

# Independent Auditors' Report

for the year ended 31<sup>st</sup> March 2024

To the members of TVS Motor Company Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the Standalone financial statements of TVS Motor Company Limited ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and

### Key Audit Matter Principal Audit Procedures

Key Audit matter	Principal Audit Procedure
<p><b>1. Government Grants</b></p> <p>Government has announced various Grants to manufacturers of automobiles. The company in turn is availing the said grants on fulfilling the conditions attached to that.</p> <p>The recognition of Government grants is considered to be key audit matter because of significance of amount of grants and management judgements involved in fulfilling the conditions to receive the grant.</p> <p>The management periodically reviews, during the year, compliance of relevant conditions attached to each grant whether there is a reasonable assurance that the grants will be received, in order to determine the timing and amounts of grants to be recognized in the financial statements.</p>	<p>Determined the appropriateness of the accounting policy for government grants as per the relevant accounting standard;</p> <p>Examined the Company's key internal financial controls over recognition of government grants with regard to its design and implementation. Tested the operating effectiveness of such controls for the transactions selected.</p> <p>Verified documents, on sample basis, submitted to the various government authorities relating to the grants received and receivable and checked the compliance of conditions attached to the respective grants.</p> <p>Considered the basis of management's judgement towards fulfilment of conditions attached to the grants and evaluated the reasonable assurance that grants will be received.</p> <p>Reviewed the appropriateness of the disclosures made in accordance with the relevant accounting standards.</p>

profit, Other Comprehensive Income, Changes in Equity and Cash Flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters:

Key Audit matter	Principal Audit Procedure
<p><b>2. Investments</b></p> <p>The Company has significant investments in its subsidiaries and associates.</p> <p>Management reviews regularly whether there are any indicators of impairment of the investments by reference to the requirements under Ind AS 36 "Impairment of Assets".</p> <p>For investments where impairment indicators exist, significant judgments are required to determine the key assumptions used in the valuation model and methodology, such as revenue growth, discount rates, etc.</p> <p>Considering, the impairment assessment which involves significant assumptions and judgement of the management and the same has been considered as key audit matter.</p>	<p>Obtained and read the valuation report used by the management for determining the fair value ('recoverable amount') of its material investments.</p> <p>Considered the independence, competence and objectivity of the management specialist involved in determination of valuation.</p> <p>Tested the fair value of the investment as mentioned in the valuation report to the carrying value in books.</p> <p>Made inquiries with management to understand key drivers of the cash flow forecasts, discount rates, etc.</p> <p>Assessed the disclosures made in the financial statements regarding such investments to comply with the requirements of Standards.</p>
<p><b>3. Evaluation of Uncertain Direct tax and Indirect Tax positions:</b></p> <p>The Company has material uncertain tax positions, including matters under dispute relating Excise, Customs Duty, Value Added Tax (Indirect Taxes) and Income Tax (Direct Tax).</p> <p>These matters involve significant judgment to determine the possible outcome of these disputes</p>	<p>We obtained details of demands relating to Direct Tax and indirect tax, as on 31<sup>st</sup> March 2024.</p> <p>We considered legal precedence and other rulings, obtained external opinions and discussed with company's internal legal team in evaluating management's position on these uncertain tax positions.</p> <p>Satisfied ourselves that it is not probable that an outflow of economic benefits will be required and disclosed such obligation as a contingent liability</p>

### Information Other than the Standalone financial statements and Auditor's Report thereon

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

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

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial

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

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

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

### Auditor's Responsibilities for the Audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit.
  - c. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts.;
  - d. In our opinion, the aforesaid Standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March

2024 from being appointed as a director in terms of Section 164(2) of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. The remuneration paid by the Company to its Directors is in accordance with the provisions of Section 197 of the Act and the same is not in excess of the limit laid down under Section 197 of the Act
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note No. 40 (a) to the standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - refer Note 30 (D) to the Standalone financial statements.
  - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - a. Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts (refer note no 42 (xii)), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - b. Management has represented that, to the best of its knowledge and belief,

other than as disclosed in the notes to the accounts (refer note no 42 (xiii)), no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, and

