-2027
Others	101.46	Unsecured	9.50%	1	1	Bullet	18-01-2028	18-01-2028
Others	324.01	Unsecured	9.50%	1	1	Bullet	31-01-2028	31-01-2028

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

Institution	Amount outstanding as at 31 <sup>st</sup> March 2025	Type of security	Interest rate	Total instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Others	201.19	Unsecured	9.35%	1	1	Bullet	29-08-2028	29-08-2028
Others	512.31	Unsecured	9.30%	1	1	Bullet	27-06-2029	27-06-2029
Others	157.63	Unsecured	9.38%	1	1	Bullet	24-04-2030	24-04-2030
Others	102.22	Unsecured	10.00%	1	1	Bullet	01-07-2026	01-07-2026
<b>Total</b>	<b>2,165.74</b>							
<b>Subordinated liabilities total</b>	<b>2,269.31</b>							

Institution	Amount outstanding as at 31 <sup>st</sup> March 2024	Type of security	Interest rate	Total instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
<b>Debt securities</b>								
Non Convertible Debentures	834.02	Secured	8.30%	2	2	Bullet	14-08-2025	12-09-2025
Non Convertible Debentures	439.05	Secured	8.15%	2	2	Bullet	19-09-2024	18-10-2024
Non Convertible Debentures	237.92	Secured	8.40%	1	1	Bullet	26-06-2026	26-06-2026
	<b>1,510.99</b>							
<b>Loan repayable on demand</b>	3,376.93	Secured	7.70% - 8.71%	Repayable on demand				
	426.96	Unsecured						
	<b>3,803.89</b>							
<b>Term loan</b>								
Bank	62.48	Secured	6.30%	8	2	Quarterly	31-12-2022	30-09-2024
Bank	124.99	Secured	6.30%	8	4	Quarterly	31-05-2023	28-02-2025
Bank	299.96	Secured	7.00%	10	6	Quarterly	30-04-2023	30-07-2025
Bank	489.04	Secured	7.59%	10	7	Quarterly	30-09-2023	31-12-2025
Bank	746.04	Secured	8.34%	15	14	Quarterly	31-03-2024	01-10-2027
Bank	99.22	Secured	7.70%	39	39	Monthly	31-07-2024	30-09-2027
Bank	499.91	Secured	8.25%	11	11	Quarterly	01-10-2024	01-04-2027
Bank	281.26	Secured	8.30%	16	15	Quarterly	29-03-2024	29-12-2027
Bank	125.01	Secured	7.94%	4	2	Quarterly	30-11-2023	31-08-2024
Bank	299.95	Secured	8.35%	14	14	Quarterly	31-08-2024	30-11-2027
Bank	200.14	Secured	7.00%	1	1	Bullet	27-10-2024	27-10-2024
Bank	400.32	Secured	8.10%	1	1	Bullet	29-05-2026	29-05-2026
Bank	124.99	Secured	8.26%	5	5	Half Yearly	29-02-2024	31-08-2026
Bank	42.03	Secured	7.75%	36	3	Monthly	25-07-2021	24-06-2024
Bank	83.94	Secured	7.50%	36	6	Monthly	28-10-2021	27-09-2024
Bank	63.02	Secured	8.27%	36	9	Monthly	31-01-2022	30-12-2024

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

Institution	Amount outstanding as at 31 <sup>st</sup> March 2024	Type of security	Interest rate	Total instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Bank	176.46	Secured	5.60%	37	13	Monthly	30-04-2022	29-04-2025
Bank	326.12	Secured	6.35%	37	16	Monthly	29-07-2022	28-07-2025
Bank	293.14	Secured	7.25%	12	7	Quarterly	23-03-2023	21-01-2026
Bank	59.72	Secured	7.60%	37	22	Monthly	02-02-2023	21-01-2026
Bank	40.26	Secured	7.75%	12	8	Quarterly	20-05-2023	21-03-2026
Bank	58.77	Secured	7.75%	37	24	Monthly	20-03-2023	21-03-2026
Bank	251.06	Secured	7.25%	12	8	Quarterly	30-06-2023	28-04-2026
Bank	459.37	Secured	7.10%	16	13	Quarterly	30-09-2023	29-06-2027
Bank	152.58	Secured	7.10%	16	13	Quarterly	30-09-2023	29-06-2027
Bank	337.83	Secured	7.10%	16	14	Quarterly	27-12-2023	26-09-2027
Bank	101.29	Secured	7.54%	16	14	Quarterly	27-12-2023	26-09-2027
Bank	376.84	Secured	7.15%	16	15	Quarterly	29-02-2024	30-11-2027
Bank	94.23	Secured	7.15%	16	15	Quarterly	26-03-2024	27-12-2027
Bank	749.41	Secured	7.10%	13	13	Quarterly	30-12-2024	30-09-2026
Bank	249.95	Secured	8.25%	1	1	Bullet	29-09-2025	29-09-2025
Bank	249.90	Secured	8.25%	1	1	Bullet	30-06-2026	30-06-2026
Bank	60.48	Secured	8.50%	10	6	Quarterly	29-06-2023	29-09-2025
Bank	302.10	Secured	8.50%	10	6	Quarterly	01-07-2023	01-10-2025
Bank	241.73	Secured	8.50%	10	6	Quarterly	01-07-2023	01-10-2025
Bank	100.01	Secured	7.28%	10	5	Quarterly	31-01-2023	30-04-2025
Bank	249.96	Secured	8.08%	10	10	Quarterly	29-04-2024	29-07-2026
Bank	249.96	Secured	8.20%	10	10	Quarterly	20-07-2024	20-10-2026
Bank	99.99	Secured	7.10%	13	13	Quarterly	30-06-2024	30-06-2027
Bank	299.97	Secured	8.15%	8	8	Quarterly	11-03-2025	08-12-2026
Bank	119.96	Secured	8.03%	10	6	Quarterly	31-07-2023	31-10-2025
Bank	210.03	Secured	8.03%	10	7	Quarterly	31-07-2023	31-10-2025
Bank	349.99	Secured	8.65%	10	7	Quarterly	30-09-2023	30-12-2025
Bank	719.94	Secured	8.35%	10	9	Quarterly	31-03-2024	30-06-2026
Bank	200.03	Secured	8.35%	10	10	Quarterly	30-04-2024	31-07-2026
Bank	458.30	Secured	8.35%	12	11	Quarterly	29-02-2024	30-11-2026
Bank	49.94	Secured	8.30%	12	12	Quarterly	30-06-2024	31-03-2027
Bank	125.89	Secured	8.40%	8	4	Quarterly	23-06-2023	23-03-2025
Bank	157.44	Secured	8.40%	8	5	Quarterly	20-07-2023	20-04-2025
Bank	335.58	Secured	8.40%	12	8	Quarterly	10-05-2023	10-02-2026
Bank	1,006.73	Secured	8.25%	12	12	Quarterly	27-06-2024	27-03-2027
Bank	301.83	Secured	8.25%	1	1	Bullet	27-03-2025	27-03-2025

(All amounts in ₹ crore unless otherwise stated)

Institution	Amount outstanding as at 31 <sup>st</sup> March 2024	Type of security	Interest rate	Total instalment	No. of instalments remaining	Frequency	Repayable from	Repayable to
Others	301.58	Secured	8.00%	43	43	Monthly	10-06-2024	10-12-2027
Others	500.97	Secured	8.25%	12	12	Quarterly	10-06-2024	10-03-2027
Others	40.23	Secured	7.85%	5	1	Quarterly	05-05-2023	30-04-2024
Bank-ECB	838.01	Secured	6.92%	1	1	Bullet	02-12-2024	02-12-2024
	<b>15,239.88</b>							
<b>Subordinated liabilities</b>								
<b>Perpetual debt</b>	103.57	Unsecured	11.50%	1	1	Bullet	25-11-2027	25-11-2027
<b>Other subordinated liabilities:</b>								
Others	101.75	Unsecured	10.90%	1	1	Bullet	07-08-2024	07-08-2024
Others	152.95	Unsecured	9.40%	1	1	Bullet	10-06-2026	10-06-2026
Others	150.26	Unsecured	9.40%	1	1	Bullet	26-08-2026	26-08-2026
Others	101.92	Unsecured	8.85%	1	1	Bullet	02-06-2027	02-06-2027
Others	359.56	Unsecured	8.85%	1	1	Bullet	11-06-2027	11-06-2027
Others	101.46	Unsecured	9.50%	1	1	Bullet	18-01-2028	18-01-2028
Others	324.79	Unsecured	9.50%	1	1	Bullet	31-01-2028	31-01-2028
Others	201.89	Unsecured	9.35%	1	1	Bullet	29-08-2028	29-08-2028
Others	512.57	Unsecured	9.30%	1	1	Bullet	27-06-2029	27-06-2029
Others	102.24	Unsecured	10.00%	1	1	Bullet	01-07-2026	01-07-2026
<b>Total</b>	<b>2,109.39</b>							
<b>Subordinated liabilities total</b>	<b>2,212.96</b>							

#### Details of security

- Non convertible debentures of ₹ 2,625 crore inclusive of current and non-current dues (As at 31st March 2024 ₹ 1,511 crore) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Group.
- Term loan received from banks and other parties of ₹ 18,000 crore inclusive of current and non-current dues (As at 31st March 2024 ₹ 15,240 crore) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Group.
- Working capital demand loan and cash credit of ₹ 1,792 crore (As at 31st March 2024 ₹ 3,377 crore) is fully secured by exclusive floating charge against hypothecation of receivables under the financing activity of the Group.

