

INDEPENDENT AUDITOR’S LIMITED REVIEW REPORT ON THE UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2022

The Board of Directors,
TVS Credit Services Limited,

1. We have reviewed the accompanying statement of Unaudited Standalone Financial Results of TVS Credit Services Limited (the ‘Company’), for the quarter ended 30th June 2022 (the ‘Statement’) being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”) and Paragraph 7 of Operational Circular SEBI/HO/DDHS/P/CIR/2021/613 “Continuous disclosure requirements for listed Commercial Paper” dated 10th August 2021 , as amended.
2. This Statement, which is the responsibility of the Company’s management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the Listing Regulations). Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 – “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters, so far as it does not contradict Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules thereunder.



Other Matter

5. Attention is drawn to the fact that the unaudited standalone financial results of the Company for the corresponding quarter ended 30 June 2021 were reviewed by predecessor auditors whose report dated 28th July 2021, expressed an unmodified conclusion on those unaudited standalone financial results. Our conclusion is not modified in respect of this matter.

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

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Place: Chennai
Date: 26th July 2022

S Usha
Partner
Membership No. 211785
UDIN: 22211785ANPYPN6495

TVS CREDIT SERVICES LIMITED

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STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2022

(Rs. In crores)


S.No	Particulars	Quarter Ended			Year ended
		June 30, 2022 (Unaudited)	March 31, 2022 (Audited)	June 30, 2021 (Unaudited)	March 31, 2022 (Audited)
	Revenue from Operations				
i)	Interest income	765.44	669.11	550.51	2,445.93
ii)	Fee and Commission Income	100.94	98.47	46.99	300.52
I)	Total Revenue from Operations	866.38	767.58	597.50	2,746.45
II)	Other Income	1.86	3.70	1.76	8.97
III)	Total Income (I + II)	868.24	771.28	599.26	2,755.42
	Expenses				
i)	Finance Costs	239.70	222.75	183.26	782.13
ii)	Fees and commission expenses	78.74	73.30	44.07	208.52
iii)	Impairment on Financial instruments	105.78	111.87	154.93	554.15
iv)	Employee Benefit expenses	225.07	185.27	173.30	711.78
v)	Depreciation, Amortization and Impairment	4.09	5.97	4.19	19.12
vi)	Other expenses	103.53	97.95	67.44	323.51
IV)	Total Expenses	756.91	697.11	627.19	2,599.21
V)	Profit/(Loss) before exceptional items and tax	111.33	74.17	(27.93)	156.21
VI)	Exceptional items	-	-	5.00	5.00
VII)	Profit/(Loss) before tax	111.33	74.17	(32.93)	151.21
VIII)	Tax Expenses				
	Current Tax	34.91	26.44	-	64.84
	Deferred Tax (credit)/charge	(6.89)	(15.35)	(8.29)	(34.36)
IX)	Profit/(Loss) for the period	83.31	63.08	(24.64)	120.73
X)	Other Comprehensive Income				
A.	<i>Items that will not be reclassified to Profit or Loss - Itemwise</i>				
	Remeasurement of the defined benefit plans	(1.58)	1.70	(1.74)	(1.67)
	Income Tax relating to these items	0.40	(0.43)	0.44	0.42
B.	<i>Items that will be reclassified to Profit or Loss - Itemwise</i>				
	Fair value change on cash flow hedge	4.83	34.59	(0.13)	40.71
	Income Tax relating to these items	(1.22)	(8.71)	0.03	(10.25)
	Other Comprehensive Income (A+B)	2.43	27.15	(1.40)	29.21
XI)	Total Comprehensive Income for the period (Comprising Profit/(Loss) and other comprehensive income for the period)	85.74	90.23	(26.04)	149.94
XII)	Paid-up equity share capital (Face value of Rs. 10/- each)	201.20	201.20	191.94	201.20
XIII)	Other Equity				1,662.44
XIV)	Earnings Per share *				
	Basic (Rs.)	4.10	3.18	(1.28)	6.17
	Diluted (Rs.)	4.10	3.18	(1.28)	6.17

* Earnings per share for the interim period is not annualized.