- c. Based on the audit procedures adopted by us, nothing has come to our notice that has caused us to believe that the representations made by the management under sub clause (a) and (b) above, contain any material misstatement.
- v. The dividends declared and paid by the Company during the year are in accordance with section 123 of the Companies Act 2013.
- vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For **Sundaram and Srinivasan**  
Chartered Accountants  
Firm Registration No. 004207S

**S. USHA**  
Partner  
Place: Chennai  
Membership No.: 211785  
Date: 8<sup>th</sup> May 2024  
UDIN: 24211785BKCSLO3839

## Annexure A

to Independent Auditors' Report - 31<sup>st</sup> March 2024

With reference to the Annexure A referred to in paragraph 1 under the heading "Report on other Legal and Regulatory Requirements" of the Independent Auditor's report to the members of TVS Motor Company Limited on the Standalone Financial Statements for the year ended 31 March 2024, we report that:

- i. a. A) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- B) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has maintained proper records showing full particulars of Intangible assets.
- b. The Company has a regular program of physically verifying all the Property, Plant and Equipment at its plants/ offices in a phased manner over a period of 3 years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies as compared to book records were noticed on such verification.
- c. According to the information and explanations given to us and the records of the Company examined by us, the title deeds of all the immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- d. The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year.
- e. According to the information and explanations given to us and the records of the Company examined by us, there are no proceedings initiated or are pending against the Company for holding any benami property under Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii. a. As informed to us, the management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. The discrepancies arising out of such physical verification did not exceed 10% or more in aggregate for each class of inventory and they have been properly dealt with in the books of accounts.
- b. According to the information and explanations given to us and the records of the Company examined by us, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company.  
The quarterly returns and statements filed by the Company with such banks are in agreement with the books of accounts of the Company.
- iii. a. (A) The Company had provided guarantee to its Subsidiaries in earlier years.  
(B) The balance outstanding as on 31<sup>st</sup> March 2024 is ₹ 83.41 crores.  
No guarantee was provided during the year.
- b. According to the information and explanations given to us and the records of the Company examined by us, the investments made, and guarantee provided are not prejudicial to the Company's interest.
- c. The company has not provided loans, advances in the nature of loans, and security to Companies, Firms, Limited Liability Partnerships or any other parties. Therefore, the requirement to report under clauses (iii) (d) to (f) of para 3 of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act, in respect of Investments made and Guarantee provided .
- v. According to the information and explanations given to us and the records of the Company examined by us, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Therefore, the clause (v) of para 3 of the order is not applicable to the Company.
- vi. According to the information and explanations given to us, the Central Government has prescribed the maintenance of cost records under Section 148(1) of the Act in respect of products manufactured by the Company.  
We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records u/s 148 (1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have



been made and maintained. However, we have not made detailed examination of the records with a view to determine whether they are accurate or complete.

vii. a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed

b. According to the information and explanations given to us and the records of the Company examined by us, details of disputed taxes not deposited are as follows:

statutory dues payable including Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Customs duty, duty of excise and Cess and other material statutory dues as applicable to the Company with the appropriate authorities.