(All amounts in ₹ crore unless otherwise stated)

**NOTE 20 Other financial liabilities**

S.No.	Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
a)	Employee related liabilities	134.41	166.04
b)	Security deposit	15.51	137.23
c)	Lease liability (refer note 41)	71.43	31.36
	<b>Total</b>	<b>221.35</b>	<b>334.63</b>

**NOTE 21 Provisions**

S.No.	Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
a)	Pension (refer note 37)	12.70	11.23
b)	Gratuity (refer note 37)	3.60	0.57
c)	Compensated absences (refer note 37)	43.28	55.79
	<b>Total</b>	<b>59.58</b>	<b>67.59</b>

**NOTE 22 Other non-financial liabilities**

S.No.	Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
a)	Statutory dues	42.87	52.84
	<b>Total</b>	<b>42.87</b>	<b>52.84</b>

**NOTE 23 Equity share capital**

**a) Terms/Rights attached to equity shares**

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

**b) Terms/Rights attached to Compulsory convertible preference shares**

The Group has only one class of compulsory convertible preference shares having a par value of ₹ 10 per share which shall convert into one equity share as laid out in the agreement. Upon conversion into equity shares, the shareholder shall be entitled to participate in the dividend on equity shares on pari passu basis along with holders of other equity shares.

S.No.	Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
c)	<b>Authorised share capital:</b>		
	300,000,000 (As at 31 <sup>st</sup> March 2024 : 300,000,000) equity shares of ₹10 each	300.00	300.00
	20,000,000 (As at 31 <sup>st</sup> March 2024 : 20,000,000) 0.001% Compulsorily convertible preference shares of ₹10 each	20.00	20.00
	<b>Total</b>	<b>320.00</b>	<b>320.00</b>
d)	<b>Issued, subscribed and paid-up:</b>		
	<b>Equity Share:</b>		
	236,272,706 (As at 31 <sup>st</sup> March 2024 : 228,223,926) equity shares of ₹10 each	236.27	228.22
	<b>Total</b>	<b>236.27</b>	<b>228.22</b>
	<b>Instruments entirely equity in nature:</b>		
	18,384,684 (As at 31 <sup>st</sup> March 2024: 18,384,684) 0.001% Compulsorily convertible preference shares of ₹10 each	18.38	18.38
	<b>Total</b>	<b>18.38</b>	<b>18.38</b>

(All amounts in ₹ crore unless otherwise stated)

**NOTE 23 Equity share capital (Contd.)**

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

**Equity share:**

Particulars	As at 31 <sup>st</sup> March 2025		As at 31 <sup>st</sup> March 2024	
	No. of shares	Amount	No. of shares	Amount
<b>At the beginning of the year</b>	22,82,23,926	228.22	22,82,23,926	228.22
Add: Issued during the year*	80,48,780	8.05	-	-
<b>At the end of the year</b>	<b>23,62,72,706</b>	<b>236.27</b>	<b>22,82,23,926</b>	<b>228.22</b>

\* On 28th June 2024, the Group through preferential issue on private placement basis allotted 80,48,780 equity shares to eligible buyers at a price of ₹410 per equity share of ₹10 face value (inclusive of premium of ₹400 per share) aggregating to approximately ₹330 crore.

**0.001% Compulsorily convertible preference shares:**

Particulars	As at 31 <sup>st</sup> March 2025		As at 31 <sup>st</sup> March 2024	
	No. of shares	Amount	No. of shares	Amount
<b>At the beginning of the year</b>	1,83,84,684	18.38	-	-
Add: Issued during the year	-	-	1,83,84,684	18.38
<b>At the end of the year</b>	<b>1,83,84,684</b>	<b>18.38</b>	<b>1,83,84,684</b>	<b>18.38</b>

**f) Shares held by holding companies:**

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>Equity shares:</b>		
TVS Motor Company Limited	20,23,19,089	19,54,24,754
<b>0.001% Compulsorily convertible preference shares:</b>		
TVS Motor Company Limited	31,69,773	31,69,773

**g) Number of shares held by share holders more than 5% of total shares as at the end of the year**

Name of the Shareholders	As at 31 <sup>st</sup> March 2025		As at 31 <sup>st</sup> March 2024	
	No. of shares	% of holding	No. of shares	% of holding
<b>Equity shares:</b>				
TVS Motor Company Limited	20,23,19,089	85.63%	19,54,24,754	85.63%
PI Opportunities Fund I Scheme II	1,22,72,143	5.19%	1,14,03,378	5.00%
<b>0.001% Compulsorily convertible preference shares:</b>				
TVS Motor Company Limited	31,69,773	17.24%	31,69,773	17.24%
PI Opportunities Fund I Scheme II	1,52,14,911	82.76%	1,52,14,911	82.76%

**h) Shares held by promoters at the end of year**

Promoter Name	No. of shares	% of total shares	% change during the year
<b>Equity share:</b>			
TVS Motor Company Limited	20,23,19,089	85.63%	0.00%
<b>0.001% Compulsorily convertible preference shares:</b>			
TVS Motor Company Limited	31,69,773	17.24%	0.00%



(All amounts in ₹ crore unless otherwise stated)

**NOTE 24 Other equity**

Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
a) Securities premium	2,196.14	1,874.19
b) Statutory reserves	509.85	356.40
c) Share based payment reserve	0.27	-
d) Retained earnings	1,992.52	1,385.86
e) Other reserves-Hedging reserve	(1.23)	5.89
<b>Total reserves and surplus</b>	<b>4,697.55</b>	<b>3,622.34</b>

Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>a) Securities premium</b>		
Opening balance	1,874.19	1,336.35
Additions during the year	321.95	537.84
Deductions/Adjustments during the year	-	-
<b>Closing balance</b>	<b>2,196.14</b>	<b>1,874.19</b>

Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>b) Statutory reserves</b>		
Opening balance	356.40	242.03
Transfer from retained earnings	153.45	114.37
Deductions/Adjustments during the year	-	-
<b>Closing balance</b>	<b>509.85</b>	<b>356.40</b>

Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>c) Share based payment reserve</b>		
Opening balance	-	-
Share based payment expense during the year	0.27	-
<b>Closing balance</b>	<b>0.27</b>	<b>-</b>

Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>d) Retained earnings</b>		
Opening balance	1,385.86	934.94
Net profit for the year	768.07	572.56
Items of other comprehensive income recognised directly in retained Earnings:		
- Remeasurements of post-employment benefit obligation net off tax	(7.96)	(7.28)
Transfer to statutory reserve	(153.45)	(114.37)
<b>Closing balance</b>	<b>1,992.52</b>	<b>1,385.86</b>

Description	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>e) Other reserves - Hedging reserve</b>		
Opening balance	5.89	19.32
Add: Change in fair value of hedging instruments, net off tax for the year	(6.65)	(13.43)
Add: Fair value gain/(loss) on financial instruments through other comprehensive income	(0.47)	-
<b>Closing balance</b>	<b>(1.23)</b>	<b>5.89</b>

**Securities premium**

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

(All amounts in ₹ crore unless otherwise stated)

**Statutory reserves:**

According to Section 45 - IC of the Reserve Bank of India Act, 1934, the Group 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 Group's cumulative undistributed earnings since its inception. This is available for distribution to shareholders through dividends/capitalisation.

**Share based payment reserve:**

It is created as required by Ind AS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the Parent Company for its employees.

**Other reserve-Hedging reserve**

It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

**NOTE 25 Interest income**

Description	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
<b>On financial assets measured at amortised cost:</b>		
Interest on loans	5,774.29	5,048.52
Interest on deposits with bank	17.33	64.98
Interest on Government securities	6.79	0.05
<b>Total</b>	<b>5,798.41</b>	<b>5,113.55</b>

**NOTE 26 Fees and commission income**

Description	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Fee-based income	525.12	408.18
Service income	211.34	183.87
<b>Total</b>	<b>736.46</b>	<b>592.05</b>

**NOTE 27 Net gain on fair value changes on financial instruments**

Description	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Net gain on fair value changes on FVTPL - Realised	92.32	-
Net gain on fair value changes on FVTPL - Unrealised	-	-
<b>Total</b>	<b>92.32</b>	<b>-</b>

**NOTE 28 Other operating income**

Description	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Realisation on sale of written off and stressed loans	-	85.09
<b>Total</b>	<b>-</b>	<b>85.09</b>

**NOTE 29 Other income**

Description	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Unwinding of discount on security deposits and receivable for investments	0.97	0.95
Other non-operating income	0.44	3.88
Interest on Income tax refund	2.52	0.64
<b>Total</b>	<b>3.93</b>	<b>5.47</b>

(All amounts in ₹ crore unless otherwise stated)

**NOTE 30 Finance costs**

Description	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
<b>Interest expense on financial liabilities measured at amortised cost:</b>		
- Interest on borrowings (other than debt securities)	1,476.13	1,253.76
- Interest on debt securities	169.54	216.98
- Interest on subordinated liabilities	203.74	172.23
<b>Other interest expense:</b>		
- Interest on lease liabilities	6.12	2.82
- Others	7.79	7.85
<b>Total</b>	<b>1,863.32</b>	<b>1,653.64</b>