For TVS Credit Services Limited

Place: Chennai

Date : July 26, 2022


Venkatraman
Director & CEO



Notes:

- 1 The above financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, prescribed under section 133 of the Companies Act 2013 ('the Act') read with relevant rules issued thereunder and the other accounting principles generally accepted in India. Besides, 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.
- 2 The above financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on July 26, 2022 and subject to limited review carried out by statutory auditors, pursuant to regulation 52 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Paragraph 7 of Operational Circular SEBI/HO/DDHS/P/CIR/2021/613 "Continuous disclosure requirements for listed Commercial Paper" dated 10th August 2021, as amended.
- 3 The financial results of the Company for the quarter ended June 30, 2021 were subject to limited review by the previous auditors, M/s. Raghavan Chaudhuri & Narayanan, who have expressed an unqualified opinion vide report dated July 28, 2021.
- 4 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.
- 5 In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC). CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020 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 June 30, 2022 and accordingly, no amount is required to be transferred to impairment reserve.
- 6 The Reserve Bank of India (RBI) vide its circular no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22, dated November 12, 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 w.e.f. October 01, 2022, as clarified vide RBI circular no. RBI/2021-2022/158 DOR.STR.REC.85/21.04.048/2021-22 dated February 15, 2022. The aforementioned circulars have no impact on the financial results for the quarter ended June 30, 2022, as the Company continues to prepare financial statements in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and the RBI circular dated March 13, 2020 on "Implementation of Indian Accounting Standards.
- 7 Pursuant to SEBI Circular no. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22 October 2019, all Commercial Paper issuance on or after 01 January, 2020 have been listed on the National Stock Exchange (NSE).
- 8 The figures for the preceding quarter ended 31 March 2022 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the respective financial year, which were subject to Limited Review.
- 9 Figures of previous periods have been regrouped, wherever necessary, to make them comparable with the current period.
- 10 Analytical Ratios and Other disclosures (Standalone):

Sl. No.	Description	Quarter Ended June 30, 2022	Quarter Ended March 31, 2022	Quarter Ended June 30, 2021	Year ended March 31, 2022
a	Net Worth (Rs. In Crores)	1,949.38	1,863.64	1,587.66	1,863.64
b	Net Profit After Tax (Rs. In Crores)	83.31	63.08	(24.64)	120.73
c	Earnings Per Share*	4.10	3.18	(1.28)	6.17
d	Debt Equity Ratio	7.30	6.96	6.14	6.96
e	Total Debt to Total Assets	83.93%	83.86%	82.27%	83.86%
f	Debt service coverage ratio	NA	NA	NA	NA
g	Interest service coverage ratio	NA	NA	NA	NA
h	Capital redemption reserve/debenture	NA	NA	NA	NA
i	Long term debt to working capital	NA	NA	NA	NA
j	Bad debt to account receivable ratio	NA	NA	NA	NA
k	Current ratio	NA	NA	NA	NA
l	Current liability ratio	NA	NA	NA	NA
m	Debtors turnover	NA	NA	NA	NA
n	Inventory turnover	NA	NA	NA	NA
o	Operating margin	NA	NA	NA	NA
p	Net profit margin	9.60%	8.18%	-4.11%	4.38%
q	Sector specific equivalent ratio, as applicable:				
	i. Gross NPA (Stage 3 assets, gross) ratio	3.07%	3.67%	4.19%	3.67%
	ii. Net NPA (Stage 3 assets, net) ratio	1.43%	1.85%	2.39%	1.85%
	iii. Liquidity Coverage Ratio (Calculated as per RBI guidelines)	136%	133%	145%	133%

* Earnings Per Share is not annualized.