Rupees in Crores

Name of the Statute / (Nature of dues)	Period of dues	Amount in ₹	Forum where dispute is pending
Central Excise Act, 1944 (Cenvat / Excise Duty)	1999-00 to 2004-05, 2011-12 and 2015-16	23.61	Central Excise and Service Tax Appellate Tribunal, Chennai/ Bangalore
Finance Act, 1994 (Service Tax)	2002-2014	0.91	Central Excise and Service Tax Appellate Tribunal, Chennai / Bangalore
Sales Tax / VAT Laws (Sales Tax)	1998 to 2016	0.26	Sales Tax Appellate Tribunal - Madhya Pradesh & Jharkand
		0.79	Assessing officer - Tamilnadu, Jharkhand & Delhi
		0.37	Assistant/Joint Commissioner (Appeals) - Bihar, Madhya Pradesh, Uttar Pradesh and West Bengal
Goods and Service Tax Act	2017-18 to 2020-21	7.21	Commissioner (Appeals) - GST - Telangana, Rajasthan, Madhya pradesh, Delhi, Chattisgarh, Bihar & Andhra pradesh
Income Tax	AY 2016-17	3.58	Commissioner of Income Tax (Appeals)

viii. According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

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

- the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- the Company is not declared wilful defaulter by any bank or financial institution or any Lender.
- the term loans were applied for the purpose for which the loans were obtained.
- the Company has not utilized funds raised on short-term basis for long-term purposes.

e. the Company has not taken funds from any entities and persons on account of or to meet the obligations of its subsidiaries or associates.

f. the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies.

x. a. According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

b. According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year.

- xi. a. During the course of our examination of the books and records of the Company, carried out based upon the generally accepted audit procedures performed for the purpose of reporting the true and fair view of the Standalone financial statements, to the best of our knowledge and belief and as per the information and explanations given to us by the Management, and the representations obtained from the Management, no fraud by the Company or no material fraud on the Company have been noticed or reported during the year.
- b. During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c. According to the information and explanations given to us and as represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under Clause (xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, based on verification of the records and approvals of the Audit Committee, the Company is in compliance with Section 177 and Section 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.
- xiv. a. In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- b. The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with the directors during the year and hence provisions of Section 192 of the Act are not applicable.
- xvi. According to the information and explanations given to us and based on the information given to us and records verified by us,
- a. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.
- b. The Company has not conducted any Non-Banking Financial or Housing Finance activities, accordingly, reporting under clause 3(xvi)(b) of the order is not applicable
- c. The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on Clause (xvi)(c) of the Order is not applicable to the Company.
- d. The Group does not have more than one Core Investment Company, as defined under Core Investment Companies (Reserve Bank) Directions 2016.
- xvii. According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, the Company has not incurred cash losses in the current year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year.
- xix. According to the information and explanations given to us and on the basis of the financial ratios disclosed in note no. 32 to the Standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither

give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. According to the information and explanations given to us, In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of Section 135 of the Act.

There are no unspent amounts in respect of ongoing projects that are required to be transferred to a special account in compliance of provision of sub section (6) of Section 135 of Companies Act.

- xxi. On the basis of review of Companies (Auditor's Report) Order (CARO) reports of the Companies incorporated

in India and included in the consolidated financial statement, we report that there are no qualifications or adverse remarks by the respective auditors in their CARO reports.

For **Sundaram and Srinivasan**  
Chartered Accountants  
Firm Registration No. 004207S

**S. USHA**

Partner  
Place: Chennai  
Membership No.: 211785  
Date: 8<sup>th</sup> May 2024  
UDIN: 24211785BKCSLO3839



# Annexure B

to the Independent Auditors' Report - 31<sup>st</sup> March 2024

[Referred to in paragraph 2(f) of our "Report on Other legal and Regulatory Requirements" section of our report of even date]

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

1. We have audited the internal financial controls over financial reporting of TVS Motor Company Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Ind AS Standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial Control system over financial reporting and such internal financial controls

over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Sundaram and Srinivasan**  
Chartered Accountants  
Firm Registration No. 004207S

### S. USHA

Partner  
Place: Chennai  
Membership No.: 211785  
Date: 8<sup>th</sup> May 2024  
UDIN: 24211785BKCSLO3839