**NOTE 31 Impairment of financial instruments**

Description	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
<b>On financial instruments measured at amortised cost</b>		
Bad debts written off (net)	940.98	633.57
Net loss on sale of repossessed assets	410.38	274.09
Impairment provision on loans	(57.20)	217.01
Impairment provision on trade receivables and other financial assets	1.20	2.38
<b>Total</b>	<b>1,295.36</b>	<b>1,127.05</b>

**NOTE 32 Employee benefit expenses**

Description	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Salaries and wages	1,019.56	1,051.73
Contribution to provident and other funds	56.86	53.91
Gratuity expenses (refer note 37)	6.87	5.10
Share based payments to employees	0.27	-
Staff welfare expenses	52.02	90.04
<b>Total</b>	<b>1,135.58</b>	<b>1,200.78</b>

**NOTE 33 Other expenses**

Description	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Rent, taxes and energy costs ( Refer note 41d))	39.71	34.31
Repairs and maintenance	18.31	17.26
Communication costs	97.21	128.83
Printing and stationery	1.59	6.05
Travelling and conveyance	46.13	81.01
Directors sitting fees & commission expenses	1.03	0.81
Legal and professional charges	92.50	140.60
Insurance expenses	0.90	0.39
Information technology expenses	106.16	88.96
Manpower support expenses	274.49	49.45
Brand royalty fees	24.96	15.60
Auditors fees and expenses*	0.74	0.67
Corporate social responsibility **	10.00	10.00
Donation	20.00	13.70
Others	3.26	6.91
<b>Total</b>	<b>736.97</b>	<b>594.55</b>

(All amounts in ₹ crore unless otherwise stated)

**\*Auditors fees and expenses**

Description	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
Statutory audit	0.43	0.39
Limited review	0.13	0.12
Tax audit	0.08	0.08
Certification	0.05	0.04
Reimbursement of expenses	0.05	0.04
<b>Auditors fees and expenses</b>	<b>0.74</b>	<b>0.67</b>

**\*\* Expenditure incurred on corporate social responsibility activities:**

Particulars	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
(i) Amount required to be spent by the Group during the year	9.53	5.12
(ii) Amount of expenditure incurred	10.00	10.00
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	NA	NA
(vi) Nature of CSR activities		
a. Expenses incurred through Trusts	10.00	10.00
<b>Total</b>	<b>10.00</b>	<b>10.00</b>

**NOTE 34 Income tax expenses**

Description	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
(a) Income tax expense:		
Current tax on profits for the year	324.07	307.87
Tax profits relating to prior period	-	-
<b>Total current tax expense</b>	<b>324.07</b>	<b>307.87</b>
Deferred tax		
Decrease/(increase) in deferred tax assets	(65.61)	(117.55)
(Decrease)/increase in deferred tax liabilities	-	-
<b>Total deferred tax expense/(benefit)</b>	<b>(65.61)</b>	<b>(117.55)</b>
<b>Income tax expense for the year</b>	<b>258.46</b>	<b>190.32</b>
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	1,026.53	762.88
Tax at the Indian tax rate of 25.168% (Year ended 31st March 2024: 25.168%)	258.36	192.00
Tax effect of amounts which are permanent differences in nature in calculation of taxable income	0.10	(1.68)
<b>Income tax expense</b>	<b>258.46</b>	<b>190.32</b>

(All amounts in ₹ crore unless otherwise stated)

**NOTE 35 Other comprehensive income**

Description	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurement of the defined benefit plans	(10.64)	(9.72)
Income tax relating to these items	2.68	2.45
<b>Items that will be reclassified to profit or loss</b>		
Fair value change on cash flow hedge	(8.89)	(17.95)
Income tax relating to these items	2.24	4.52
Fair value gain/(loss) on financial instruments through other comprehensive income	(0.62)	-
Income tax relating to these items	0.16	-
<b>Other comprehensive income</b>	<b>(15.08)</b>	<b>(20.70)</b>

**NOTE 36 Earnings per share**

Description	Year ended 31 <sup>st</sup> March 2025	Year ended 31 <sup>st</sup> March 2024
<b>(a) Basic earnings per share</b>		
Basic earnings per share attributable to the equity holders of the Group	30.39	23.93
<b>(b) Diluted earnings per share</b>		
Diluted earnings per share attributable to the equity holders of the Group	30.39	23.93
<b>(c) Reconciliations of earnings used in calculating earnings per share</b>		
Basic earnings per share:		
Profit attributable to equity holders of the company used in calculating basis earnings per share	768.07	572.56
Diluted earnings per share:		
Profit attributable to equity holders of the company used in calculating diluted earnings per share	768.07	572.56
<b>(d) Weighted average number of equity shares used as the denominator in calculating basic earnings per share</b>	25,27,16,862	23,92,28,062
Effect of dilution:		
Employee stock options	2,782	-
<b>(e) Weighted average number of equity shares used as the denominator in calculating diluted earnings per share</b>	25,27,19,644	23,92,28,062

(All amounts in ₹ crore unless otherwise stated)

**NOTE 37 Employee benefit obligations**

**Defined benefit obligation**

The Group provides gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Group makes contributions to recognised fund in India.

The Group operates defined benefit pension plan, which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

Particulars	Gratuity			Pension			Compensated Absences		
	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total
<b>As at 1st April 2023</b>	<b>33.85</b>	<b>(36.16)</b>	<b>(2.31)</b>	<b>9.77</b>	-	<b>9.77</b>	<b>42.88</b>	-	<b>42.88</b>
Current service cost	5.38	-	5.38	-	-	-	-	-	-
Interest expense/(income)	2.54	(2.82)	(0.28)	0.74	-	0.74	3.28	-	3.28
<b>Total amount recognised in profit or loss</b>	<b>7.92</b>	<b>(2.82)</b>	<b>5.10</b>	<b>0.74</b>	-	<b>0.74</b>	<b>12.91</b>	-	<b>12.91</b>
Remeasurements									
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.74	0.74	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	0.16	-	0.16	0.22	-	0.22	-	-	-
Experience (gains)/losses	8.10	-	8.10	0.50	-	0.50	-	-	-
<b>Total amount recognised in other comprehensive (income)/losses</b>	<b>8.26</b>	<b>0.74</b>	<b>9.00</b>	<b>0.72</b>	-	<b>0.72</b>	-	-	-
Employer contributions	-	(11.22)	(11.22)	-	-	-	-	-	-
Benefit payments	(5.51)	5.51	-	-	-	-	-	-	-
<b>As at 31<sup>st</sup> March 2024</b>	<b>44.52</b>	<b>(43.95)</b>	<b>0.57</b>	<b>11.23</b>	-	<b>11.23</b>	<b>55.79</b>	-	<b>55.79</b>
<b>As at 1<sup>st</sup> April 2024</b>	<b>44.52</b>	<b>(43.95)</b>	<b>0.57</b>	<b>11.23</b>	-	<b>11.23</b>	<b>55.79</b>	-	<b>55.79</b>
Current service cost	7.07	-	7.07	-	-	-	-	-	-
Interest expense/(income)	3.12	(3.32)	(0.20)	0.79	-	0.79	3.81	-	3.81
<b>Total amount recognised in profit or loss</b>	<b>10.19</b>	<b>(3.32)</b>	<b>6.87</b>	<b>0.79</b>	-	<b>0.79</b>	<b>(12.51)</b>	-	<b>(12.51)</b>
Remeasurements									
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.44	0.44	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	0.76	-	0.76	0.84	-	0.84	-	-	-
Experience (gains)/losses	8.76	-	8.76	(0.16)	-	(0.16)	-	-	-
<b>Total amount recognised in other comprehensive (income)/losses</b>	<b>9.52</b>	<b>0.44</b>	<b>9.96</b>	<b>0.68</b>	-	<b>0.68</b>	-	-	-
Employer contributions	-	(13.80)	(13.80)	-	-	-	-	-	-
Benefit payments	(7.14)	7.14	-	-	-	-	-	-	-
<b>As at 31<sup>st</sup> March 2025</b>	<b>57.10</b>	<b>(53.48)</b>	<b>3.60</b>	<b>12.70</b>	-	<b>12.70</b>	<b>43.28</b>	-	<b>43.28</b>

Details	Gratuity		Pension		Compensated Absences	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Discount rate	6.34%	6.95%	6.44%	6.95%	6.34%	6.95%
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)					



(All amounts in ₹ crore unless otherwise stated)

**NOTE 37 Employee benefit obligations (Contd.)**

**(i) Sensitivity analysis**

**FY 2024-25**

Particulars	Gratuity			Pension			Compensated Absences		
	Change in assumption	Due to increase in assumption	Due to decrease in assumption	Change in assumption	Due to increase in assumption	Due to decrease in assumption	Change in assumption	Due to increase in assumption	Due to decrease in assumption
Discount rate	0.50%	56.42	57.76	1.00%	11.45	14.18	0.50%	42.83	43.74
Salary growth rate	0.50%	57.74	56.43	1.00%	14.26	11.38	0.50%	43.73	42.82
Mortality	5.00%	57.08	57.08	5.00%	12.60	12.81	5.00%	43.28	43.28
Attrition	5.00%	56.68	57.49	5.00%	12.70	12.70	5.00%	43.29	43.26
₹10,00,000 benefit ceiling	-	55.33	-	-	-	-	-	-	-
No benefit ceiling	-	-	57.86	-	-	-	-	-	-