Notes:

- i. Certain ratios/line items marked with remark "N/A" are not applicable since the Company is a Non-banking financial company registered with the Reserve Bank of India
- ii. Debt equity ratio = [Debt Securities + Borrowings (Other than Debt Securities) + Subordinated Liabilities] / [Equity Share capital + Other equity]
- iii. Net worth = [Equity share capital + Other equity]
- iv. Total debts to total assets = [Debt Securities + Borrowings (Other than Debt Securities) + Subordinated Liabilities] / Total assets
- v. Net profit margin (%) = Profit after tax / Total income



INDEPENDENT AUDITOR'S LIMITED REVIEW REPORT ON THE CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2022

The Board of Directors,
TVS Credit Services Limited,

1. We have reviewed the accompanying statement of Consolidated Unaudited Financial Results of TVS Credit Services Limited (the 'Parent Company'), and its subsidiaries (the Company and its subsidiaries together referred to as "the Group") for the quarter ended 30th June 2022 (the 'Statement') being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations") and Paragraph 7 of Operational Circular SEBI/HO/DDHS/P/CIR/2021/613 "Continuous disclosure requirements for listed Commercial Paper" dated 10th August 2021, as amended.
2. This statement which is the responsibility of the Parent Company's Management has been compiled on the basis of the related Interim Consolidated Financial Statements prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards 34 (Ind AS 34) "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 read with relevant rules thereunder, other accounting principles generally accepted in India, the circulars, guidelines and directions issued by Reserve Bank of India ("RBI") from time to time ("RBI guidelines") and compliance with Regulation 52 of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. The Statement includes the results of the following entities.

Name of the Company	Relationship
TVS Two-Wheeler Mall Private Limited	Subsidiary
Harita ARC Private Limited	Subsidiary
TVS Housing Finance Private Limited	Subsidiary

5. We did not review the interim financial results of the 3 subsidiaries, included in this Statement, whose financial information reflects, total revenues of Rs. 0.19 Crores, for the quarter ended June 30, 2022, and total net profit after tax of Rs. 0.14 Crores and total comprehensive income of Rs. 0.14 Crores for the quarter ended June 30, 2022, respectively as considered in this Statement. These Figures have been furnished to us by the management. According to the



SUNDARAM & SRINIVASAN

CHARTERED ACCOUNTANTS

Offices: Chennai - Mumbai - Bangalore - Madurai

information and explanations given to us by the Management, this interim financial information are not material to the Group.

6. Attention is drawn to the fact that the unaudited consolidated financial results of the Company for the corresponding quarter ended 30 June 2021 were reviewed by predecessor auditors whose report dated 28th July 2021, expressed an unmodified conclusion on those unaudited consolidated financial results, our conclusion is not modified in respect of this matter.
7. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of Consolidated Unaudited Financial Results, which includes the result of the subsidiaries, as given in the para 5 above, prepared in accordance with the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act 2013 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

for SUNDARAM & SRINIVASAN
Chartered Accountants
(Firm's Registration No. 004207S)

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Place: Chennai
Date: 26th July 2022

S Usha
Partner
Membership No: 211785
UDIN: 22211785ANPYYV3847

TVS CREDIT SERVICES LIMITED

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Tel : 044-2833 2115 Fax : 044 - 2833 2113

Website : www.tvscredit.com Email : corpsec@sundaramclayton.com CIN : U65920TN2008PLC069758

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2022

(Rs. In crores)