# Balance Sheet

as at 31<sup>st</sup> March 2024

Rupees in crores

	Notes	As at 31-03-2024	As at 31-03-2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	3,442.18	3,260.17
Capital work-in-progress	2	329.73	274.12
Other intangible assets	2	329.67	335.72
Intangible assets under development	2	600.41	353.61
<b>Financial assets</b>			
i. Investments	3	6,828.07	5,491.95
ii. Other financial assets	4	152.69	482.54
Non-Current tax assets (Net)		22.34	26.72
Other non-current assets	5	139.33	83.01
		<b>11,844.42</b>	<b>10,307.84</b>
<b>Current assets</b>			
Inventories	6	1,370.80	1,236.36
<b>Financial assets</b>			
i. Investments	3	163.19	191.92
ii. Trade receivables	7	1,302.14	979.29
iii. Cash and cash equivalents	8	485.83	234.35
iv. Bank balances other than (iii) above	9	45.13	7.61
v. Other financial assets	10	77.25	62.83
Other current assets	11	773.48	972.19
		<b>4,217.82</b>	<b>3,684.55</b>
<b>Total assets</b>		<b>16,062.24</b>	<b>13,992.39</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	47.51	47.51
Other equity	13	7,683.53	6,000.34
		<b>7,731.04</b>	<b>6,047.85</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
i. Borrowings	14	986.91	1,211.54
ii. Lease liabilities		313.07	313.24
Provisions	15	205.87	175.88
Deferred tax liabilities (Net)	16	187.05	198.20
Other Non current liabilities		31.50	37.13
		<b>1,724.40</b>	<b>1,935.99</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
i. Borrowings	17	526.53	1,033.04
ii. Lease liabilities		137.11	105.54
iii. Trade payables	18		
a. Total outstanding dues of micro and small enterprises		34.80	45.42
b. Total outstanding dues of other than (iii) (a) above		5,077.37	4,085.14
iv. Other financial liabilities	19	126.95	121.65
Other current liabilities	20	526.63	513.29
Provisions	15	143.60	98.54
Current Tax Liabilities (net)		33.81	5.93
		<b>6,606.80</b>	<b>6,008.55</b>
<b>Total liabilities</b>		<b>8,331.20</b>	<b>7,944.54</b>
<b>Total equity and liabilities</b>		<b>16,062.24</b>	<b>13,992.39</b>
Material accounting policies	1		

See the accompanying notes to the financial statements

**PROF. SIR RALF DIETER SPETH**

Chairman  
DIN: 03318908

**SUDARSHAN VENU**

Managing Director  
DIN: 03601690

**K.N. RADHAKRISHNAN**

Director & Chief Executive Officer  
DIN: 02599393

As per our report annexed  
For **Sundaram & Srinivasan**  
Chartered Accountants  
Firm Regn. No.004207S