**FY 2023-24**

Particulars	Gratuity			Pension			Compensated absences		
	Change in assumption	Due to increase in assumption	Due to decrease in assumption	Change in assumption	Due to increase in assumption	Due to decrease in assumption	Change in assumption	Due to increase in assumption	Due to decrease in assumption
Discount rate	0.50%	44.00	45.03	1.00%	10.07	12.62	0.50%	55.22	56.37
Salary growth rate	0.50%	45.02	44.00	1.00%	12.69	10.00	0.50%	56.37	55.22
Mortality	5.00%	44.51	44.51	5.00%	11.15	11.32	5.00%	55.79	55.79

**(ii) Projected plan cash flow**

Maturity profile	Amount (Rs. in crs)
Expected benefits for year 1	35.56
Expected benefits for year 2	26.70
Expected benefits for year 3	19.94
Expected benefits for year 4	14.43
Expected benefits for year 5	10.54
Expected benefits for year 6 and above	24.16
<b>Total</b>	<b>131.33</b>

**(iii) Risk exposure:**

Through its defined benefit plans, the Group 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 Group's contribution to defined contribution plan viz., provident fund and ESI, of ₹ 55.80 Crore (As at 31st March 2024: ₹ 52.56 Crore) has been recognised in the Statement of Profit and Loss.

**(v) Category of plan assets**

100% in insurer managed funds

(All amounts in ₹ crore unless otherwise stated)

**NOTE 38 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	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024		31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
<b>Financial assets:</b>					
Cash and cash equivalents	3,599.65	1,761.42	Level 3	3,599.65	1,761.42
Other bank balances	5.95	5.90	Level 3	5.95	5.90
Trade receivables	152.21	117.20	Level 3	152.21	117.20
Loans	26,298.84	25,470.24	Level 3	26,298.84	25,470.24
Investment in Government securities	282.12	93.46	Level 1	282.12	93.46
<b>Other financial assets</b>					
Employees related receivables	12.84	10.49	Level 3	12.84	10.49
Security deposit for leased premises	13.29	11.17	Level 3	13.29	11.17
Other financial assets - Non related parties	-	0.71	Level 3	-	0.71
Deposit with service providers	2.12	2.65	Level 3	2.12	2.65
<b>Total</b>	<b>30,367.02</b>	<b>27,473.24</b>		<b>30,367.02</b>	<b>27,473.24</b>

**Financial liabilities**

Trade payables	1,091.33	1,049.28	Level 3	1,091.33	1,049.28
Debt securities	2,625.39	1,510.99	Level 2	2,625.39	1,510.99
Borrowings other than debt securities	19,792.47	19,043.77	Level 3	19,792.47	19,043.77
Subordinated liabilities	2,269.31	2,212.96	Level 2	2,269.31	2,212.96
Other financial liabilities	221.35	334.63	Level 3	221.35	334.63
<b>Total</b>	<b>25,999.85</b>	<b>24,151.63</b>		<b>25,999.85</b>	<b>24,151.64</b>

**Financial assets and liabilities measured at fair value:**

Particulars	Fair Value Hierarchy	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
<b>Financial assets:</b>			
Investment in Alternate investment fund	Level 3	5.38	4.00
Investment in Compulsory convertible debentures	Level 3	0.25	0.25
Derivative financial instruments	Level 2	-	90.67
<b>Total financial assets</b>		<b>5.63</b>	<b>94.92</b>
<b>Financial liabilities:</b>			
Derivative financial instruments	Level 2	2.24	-
<b>Total financial liabilities</b>		<b>2.24</b>	<b>-</b>

There were no transfers between any levels during the year.

**(i) Fair value hierarchy**

Ind AS 113, 'Fair Value Measurement' requires classification of the valuation method of financial instruments measured at fair value in the Statement of Balance sheet, using a three level fair-value-hierarchy (which reflects the significance of inputs used in the measurements). The hierarchy gives the highest priority to un-adjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and lowest priority to un-observable inputs (level 3 measurements). Fair value of derivative financial assets and liabilities are estimated by discounting expected future contractual cash flows using prevailing market interest rate curves. The three levels of the fair-value-hierarchy under Ind AS 113 are described below.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes publicly traded derivatives and mutual funds that have a quoted price. The quoted market price used for financial assets held by the Group is the current bid price.

(All amounts in ₹ crore unless otherwise stated)

**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. That is, level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear that risk. The Group develops level 3 inputs based on the best information available in the circumstances

**(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 majority of borrowings are floating rate borrowings, the carrying value is representative of the fair value.
- The fair values for advance to related parties and rent advance were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.
- The fair value of forward foreign exchange contracts and cross currency interest rate swaps (CCIRS) is determined using forward exchange rates at the balance sheet date.

**NOTE 39 Financial risk management**

The Group's financial assets include loan and advances, investments and cash and cash equivalents that derive directly from its operations. The Group's financial liabilities comprise mainly borrowings from banks, debentures and commercial papers.

The Group 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 Group'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 Group's risk management policies and treasury policies. The Committees reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the various risks faced by the Group, 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 Group 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 Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored to determine significant increase in credit risk. The Group monitors the credit assessment on a portfolio basis, assesses all credit exposures in excess of designated limits. The Group does a risk grading based upon the credit worthiness of the borrowers. All these factors are taken into consideration for computation of expected credit loss (ECL).

**Loans**

The following table sets out information about credit quality of retail loan assets measured at amortised cost based on number of days past due information. The amount represents the gross carrying value of assets as on each reporting date.

Particulars	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
<b>Gross carrying value of loans</b>		
Stage-1 (Up to 30 days)	25,066.77	24,357.57
Stage-2 (31-90 days) <sup>#</sup>	1,329.68	1,305.94
Stage-3 (More than 90 days) <sup>*</sup>	782.97	742.80
<b>Total gross carrying value as of year end</b>	<b>27,179.42</b>	<b>26,406.31</b>

<sup>#</sup> Includes restructured contracts under one time resolution framework vide RBI circular dated 6th August, 2020 and RBI/2021-22/31/DOR. STR.REC.11 /21.04.048/2021-22 dated 5th May, 2021 even though days past due is less than and equal to 30 days on the reporting date.

<sup>\*</sup> Includes restructured contracts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP. BC.45/21.04.048/2018-19 dated 7th June 2019 irrespective of days past due on the reporting date.

(All amounts in ₹ crore unless otherwise stated)

**NOTE 39 Financial Risk Management (Contd.)**

**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 Group has a comprehensive framework for monitoring credit quality of its retail and other loans based on days past due monitoring. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery is taken through follow ups and legal recourse.

**Inputs considered in the ECL model**

In assessing the impairment of loans assets under ECL model, the loan assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages relate to the recognition of expected credit losses and the calculation and presentation of interest revenue.

The Group categories loan assets into stages based on the days past due status:

- Stage 1: Up to 30 days past due
- Stage 2: 31-90 days past due
- Stage 3: More than 90 days past due

**Assumptions considered in the ECL model**

The Group 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 Group has applied the following estimation technique in its ECL model :

- "Probability of default" (PD) is applied on stage 1 and stage 2 on portfolio basis and for stage 3 PD is 100%.
- Probability of default for stage 1 loan assets is calculated as average of historical trend from stage 1 to stage 3 in next 12 months.
- Probability of default for stage 2 loan assets is calculated based on the lifetime PD as average of historical trend from stage 2 to stage 3 for the remaining tenor.
- Loss given default is calculated based on discounted actual cash flow on past portfolio in default along with reversals.

There is no change in estimation techniques or significant assumptions during the reporting period.

The Group considers a broad range of forward looking information with reference to external forecasts of economic parameters such as GDP growth, government borrowing, private consumption expenditure, policy interest rates, etc., as considered relevant so as to determine the impact of macroeconomic factors on the Group'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 Group considers both quantitative and qualitative information and analysis based on the business historical experience, including forward-looking information. The Group 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 Group has offered moratorium upto six months on the payment of installments falling due between 1st March, 2020 and 31st August, 2020 to all eligible borrowers. The Group has extended One-Time Resolution framework as for COVID-19-related Stress to eligible customers as per applicable RBI guidelines and as per the policy of the Group. The Group has classified all restructured accounts done under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.

(All amounts in ₹ crore unless otherwise stated)

**NOTE 39 Financial risk management (Contd.)**

BC.45/21.04.048/2018-19 dated 7th June 2019 in Stage 3 and with regard to restructured contracts done under one time resolution framework vide RBI circular dated 6th August, 2020 and RBI/2 021- 22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated 5th May, 2021 in stage 2 irrespective of days past due status on the reporting date.