S.No	Particulars	Quarter Ended			Year ended
		June 30, 2022	March 31, 2022	June 30, 2021	March 31, 2022
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Revenue from Operations				
i)	Interest income	765.62	669.30	550.67	2,446.60
ii)	Fee and Commission Income	100.94	98.47	46.99	300.52
I)	Total Revenue from Operations	866.56	767.77	597.66	2,747.12
II)	Other Income	1.86	3.70	1.76	8.97
III)	Total Income (I + II)	868.42	771.47	599.42	2,756.09
	Expenses				
i)	Finance Costs	239.70	222.75	183.26	782.13
ii)	Fees and commission expenses	78.74	73.30	44.07	208.52
iii)	Impairment of Financial instruments	105.78	111.88	154.93	554.15
iv)	Employee Benefit expenses	225.07	185.26	173.30	711.78
v)	Depreciation, Amortization and Impairment	4.09	5.97	4.19	19.12
vi)	Other expenses	103.53	97.97	67.44	323.54
IV)	Total Expenses	756.91	697.13	627.19	2,599.24
V)	Profit/(Loss) before exceptional items and tax	111.51	74.34	(27.77)	156.85
VI)	Exceptional items	-	-	5.00	5.00
VII)	Profit/(Loss) before tax	111.51	74.34	(32.77)	151.85
VIII)	Tax Expenses				
	Current Tax	34.96	26.49	0.04	65.01
	Deferred Tax	(6.89)	(15.35)	(8.29)	(34.36)
IX)	Profit/(Loss) for the period	83.44	63.20	(24.52)	121.20
X)	Other Comprehensive Income				
A.	<i>Items that will not be reclassified to Profit or Loss - Itemwise</i>				
	Remeasurement of the defined benefit plans	(1.58)	1.70	(1.74)	(1.67)
	Income Tax relating to these items	0.40	(0.43)	0.44	0.42
B.	<i>Items that will be reclassified to Profit or Loss - Itemwise</i>				
	Fair value change on cash flow hedge	4.83	34.59	(0.13)	40.71
	Income Tax relating to these items	(1.22)	(8.71)	0.03	(10.25)
	Other Comprehensive Income (A+B)	2.43	27.15	(1.40)	29.21
XI)	Total Comprehensive Income for the period (Comprising Profit/(Loss) and other comprehensive income for the period)	85.87	90.35	(25.92)	150.41
	Net Profit attributable to				
	a) Owners of the Company	83.44	63.20	(24.52)	121.20
	b) Non controlling interest	-	-	-	-
	Other Comprehensive income attributable to				
	a) Owners of the Company	2.43	27.15	(1.40)	29.21
	b) Non controlling interest	-	-	-	-
	Total Comprehensive income attributable to				
	a) Owners of the Company	85.87	90.35	(25.92)	150.41
	b) Non controlling interest	-	-	-	-
XII)	Paid-up equity share capital (Face value of Rs. 10/- each)	201.20	201.20	191.94	201.20
XIII)	Other Equity				1,664.60
XIV)	Earnings Per share *				
	Basic (Rs.)	4.10	3.19	(1.28)	6.20
	Diluted (Rs.)	4.10	3.19	(1.28)	6.20

* Earnings per share for the interim period is not annualized.

For TVS Credit Services Limited

Place: Chennai

Date : July 26, 2022


G Venkatraman
Director & CEO



Notes:

- 1 The consolidated financial results include results of the following companies:

Sl. No.	Name of the Subsidiary	Proportion of Ownership (interest/voting power -%) as on June 30, 2022
1	Harita ARC Services Private Limited	100%
2	TVS Housing Finance Private Limited	100%
3	Harita Two Wheeler Mall Private Limited	100%

- 2 The above financial results of the Group have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, prescribed under section 133 of the Companies Act 2013 ('the Act') read with relevant rules issued thereunder and the other accounting principles generally accepted in India. Besides, 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.
- 3 The above financial results have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on July 26, 2022 and subject to limited review by statutory auditors, pursuant to regulation 52 of the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Paragraph 7 of Operational Circular SEBI/HO/DDHS/P/CIR/2021/613 "Continuous disclosure requirements for listed Commercial Paper" dated 10th August 2021, as amended.
- 4 The financial results of the Group for the quarter ended June 30, 2021 were audited by the previous auditors, M/s. Raghavan Chaudhuri & Narayanan, who have expressed an unqualified opinion vide report dated July 28, 2021.
- 5 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.
- 6 In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC). CC.PD.No.109/22.10.106/2019-20 dated 13th March 2020 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 June 30, 2022 and accordingly, no amount is required to be transferred to impairment reserve.
- 7 The Reserve Bank of India (RBI) vide its circular no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22, dated November 12, 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 w.e.f. October 01, 2022, as clarified vide RBI circular no. RBI/2021-2022/158 DOR.STR.REC.85/21.04.048/2021-22 dated February 15, 2022. The aforementioned circulars have no impact on the financial results for the quarter ended June 30, 2022, as the Company continues to prepare financial statements in accordance with Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended and the RBI circular dated March 13, 2020 on "Implementation of Indian Accounting Standards.
- 8 Pursuant to SEBI Circular no. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22 October 2019, all Commercial Paper issuance on or after 01 January, 2020 have been listed on the National Stock Exchange (NSE).
- 9 The figures for the preceeding quarter ended 31 March 2022 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the respective financial year, which were subject to Limited Review.
- 10 Figures of previous periods have been regrouped, wherever necessary, to make them comparable with the current period.