Place: Chennai  
Date: 8<sup>th</sup> May 2024

**K. GOPALA DESIKAN**  
Chief Financial Officer

**K.S.SRINIVASAN**  
Company Secretary

**S USHA**  
Partner  
Membership No.:211785

# Statement of Profit and Loss

for the period ended 31<sup>st</sup> March 2024

Rupees in crores

	Notes	Year Ended 31-03-2024	Year Ended 31-03-2023
I Revenue from operations	21	31,776.37	26,378.09
II Other income	22	148.53	100.57
<b>III Total income (I + II)</b>		<b>31,924.90</b>	<b>26,478.66</b>
IV Expenses:			
Cost of materials consumed	23	23,244.16	19,612.59
Purchase of stock-in-trade	23	389.37	378.00
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	(204.56)	5.21
Employee benefits expense	24	1,595.87	1,345.09
Finance costs	25	181.63	140.66
Depreciation and amortisation expense	26	700.35	631.23
Other expenses	27	3,237.42	2,362.51
<b>Total expenses</b>		<b>29,144.24</b>	<b>24,475.29</b>
<b>V Profit before exceptional items and tax (III - IV)</b>		<b>2,780.66</b>	<b>2,003.37</b>
VI Exceptional items		-	-
<b>VII Profit before tax (V + VI)</b>		<b>2,780.66</b>	<b>2,003.37</b>
VIII Tax expense / (credit)	28		
i. Current tax		702.08	503.65
ii. Deferred tax		(4.42)	8.69
<b>Total Tax expense (i+ii)</b>		<b>697.66</b>	<b>512.34</b>
<b>IX Profit for the year (VII - VIII)</b>		<b>2,083.00</b>	<b>1,491.03</b>
X Other comprehensive income			
A. Items that will not be reclassified to profit or loss:			
Remeasurements of post employment benefit obligations		(20.48)	(26.39)
Fair value changes of equity instruments		0.84	(13.66)
Income tax relating to the above items		5.02	9.37
B. Items that will be reclassified to profit or loss:			
Fair value changes on cash flow hedges		(6.84)	4.01
Income tax relating to the above item		1.72	(1.01)
<b>Other comprehensive income for the year, net of tax</b>		<b>(19.74)</b>	<b>(27.68)</b>
<b>XI Total comprehensive income for the year (IX + X)</b>		<b>2,063.26</b>	<b>1,463.35</b>
XII Earnings per equity share (Face value of ₹ 1/- each)			
Basic & Diluted earnings per share (in rupees)	36	43.84	31.38
Material accounting policies	1		

See the accompanying notes to the financial statements

**PROF. SIR RALF DIETER SPETH**

Chairman  
DIN: 03318908

**SUDARSHAN VENU**

Managing Director  
DIN: 03601690

**K.N. RADHAKRISHNAN**

Director & Chief Executive Officer  
DIN: 02599393

As per our report annexed  
For **Sundaram & Srinivasan**  
Chartered Accountants  
Firm Regn. No.0042075

Place: Chennai

Date: 8<sup>th</sup> May 2024

**K. GOPALA DESIKAN**

Chief Financial Officer

**K.S.SRINIVASAN**

Company Secretary

**S USHA**

Partner  
Membership No.:211785

## Statement of Changes in Equity

### a Equity Share Capital

	Rupees in crores
<b>As at 01-04-2022</b>	47.51
Changes in Equity Share capital due to prior period errors	-
Restated balance as at 01-04-2022	47.51
Changes in equity share capital during the year	-
<b>As at 31-03-2023</b>	<b>47.51</b>
Changes in Equity Share capital due to prior period errors	-
Restated balance as at 01-04-2023	47.51
Changes in equity share capital during the year	-
<b>As at 31-03-2024</b>	<b>47.51</b>

### b Other Equity

Particulars	Rupees in crores					
	Reserves & Surplus			Other Reserves		Total
	General reserve	Capital reserve	Retained earnings	Equity Instruments Fair Valued through Other Comprehensive Income (FVTOCI)	Hedging reserve	
<b>Balance as at 01-04-2022</b>	865.64	6.43	3,891.46	12.65	(1.65)	4,774.53
Add: Profit for the year 2022-23	-	-	1,491.03	-	-	1,491.03
Add: Other comprehensive income for the year 2022-23	-	-	(19.75)	(10.93)	-	(30.68)
Less: Reclassification to profit or loss, net of tax	-	-	-	-	(1.65)	(1.65)
Less: Change in fair value of hedging instruments, net of tax	-	-	-	-	(1.35)	(1.35)
Less: Distribution to shareholders: 2022-23 Interim dividend paid	-	-	237.54	-	-	237.54
<b>Balance as at 31-03-2023</b>	<b>865.64</b>	<b>6.43</b>	<b>5,125.20</b>	<b>1.72</b>	<b>1.35</b>	<b>6,000.34</b>
Add: Profit for the period ended 31-03-2024	-	-	2,083.00	-	-	2,083.00
Add: Other comprehensive income for the year 2023-24	-	-	(15.33)	0.71	-	(14.62)
Less: Reclassification to profit or loss, net of tax	-	-	-	-	1.35	1.35
Less: Change in fair value of hedging instruments, net of tax	-	-	-	-	3.77	3.77
Less: Distribution to shareholders: 2023-24 Interim dividend paid	-	-	380.07	-	-	380.07
<b>Balance as at 31-03-2024</b>	<b>865.64</b>	<b>6.43</b>	<b>6,812.80</b>	<b>2.43</b>	<b>(3.77)</b>	<b>7,683.53</b>