**Definition of default**

The Group considers a financial instrument is in default when the borrower becomes 90 days past due on its contractual payments. The Group 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:

<b>FY 24-25</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Grand total</b>
Gross carrying value	25,066.76	1,329.68	782.98	27,179.42
Allowance for ECL	210.70	244.71	425.17	880.58
ECL coverage ratio	0.84%	18.40%	54.30%	3.24%

<b>FY 23-24</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Grand total</b>
Gross carrying value	24,357.57	1,305.94	742.80	26,406.31
Allowance for ECL	289.48	253.54	393.05	936.07
ECL coverage ratio	1.19%	19.41%	52.91%	3.54%

**Reconciliation of expected credit loss**

<b>Particulars</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Grand Total</b>
<b>Balance as at 1st April 2023</b>	<b>264.74</b>	<b>138.78</b>	<b>306.54</b>	<b>710.06</b>
Transfer from stage 1	(15.17)	8.74	6.43	-
Transfer from stage 2	13.19	(55.32)	42.13	-
Transfer from stage 3	8.78	4.45	(13.23)	-
Loans that have derecognised during the period	(39.36)	(48.00)	(116.07)	(203.43)
New loans originated during the year	114.54	59.15	49.21	222.90
Net remeasurement of loss allowance	(57.24)	145.74	118.04	206.54
<b>Balance as at 31st March 2024</b>	<b>289.48</b>	<b>253.54</b>	<b>393.05</b>	<b>936.07</b>
Transfer from stage 1	(19.06)	8.64	10.42	-
Transfer from stage 2	13.19	(117.14)	103.95	-
Transfer from stage 3	5.27	2.57	(7.84)	-
Loan that have derecognised during the period	(51.64)	(67.96)	(104.94)	(224.55)
New loans originated during the year	91.52	47.32	50.74	189.58
Net remeasurement of loss allowance	(118.06)	117.74	(20.21)	(20.53)
<b>Balance as at 31st March 2025</b>	<b>210.70</b>	<b>244.71</b>	<b>425.17</b>	<b>880.58</b>

**Concentration of credit risk**

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

	<b>31<sup>st</sup> March 2025</b>	<b>31<sup>st</sup> March 2024</b>
<b>Carrying value</b>		
Concentration by geographical region in India		
South	11,173.70	10,636.43
West	6,927.67	7,256.11
East	4,736.87	4,252.84
North	4,341.18	4,260.93
<b>Total loans as at reporting period</b>	<b>27,179.42</b>	<b>26,406.31</b>

(All amounts in ₹ crore unless otherwise stated)

**NOTE 39 Financial risk management (Contd.)**

**(B) Liquidity risk**

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

As per Group's policy, management ensures availability of sufficient fund either through Installment receivables/ sourcing through debts at each point of time. The fund requirement ascertain at the beginning of the period by taking into consideration Installment receivable, likely disbursement, loan installment payment & other operational expenses. The Group is continuously getting good support from bankers & financial institutions at the time of need.

**(i) Financing arrangements**

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

	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
<b>Floating rate</b>		
Expiring within one year	4,820	1,950
Expiring beyond one year	-	-
	<b>4,820</b>	<b>1,950</b>

**(ii) Maturities of financial assets and liabilities**

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

- All non-derivative financial liabilities, and
- Net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The table below summaries the maturity profile of the Group's non derivative financial assets and financial liabilities based on contractual undiscounted payments as at the balance sheet date.

Particulars	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total
<b>As at 31st March 2025</b>						
<b>Financial assets:</b>						
Cash and cash equivalents	3,599.65	-	-	-	-	3,599.65
Fixed deposits	-	-	5.95	-	-	5.95
Trade receivables	38.64	38.13	75.44	-	-	152.21
Loans	6,920.21	4,872.60	7,383.26	14,009.22	3.83	33,189.12
Investments	-	-	300.00	-	17.63	317.63
Other financial assets	2.01	4.78	6.40	12.31	2.75	28.25
<b>Total</b>	<b>10,560.51</b>	<b>4,915.51</b>	<b>7,771.05</b>	<b>14,021.53</b>	<b>24.21</b>	<b>37,292.81</b>
<b>Financial liabilities:</b>						
Derivative financial instruments	-	-	-	2.24	-	2.24
Borrowings	2,497.56	3,562.25	7,232.59	14,073.57	150.58	27,516.55
Security deposit	-	-	9.25	6.26	-	15.51
Trade payables	637.50	208.44	245.39	-	-	1,091.33
Other financial liabilities	7.82	6.99	144.00	51.39	10.90	221.10
<b>Total</b>	<b>3,142.88</b>	<b>3,777.68</b>	<b>7,631.23</b>	<b>14,133.46</b>	<b>161.48</b>	<b>28,846.73</b>
<b>As at 31st March 2024</b>						
<b>Financial assets:</b>						
Cash and cash equivalents	1,761.42	-	-	-	-	1,761.42
Fixed deposits	-	-	5.90	-	-	5.90
Derivative financial instruments	-	-	90.67	-	-	90.67
Trade receivables	29.51	29.31	58.38	-	-	117.20
Loans	6,440.74	4,432.37	7,119.02	15,218.23	10.23	33,220.59
Investments	-	-	100.25	-	4.25	104.50
Other financial assets	3.06	1.88	7.60	12.48	-	25.02
<b>Total</b>	<b>8,234.73</b>	<b>4,463.56</b>	<b>7,381.82</b>	<b>15,230.71</b>	<b>14.48</b>	<b>35,325.30</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2025



(All amounts in ₹ crore unless otherwise stated)

## NOTE 39 Financial risk management (Contd.)

Particulars	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total
<b>Financial liabilities:</b>						
Borrowings	1,944.17	2,156.42	8,884.91	11,991.57	523.22	25,500.29
Security deposit	23.21	15.47	98.55	-	-	137.23
Trade payables	614.43	247.99	185.68	1.18	-	1,049.28
Other financial liabilities	4.02	2.45	168.74	17.16	11.82	204.19
<b>Total</b>	<b>2,585.83</b>	<b>2,422.33</b>	<b>9,337.88</b>	<b>12,009.91</b>	<b>535.04</b>	<b>26,890.99</b>

The table below summaries the contractual maturity profile of carrying value of assets and liabilities:

Particulars	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total
<b>As at 31st March 2025</b>						
<b>Financial assets:</b>						
Cash and cash equivalents	3,599.65	-	-	-	-	3,599.65
Fixed deposits	-	-	5.95	-	-	5.95
Trade receivables	38.64	38.13	75.44	-	-	152.21
Loans	5,994.70	3,796.80	5,793.35	11,591.81	2.76	27,179.42
Investments	-	-	282.12	-	5.63	287.75
Other financial assets	2.01	4.78	6.40	12.31	2.75	28.25
<b>Total</b>	<b>9,635.00</b>	<b>3,839.71</b>	<b>6,163.26</b>	<b>11,604.12</b>	<b>11.14</b>	<b>31,253.23</b>
<b>Financial liabilities:</b>						
Derivative financial instruments	-	-	-	2.24	-	2.24
Borrowings	2,034.39	3,152.20	6,577.72	12,772.86	150.00	24,687.17
Security deposit	-	-	9.25	6.26	-	15.51
Trade payables	637.50	208.44	245.39	-	-	1,091.33
Other financial liabilities	6.49	5.66	141.35	42.49	9.85	205.84
<b>Total</b>	<b>2,678.38</b>	<b>3,366.30</b>	<b>6,973.71</b>	<b>12,823.85</b>	<b>159.85</b>	<b>26,002.09</b>

Particulars	Less than 3 months	3 to 6 months	6 months to 1 year	Between 1 and 5 years	More than 5 years	Total Carrying Amount
<b>As at 31st March 2024</b>						
<b>Financial assets:</b>						
Cash and cash equivalents	1,761.42	-	-	-	-	1,761.42
Fixed deposits	-	-	5.90	-	-	5.90
Derivative financial instruments	-	-	90.67	-	-	90.67
Trade receivables	29.51	29.31	58.38	-	-	117.20
Loans	5,229.47	3,333.03	5,339.72	12,495.10	8.99	26,406.31
Investments	-	-	93.46	-	4.25	97.71
Other financial assets	3.06	1.88	7.60	12.48	-	25.02
<b>Total</b>	<b>7,023.46</b>	<b>3,364.22</b>	<b>5,595.73</b>	<b>12,507.58</b>	<b>13.24</b>	<b>28,504.23</b>
<b>Financial liabilities:</b>						
Borrowings	1,596.16	1,779.51	8,090.76	10,801.26	500.03	22,767.72
Security deposit	23.21	15.47	98.55	-	-	137.23
Trade payables	614.43	247.99	185.68	1.18	-	1,049.28
Other financial liabilities	3.42	1.85	167.50	13.48	11.15	197.40
<b>Total</b>	<b>2,237.22</b>	<b>2,044.82</b>	<b>8,542.49</b>	<b>10,815.92</b>	<b>511.18</b>	<b>24,151.63</b>

(All amounts in ₹ crore unless otherwise stated)

**NOTE 39 Financial risk management (Contd.)**

**(a) Foreign currency risk exposure:**

Foreign exchange risk arises on financial instruments being denominated in a currency that is not the functional currency of the entity. The Group is exposed to foreign exchange risk due to continuous fluctuation in the foreign currency(USD) of the loan originated. The Group has entered into cross currency swaps (CCS) /forward contracts/ Interest rate swap to fully hedge all foreign currency exchange risk on the principal and interest amount payable on borrowings.