## Nature and purpose of Other Reserves

1. General reserve is available for distribution to shareholders.

2. Capital reserve

	Rupees in crores
i. On Shares forfeited (₹ 55,200/-)	-
ii. On surplus arising out of amalgamation	6.43
	<b>6.43</b>

3. Hedging Reserve - Refer Note No. 30 (D)

It represents the effective portion of the fair value of forward/option contracts designated as cashflow hedge

4. FVTOCI reserve

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI reserve within equity.

See the accompanying notes to the financial statements

**PROF. SIR RALF DIETER SPETH**

Chairman

DIN: 03318908

**SUDARSHAN VENU**

Managing Director

DIN: 03601690

**K.N. RADHAKRISHNAN**

Director & Chief Executive Officer

DIN: 02599393

As per our report annexed

For **Sundaram & Srinivasan**

Chartered Accountants

Firm Regn. No.0042075

Place: Chennai

Date: 8<sup>th</sup> May 2024

**K. GOPALA DESIKAN**

Chief Financial Officer

**K.S.SRINIVASAN**

Company Secretary

**S USHA**

Partner

Membership No.:211785



# Cash Flow Statement

for the year ended 31<sup>st</sup> March 2024

Rupees in crores

	Year ended 31-03-2024	Year ended 31-03-2023
<b>A. Cash flow from operating activities:</b>		
Profit before tax	2,780.66	2,003.37
Add:		
Depreciation and amortisation for the year	700.35	631.23
(Profit) / loss on sale of property, plant and equipment (Net)	(2.63)	(2.82)
(Profit) on sale of investments (Net)	(145.39)	(22.01)
Loss / (Gain) on valuation of investment (Net)	26.93	(61.69)
(Gain) on lease preclosure (Net)	(4.75)	(0.01)
Unrealised exchange loss / (Gain) (Net)	10.82	0.63
Dividend income	(2.61)	(2.25)
Interest income	(18.88)	(6.21)
Finance cost	181.63	140.66
Provisions	52.98	2.60
	798.45	680.13
Operating profit before working capital changes	<b>3,579.11</b>	2,683.50
Adjustments for:		
Trade receivables	(329.85)	(11.01)
Inventories	(134.44)	(113.68)
Other current assets	198.71	(248.24)
Other financial assets	(24.68)	(23.23)
Trade payables	977.79	104.82
Other financial liabilities	5.14	(3.72)
Other current liabilities	15.46	79.64
Other non - current assets	(53.76)	7.39
	654.37	(208.03)
Cash generated from operations	<b>4,233.48</b>	<b>2,475.47</b>
Direct taxes paid (Net of refunds)	(616.19)	(482.61)
<b>Net cash from operating activities</b>	(A) <b>3,617.29</b>	<b>1,992.86</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of property, plant and equipment, intangible assets, including capital advances	(1,088.81)	(1,015.56)
Proceeds from sale of property, plant and equipment	33.31	18.74
Share application money paid	(121.19)	(445.41)
Investments in subsidiaries/Associates	(1,338.15)	(745.48)
Purchase of Other investments	(31.65)	(131.26)
Sale of Investments in subsidiaries/Associates	576.82	-
Sale / redemption of investments	54.06	-
Interest received	17.37	4.92
Dividends received	1.98	2.25
	(1,896.26)	(2,311.80)
<b>Net cash used in investing activities</b>	(B) <b>(1,896.26)</b>	<b>(2,311.80)</b>