Particulars	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
<b>Financial liabilities</b>		
Variable Foreign Currency Borrowings (USD 35 million) (Year ended 31st March 2024 : USD 100 million)	300.13	751.50
<b>Derivative liabilities</b>		
Hedged through forward contracts and CCS	300.13	751.50
<b>Net exposure to foreign currency risk (liabilities)</b>	-	-

**(b) Sensitivity analysis:**

The Group has hedged all its foreign currency exposures by entering into CCS/ Forwards contracts, hence it shall not be subjected to any sensitivity on settlement due to foreign currency fluctuation due to the movements in foreign exchanges i.e. USD. Forward contract & cross current swap are to buy USD for hedging foreign currency loan.

Impact on profit after tax		
USD sensitivity	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
INR/USD Increases by 5%	-	-
INR/USD Decreases by 5%	-	-

**(c) Fair value interest rate risk:**

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During year ended 31st March 2025 and 31st March 2024, the Group's borrowings at variable rate were mainly denominated in INR.

The Group's floating rate borrowings are carried at amortised cost. For NBFC business, loan is the major source for running the business. In India, loans are generally available at floating rate interest and there are no such option available to obtain swap option for floating rate interest linked to respective bank MCLR with fixed interest. Hence except foreign currency loans, other loans are not hedged.

**(a) Interest rate risk exposure**

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Variable rate borrowings	17,493.01	13,871.00
<b>Total borrowings</b>	<b>24,687.17</b>	<b>22,767.72</b>

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

Particulars	31 <sup>st</sup> March 2025		
	Weighted average interest rate	Balance	% of total loans
Cash credits, bank loans etc.	7.93%	17,493.01	70.86%

Particulars	31 <sup>st</sup> March 2024		
	Weighted average interest rate	Balance	% of total loans
Cash credits, bank loans etc.	8.15%	13,871.00	60.92%

An analysis by maturities is provided in note 39 B (ii) above.

(All amounts in ₹ crore unless otherwise stated)

**NOTE 39 Financial risk management (Contd.)**

**(b) Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

Impact on profit after tax		
Particulars	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Interest rates – increase by 50 basis points (50 bps) *	(65.45)	(51.90)
Interest rates – decrease by 50 basis points (50 bps) *	65.45	51.90

\* Holding all other variables constant

**NOTE 40 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 Group not meeting its financial objectives. The risk management process has been established across the Group and design to identify, access & frame a response to threat that affect the achievement of its objectives. Further it is embedded across all the major functions and revolve around the goals and objectives of the Group.

Maintaining optimal capital to debt is one such measure to ensure healthy returns to the shareholders. Group envisages maintaining gearing ratio of maximum 7 times to the total equity, the Group monitors the ratio as below.

Particulars	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Net debt (total borrowings, less cash and cash equivalents)	21,087.52	21,006.31
Total equity (as shown in the balance sheet)	4,952.20	3,868.94
<b>Net debt to equity ratio</b>	<b>4.26</b>	<b>5.43</b>

**(b) Externally imposed capital restrictions**

- 1) As per RBI requirements Capital Adequacy Ratio should be minimum 15%, not meeting RBI requirements will lead cancellation of NBFC licenses issued by RBI.
- 2) As per various lending arrangements with banks, TOL (Total Outside Liability) to TNW (Tangible Net Worth) ratio should be less than 8.5 times, not meeting the said requirements may lead to higher interest rates.
- 3) Shareholding of the promoter shall not be less than 51% without prior approval from lenders.

The Group has complied with these covenants throughout the reporting period.

(All amounts in ₹ crore unless otherwise stated)

**NOTE 41 Leases**

**a) Lease disclosures pertaining to right-to-use assets**

Particulars	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Opening balance	26.58	28.73
Add: Adjustments on account of modification	35.95	-
Add: Additions during the year	23.53	6.10
Less: Deletions during the year	-	-
Less: Depreciation during the year	(20.87)	(8.25)
<b>Closing balance</b>	<b>65.19</b>	<b>26.58</b>

**b) Lease liability movement**

Particulars	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Opening balance	31.36	33.11
Add: Adjustments on account of modification	34.72	-
Add: Additions during the year	23.53	6.10
Add: Interest accrued during the year	6.12	2.82
Less: Interest paid during the year	(6.12)	(2.82)
Less: Deletions during the year	-	-
Less: Principal repayment during the year	(18.20)	(7.84)
<b>Closing balance</b>	<b>71.41</b>	<b>31.36</b>

c) The Group has offices across the country with varied lease period. The lease term considered for arriving at the Right to use Asset and Lease liabilities are based on the non-cancellable period of the respective agreements.

d) The Group has exercised the option of short term leases and low value asset exemption.

**e) Lease disclosures pertaining to Statement of Profit and Loss**

Particulars	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
<b>Finance charges</b>		
Interest expense	6.12	2.82
<b>Depreciation</b>		
Amortisation of right to use assets	20.87	8.25
<b>Other expenses</b>		
<u>Rent expenses</u>		
Expense relating to short-term leases (included in other expenses)	6.68	17.70
Expense relating to leases of low-value assets that are not short-term leases (included in other expenses)	-	-
Expense relating to variable lease payments not included in the measurement of lease liabilities	-	-
<b>Total</b>	<b>33.67</b>	<b>28.77</b>

**f) Additional disclosures in cash flow statement**

Particulars	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Cash flow financing activities		
Principal repayments related to lease liabilities	18.20	7.84
Interest payments related to lease liabilities	6.12	2.82

**g) Contractual maturities of lease liabilities outstanding**

Particulars	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Less than one year	19.07	9.12
One to five years	42.49	17.16
More than five years	9.85	5.08
<b>Total</b>	<b>71.41</b>	<b>31.36</b>

(All amounts in ₹ crore unless otherwise stated)

**42. Related party disclosure**

Disclosure in respect of related parties and their relationship where transaction exists:

Nature of relationship	Parties name
Reporting enterprise	TVS Credit Services Limited
Holding company	TVS Motor Company Limited
Ultimate holding company	TVS Holdings Limited
Subsidiaries	TVS Housing Finance Private Limited Harita ARC Private Limited Harita Two Wheeler Mall Private Limited
Fellow subsidiary	TVS Motor Services Limited Sundaram Auto Components Limited TVS Digital Pte Limited TVS Digital Limited (with effect from 16th September 2024) Drive X Mobility Millennial Solutions Private Limited (ceased to be associate of holding company and became fellow subsidiary with effect from 23rd December, 2024)
Enterprise under common control	Sundaram-Clayton Limited Srinivasan Services Trust
Associate of holding company	Scienaptic Systems Private Limited (upto 27th December 2024) TVS Training And Services Ltd
Non-executive directors	Mr. Venu Srinivasan Mr. Sudarshan Venu Mr. K.N. Radhakrishnan Mr. Sanjiv Chadha (with effect from 22nd November 2024)
Independent directors	Mr. R. Gopalan Mr. B. Sriram Ms. Kalpana Unadkat Ms. Deepali Pant Joshi (with effect from 6th August 2024) Mr. T. C. Suseel Kumar (with effect from 6th August 2024)
Director and Chief Executive Officer	Mr. Ashish Sapra, Director and Chief Executive Officer (Directorship with effect from 22nd November 2024)
Key managerial personnel	Ms. Roopa Sampath Kumar, Chief Financial Officer Mr. Sreejith P, Company Secretary (up to 20th January 2025) Mr. Chetan Nage, Company Secretary

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

S.No.	Name of the related party	Nature of transactions	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
1	TVS Motor Company Limited	Contribution towards issuance of equity shares	282.67	-
		Contribution towards Issuance of compulsory convertible preference share	-	200.00
		Receipt of subvention income	10.11	1.35
		Reimbursement of IT expense	2.46	6.40
		Payment towards business support service	3.70	1.58
		Balance outstanding [Dr/(Cr)]	(0.94)	(6.45)

(All amounts in ₹ crore unless otherwise stated)

**42. Related party disclosure (Contd.)**

S.No.	Name of the related party	Nature of transactions	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
2	TVS Holdings Limited	Payment towards brand royalty fees	22.87	15.55
		Payment towards business support service	2.82	2.88
		Balance outstanding [Dr/(Cr)]	(0.72)	(6.61)
3	TVS Housing Finance Private Limited	Reimbursement of expenses	0.17	0.14
		Balance outstanding [Dr/(Cr)]	-	-
4	Harita ARC Private Limited	Pre-operative expenses	0.00	0.00
		Balance outstanding [Dr/(Cr)]	0.02	0.01
5	Harita Two Wheeler Mall Private Limited	Pre-operative expenses	0.00	0.00
		Balance outstanding [Dr/(Cr)]	0.02	0.01
6	TVS Digital Pte. Limited	Payment towards software license fees	1.97	2.55
		Payment towards digital advertisement	-	0.06
		Payment towards business support service	0.01	-
		Balance outstanding [Dr/(Cr)]	(0.18)	(0.75)
7	TVS Digital Ltd	Payment towards business support service	0.36	-
		Balance outstanding [Dr/(Cr)]	(0.16)	-
8	Drive X Mobility Millennial Solutions Private Limited	Receipt towards sale of repossessed vehicles	7.87	29.34
		Balance outstanding [Dr/(Cr)]	-	-
9	Sundaram Clayton Limited	Payment towards business support service	1.27	0.31
		Balance outstanding [Dr/(Cr)]	(0.18)	(0.17)
10	Srinivasan Services Trust	Contribution towards corporate social responsibility	10.00	10.00
		Balance outstanding [Dr/(Cr)]	-	-
11	Scienaptic Systems Private Limited	Payment towards business support service	0.89	0.68
		Balance outstanding [Dr/(Cr)]	(0.17)	-
12	TVS Training and Services Limited	Interest on loan received	0.02	0.02
		Loan recovered	0.06	0.05
		Disbursal of loan	-	0.13
		Balance outstanding [Dr/(Cr)]	0.12	0.18

**Remuneration to Key Managerial Personnel\***

Particulars	2024-25	2023-24
Short term benefits	8.69	6.60
Post retirement benefits	0.28	0.23
Share based payment	0.27	-

\*Remuneration to Key Managerial Personnel excludes provision for gratuity, pension and compensated absences, since it is provided on actuarial basis for the Group as a whole.

The Group has not granted any loans or advances in the nature of loans to promoters, directors, key managerial personnel and the related parties, either severally or jointly with any other person, which are (a) repayable on demand; or (b) without specifying any terms or period of repayment.



(All amounts in ₹ crore unless otherwise stated)

**42. Related party disclosure (Contd.)**

**Directors' sitting fees and commission**

Sl. No.	Name of the Director	Nature	2024-25	2023-24
1	Mr. Venu Srinivasan	Sitting fees*	0.00	0.01
		Commission	-	-
2	Mr. K.N. Radhakrishnan	Sitting fees	0.03	0.02
		Commission	-	-
3	Mr. B.Sriram	Sitting fees	0.05	0.02
		Commission	0.20	0.20
4	Mr. R.Gopalan	Sitting fees	0.03	0.02
		Commission	0.20	0.20
5	Ms. Kalpana Unadkat	Sitting fees	0.04	0.02
		Commission	0.20	0.20
6	Mr. V Srinivasa Rangan	Sitting fees	-	0.01
		Commission	-	0.12
7	Ms. Deepali Pant Joshi	Sitting fees	0.01	-
		Commission	0.13	-
8	Mr. T.C. Suseel Kumar	Sitting fees	0.01	-
		Commission	0.13	-
TOTAL			1.03	0.81

- \* The sitting fees paid during year ended 31st March 2025 are below the rounding off norms of the Group.
- Transaction values are excluding taxes and duties

(All amounts in ₹ crore unless otherwise stated)

**42. Related party disclosure (Contd.)**

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

**Related party balance outstanding:**

Related party items	Parent (as per ownership or control)		Subsidiaries		Associates / Joint ventures		Entity under common control		KMP*		Relatives of KMP*		Fellow subsidiaries and others		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
<b>Borrowings:</b>																
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Deposits:</b>																
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Placement of deposits:</b>																
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum outstanding during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Advances:</b>																
Outstanding at the year end	-	-	-	-	0.12	0.18	-	-	-	-	-	-	-	-	0.12	0.18
Maximum outstanding during the year	-	-	-	-	0.18	0.22	-	-	-	-	-	-	-	-	0.18	0.22
<b>Investments:</b>																
Outstanding at the year end	-	-	12.01	12.01	-	-	-	-	-	-	-	-	-	-	12.01	12.01
Maximum outstanding during the year	-	-	12.01	12.01	-	-	-	-	-	-	-	-	-	-	12.01	12.01

(All amounts in ₹ crore unless otherwise stated)

**42. Related party disclosure (Contd.)**

**Related party transactions during the year:**

Related party items	Parent (as per ownership or control)		Subsidiaries		Associates / Joint ventures		Entity under common control		KMP*		Relatives of KMP*		Others		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year	Current year	Previous year
Contribution towards issuance of equity shares	282.67	-	-	-	-	-	-	-	-	-	-	-	-	-	282.67	-
Contribution towards Issuance of compulsory convertible preference share	-	200.00	-	-	-	-	-	-	-	-	-	-	-	-	-	200.00
Receipt of subvention income	10.11	1.35	-	-	-	-	-	-	-	-	-	-	-	-	10.11	1.35
Reimbursement of IT expense	2.46	6.40	-	-	-	-	-	-	-	-	-	-	-	-	2.46	6.40
Payment towards business support service	6.52	4.46	-	-	0.89	0.68	1.27	0.31	-	-	-	-	0.36	-	9.04	5.45
Payment towards brand royalty fees	22.87	15.55	-	-	-	-	-	-	-	-	-	-	-	-	22.87	15.55
Reimbursement of expenses	-	-	0.17	0.14	-	-	-	-	-	-	-	-	-	-	0.17	0.14
Pre-operative expenses	-	-	0.01	-	-	-	-	-	-	-	-	-	-	-	0.01	-
Payment towards software license fees	-	-	-	-	-	-	-	-	-	-	-	-	1.97	2.55	1.97	2.55
Payment towards digital advertisement	-	-	-	-	-	-	-	-	-	-	-	-	-	0.06	-	0.06
Receipt towards sale of repossessed vehicles	-	-	-	-	-	-	-	-	-	-	-	-	7.87	29.34	7.87	29.34
Contribution towards corporate social responsibility	-	-	-	-	-	-	10.00	10.00	-	-	-	-	-	-	10.00	10.00
Disbursal of loan	-	-	-	-	-	0.13	-	-	-	-	-	-	-	-	-	0.13
Loan recovered	-	-	-	-	0.06	0.05	-	-	-	-	-	-	-	-	0.06	0.05
Interest on loan received	-	-	-	-	0.02	0.02	-	-	-	-	-	-	-	-	0.02	0.02

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

(All amounts in ₹ crore unless otherwise stated)

**43. Employee stock option plan**

**(A) Employee stock option plan**

The Employee Stock Options Scheme titled "ESOP 2024" or "Plan" was approved by the shareholders of the Parent Company through the special resolution passed on 11th November 2024. The Plan grants upto 5,34,800 options. The Plan allows the issue of options to employees who are permanent employees of the Parent Company which are convertible to one equity share of the Parent Company subject to payment / recovery of requisite exercise price. As per the Plan, the Nomination and Remuneration Committee grants the options to the employees deemed eligible. The options granted vest over a period of 4 years from the date of the grant in proportions specified in the ESOP Plan. The fair value as on the date of the grant of the options, representing stock compensation charge, is expensed over the vesting period.

Details of ESOP granted during the year is as follows:

Plan	No. of options granted	Grant date	No. of options outstanding	Vesting condition and vesting period	Exercise price (Rs.)	Weighted average fair value of the options at the grant date (Rs.)
ESOP 2024	1,55,400	12th November 2024	1,55,400	1461 days	440.00	178.45

**(B) Method used for accounting for share based payment plan**

The Parent Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options granted are estimated on the date of grant using the Black – Scholes Model. The key assumptions used in Black – Scholes Model for calculating fair value as on the date of respective grants are:

Grant date	Weighted average fair value of the options at the grant date	Weighted average share price	Exercise price	Expected volatility*	Option life (years)	Dividend yield (%)	Risk-free interest rate (%)
12th November 2024	178.45	461.54	440.00	33.16%	4	-	6.86%

\* Expected volatility calculation is based on volatility of stock prices of comparable companies on NSE based on ex-dividend price

For the year ended 31st March 2025, the Parent Company has accounted expense of ₹0.27 crore as employee benefits expense (note 32) on the aforementioned employee stock option plan (31st March 2024: Nil)

**(C) Movement in ESOP**

Particulars	As at 31st March 2025		As at 31st March 2024	
	No of options	Weighted average fair value of the options at the grant date (Rs per share)	No of options	Weighted average fair value of the options at the grant date (Rs per share)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	1,55,400	178.45	-	-
Forfeited/ cancelled during the year	-	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	1,55,400	178.45	-	-
Exercisable at the end of the year	-	-	-	-

Particulars	As at 31st March 2025 (In days)	As at 31st March 2024 (In days)
Weighted average remaining contractual life of options outstanding as at year end	1,321	-

(All amounts in ₹ crore unless otherwise stated)

**44. Additional notes forming part of consolidated financial statements for the year ended 31<sup>st</sup> March 2025**

**1. Capital commitments**

Description	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Estimated amount of contracts remaining to be executed on capital account not provided for	13.38	4.47

**2. Other commitments**

Description	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Undrawn loans sanctioned to borrowers	41.29	63.47

**3. Contingent liabilities not provided for**

Claims against the Group not acknowledged as debts

Description	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Disputed service tax and GST demand inclusive of penalty (Pre-deposit of ₹ 0.63 Cr)	10.65	9.46
Legal cases filed by borrowers against the Group	13.15	6.15

The Group's pending litigations comprise of claims against the Group 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 Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

- Pursuant to para 2 of general instructions for preparation of financial statements of a NBFC as mentioned in Division III of Schedule III of The Companies Act, 2013, the current and non-current classification has not been provided.
- The Group has no transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
- The Group is in compliance with the number of layers prescribed under Clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- There have been no significant events after the reporting date that require disclosure in the Financial Statements.
- Prior period figures have been regrouped, wherever necessary, to confirm to the current period presentation.
- 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 Group 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 Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- No funds (which are material either individually or in the aggregate) have been received by the Group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- The Group has not traded or invested in crypto currency or virtual Currency during the financial year.

(All amounts in ₹ crore unless otherwise stated)

**44. Additional notes forming part of consolidated financial statements for the year ended 31<sup>st</sup> March 2025 (Contd.)**

**12. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 for the year ended 31<sup>st</sup> March 2025 and 31<sup>st</sup> March 2024**

**As at 31<sup>st</sup> March 2025**

Name of the entity	Net assets		Share in profit/(loss)		Share in Other comprehensive income		Share in Total comprehensive income	
	As a % of consolidated net assets	₹ in crores	As a % of consolidated profit/(Loss)	₹ in crores	As a % of consolidated Other comprehensive income	₹ in crores	As a % of consolidated Total comprehensive income	₹ in crores
<b>Parent</b>								
TVS Credit Services Limited	99.67%	4,935.90	99.89%	767.25	100.00%	(15.08)	99.89%	752.17
<b>Subsidiaries</b>								
TVS Housing Finance Private Limited	0.33%	16.30	0.11%	0.82	0.00%	-	0.11%	0.82
Haritha ARC Private Limited	0.00%	0.00	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Harita Two Wheeler Mall Private Limited	0.00%	0.00	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
<b>Total</b>	<b>100.00%</b>	<b>4,952.20</b>	<b>100.00%</b>	<b>768.07</b>	<b>100.00%</b>	<b>(15.08)</b>	<b>100.00%</b>	<b>752.99</b>

**As at 31<sup>st</sup> March 2024**

Name of the entity	Net assets		Share in profit/(loss)		Share in Other comprehensive income		Share in Total comprehensive income	
	As a % of consolidated net assets	₹ in crores	As a % of consolidated profit/(Loss)	₹ in crores	As a % of consolidated Other comprehensive income	₹ in crores	As a % of consolidated Total comprehensive income	₹ in crores
<b>Parent</b>								
TVS Credit Services Limited	99.60%	3,853.45	99.87%	571.83	100.00%	(20.69)	99.87%	551.14
<b>Subsidiaries</b>								
TVS Housing Finance Private Limited	0.40%	15.49	0.13%	0.73	0.00%	-	0.13%	0.73
Haritha ARC Private Limited	0.00%	0.00	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
Harita Two Wheeler Mall Private Limited	0.00%	(0.00)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
<b>Total</b>	<b>100.00%</b>	<b>3,868.94</b>	<b>100.00%</b>	<b>572.56</b>	<b>100.00%</b>	<b>(20.69)</b>	<b>100.00%</b>	<b>551.86</b>

As per our report of even date

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

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

**C.N. Gangadaran**  
Partner  
Membership No. 011205  
Place : Chennai  
Date : 28<sup>th</sup> April 2025

**For Suri & Co.**  
Chartered Accountants  
ICAI Regn. No. FRN 004283S

**Sanjeev Aditya. M**  
Partner  
Membership No. 229694

**Sudarshan Venu**  
Chairman  
DIN-03601690

**Roopa Sampath Kumar**  
Chief Financial Officer

Place : Chennai  
Date : 28<sup>th</sup> April 2025

**Ashish Sapra**  
Director and Chief Executive Officer  
DIN-09805893

**Chetan Nage**  
Company Secretary





## TVS CREDIT SERVICES LIMITED

Registered Office: "Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai – 600 006  
 CIN: U65920TN2008PLC069758; Website : [www.tvscredit.com](http://www.tvscredit.com) Email: [corpsec@sundaramclayton.com](mailto:corpsec@sundaramclayton.com)  
 Phone: 044-28332115, Fax : 044-28332113

## PROXY FORM

FORM No. : MGT 11

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

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

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

1. Name	2. Name	3. Name
Address	Address	Address
e-mail id	e-mail id	e-mail id
Signature .....	Signature .....	Signature .....
Or failing him	Or failing him	Or failing him

as my/our Proxy to attend and vote (on a poll) on my/our behalf at the 17<sup>th</sup> Annual General Meeting of the Company to be held at Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai – 600 006 on Wednesday, 30<sup>th</sup> July 2025 at 04.00 P.M. and at any adjournment thereof in respect of such resolutions as are indicated below:

S.No	Resolutions	Vote	
Ordinary Business		For	Against
1.	Adoption of both standalone and consolidated audited financial statements of the Company for the financial year ended 31 <sup>st</sup> March 2025 together with the reports of the Board of Directors' and Auditors' thereon.		
2.	Re-appointment of Mr Venu Srinivasan as director, who retires by rotation.		
3.	Re-appointment of Mr Sudarshan Venu as director, who retires by rotation.		
4.	Appointment of Brahmayya & Co., Chartered Accountants as Joint Statutory Auditor of the Company		
Special Business			
5.	Appointment of B Chandra & Associates, Company Secretaries as Secretarial Auditor of the Company		

Signed this.....Day of.....2025

\_\_\_\_\_  
 Signature of Member

\_\_\_\_\_  
 Signature of Proxy holder

Affix  
 Revenue  
 Stamp of  
 Re.1

## Notes:

- This form of Proxy in order to be effective should be duly completed and deposited at the Registered office of the Company at "Chaitanya", No.12, Khader Nawaz Khan Road, Nungambakkam, Chennai – 600 006, not less than 48 hours before the commencement of the meeting.
- It is optional to put a ✓ in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.



**Information pursuant to the provisions of the SS-2, pertaining to Directors seeking re-appointment**

Name	Mr. Sudarshan Venu	Mr. Venu Srinivasan
Age	36	72
Qualification	Graduate Degree with Honors in the Jerome Fisher Program in Management and Technology. B.S. (Mechanical Engineering) B.S. (Economics) M.Sc. in International Technology Management	B.E., M.S (Management)
Experience	Rich experience in automotive, NBFC and Real Estate business.  Presently Managing Director of TVS Holdings Limited and TVS Motor Company Limited.	Chairman Emeritus and Managing Director of TVS Motor Company Limited, Sundaram-Clayton Limited and Chairman of TVS Holdings Limited  Director of Central Board of the Reserve Bank of India.
Terms and conditions of appointment/re-appointment	Non-Executive Director	Non-Executive Director
Details of remuneration sought to be paid	Nil	Sitting Fee for attending meetings of Board and Committees
Remuneration last drawn by such person	Nil	As per Corporate Governance Report
Date of first appointment on the Board	31 <sup>st</sup> January 2013	21 <sup>st</sup> June 2010
Shareholding in the Company		Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Related to Mr Venu Srinivasan	Related to Mr Sudarshan Venu
Number of Meetings of the Board attended during the year	5	2
Other Directorships	<ol style="list-style-type: none"> <li>1. TVS Holdings Limited</li> <li>2. TVS Motor Company Limited</li> <li>3. Coromandel International Limited</li> <li>4. Galaxy Health And Allied Insurance Company Limited</li> <li>5. TVS Electric Mobility Limited</li> <li>6. TVS Housing Finance Private Limited</li> <li>7. TVS Cheema Scholarship Foundation</li> <li>8. Jupiter Cultural and Heritage Foundation</li> <li>9. Cheema Educational Foundation</li> <li>10. VeeYes Charities Foundation</li> <li>11. S. Venu Trustee Private Limited</li> <li>12. TVS Digital Pte Limited, Singapore</li> <li>13. TVS Motor (Singapore) Pte Limited, Singapore</li> <li>14. Swiss E- Mobility Group (Holding) AG</li> <li>15. Swiss E- Mobility Group (Schweiz) AG</li> <li>16. The Norton Motorcycle Co. Limited</li> </ol>	<ol style="list-style-type: none"> <li>1. TVS Motor Company Limited</li> <li>2. TVS Holdings Limited</li> <li>3. Sundaram-Clayton Limited</li> <li>4. TVS Electric Mobility Limited</li> <li>5. Sundaram Auto Components Limited</li> <li>6. Reserve Bank of India</li> <li>7. T. V Sundram Iyengar &amp; Sons Private Limited</li> <li>8. Tata Sons Private Limited</li> <li>9. TVS Housing Finance Private Limited</li> <li>10. LV Trustee Private Limited</li> <li>11. S. Venu Trustee Private Limited</li> <li>12. VS Trustee Private Limited</li> <li>13. Venu Srinivasan Trustee Private Limited</li> <li>14. TATA Indian Institute of Skills</li> <li>15. TVS Cheema Scholarship Foundation</li> <li>16. Cheema Educational Foundation</li> <li>17. Namma School Foundation</li> <li>18. Indian Foundation For Quality Management</li> <li>19. TVS Motor (Singapore) Pte Limited</li> <li>20. Sundaram Holding USA Inc.</li> <li>21. TVS Digital Pte Limited, Singapore</li> <li>22. Swiss E- Mobility Group (Holding) AG</li> <li>23. Swiss E- Mobility Group (Schweiz) AG</li> <li>24. The Norton Motorcycle Co. Limited, UK</li> </ol>

### Route Map



## Notes



## Notes



**When everyone's needs are different,  
their loan tenure shouldn't be the same.**

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### **Registered Office:**

Chaitanya, No. 12, Khader Nawaz Khan Road,  
Nungambakkam, Chennai – 600006

### **Corporate Office:**

No. 29, Jayalakshmi Estates, Haddows Road,  
Nungambakkam, Chennai – 600006

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