Rupees in crores

	Year ended 31-03-2024	Year ended 31-03-2023
<b>C. Cash flow from financing activities:</b>		
Borrowings:		
Non-current borrowings availed	(289.49)	347.59
Current borrowings availed / (Repaid)	(440.00)	310.00
Other bank balances	(39.47)	65.03
Finance cost paid	(213.73)	(137.10)
Repayment of lease liabilities	(106.79)	(69.17)
Dividend paid	(380.07)	(291.81)
	(1,469.55)	224.54
<b>Net cash from financing activities</b>	(C) <b>(1,469.55)</b>	<b>224.54</b>
<b>Total (A+B+C)</b>	<b>251.48</b>	<b>(94.40)</b>
Cash and cash equivalents at the beginning of the year	234.35	328.75
Cash and cash equivalents at the end of the year (Refer Note No 8)	485.83	234.35
<b>D. Net decrease in cash and cash equivalents</b>	<b>251.48</b>	<b>(94.40)</b>

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

### Change in liability arising from financing activities:

Particulars	As at 01-04-2023	Cash flow	Foreign exchange movement	Amortisation	As at 31-03-2024
Non-current borrowings (Including current maturities)	1,804.58	(289.49)	(3.25)	1.60	1,513.44
Current borrowings	440.00	(440.00)	-	-	-

### Non-cash investing activities:

Particulars	2023-24	2022-23
Acquisition of right-of-use assets	160.55	125.85
Acquisition of investment	-	45.00

**PROF. SIR RALF DIETER SPETH**

Chairman  
DIN: 03318908

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Managing Director  
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Director & Chief Executive Officer  
DIN: 02599393

As per our report annexed  
For **Sundaram & Srinivasan**  
Chartered Accountants  
Firm Regn. No.0042075

**S USHA**

Place: Chennai  
Date: 8<sup>th</sup> May 2024

**K. GOPALA DESIKAN**  
Chief Financial Officer

**K.S.SRINIVASAN**  
Company Secretary

Partner  
Membership No.:211785

# Notes to the Financial Statements

## 1. Material Accounting Policies

The accounting policies mentioned herein are relating to the standalone financial statements of the Company.

### a) Brief description of the Company

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

The Company manufactures two wheelers, three wheelers, parts and accessories thereof. The Company has manufacturing plants located at Hosur in Tamil Nadu, Mysuru in Karnataka and Nalagarh in Himachal Pradesh.

### b) Basis of preparation

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

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

These financial statements for the year ended 31<sup>st</sup> March 2024 have been approved and authorized for issue by the board of directors at its meeting on 8<sup>th</sup> May 2024.

### c) Use of estimates

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

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

with information about the basis of calculation for each affected line item in the financial statements.

### d) Significant Estimates and judgments

The areas involving critical estimates or judgments are:

- i) Estimation of fair value of unlisted securities - Refer Note 29
- ii) Defined benefit obligation - Refer Note 33
- iii) Estimation of useful life of Property, Plant and Equipment – Refer Note 1(f) and 1(g)
- iv) Estimation and evaluation of provisions and contingencies relating to tax litigations – Refer Note 40(a).

### e) Revenue recognition

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

#### Sale of products

The Company earns revenue primarily from sale of automotive vehicles, parts and accessories.

Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

The Company's contracts with customers do not provide for any right to returns, refunds or similar obligations. The Company's obligation to repair or replace faulty products under standard warranty terms is recognised as a provision. (Refer Note 37)

Revenue is recognised when the performance obligations are satisfied and the control of the goods is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time the Company has a right to payment for the goods, customer has possession and legal title to the goods, customer bears significant risk and rewards of ownership and the customer has accepted the goods or the Company has objective evidence that all criteria for acceptance have been satisfied.

#### Sale of services

The Company also earns revenue from providing Technical / IT services and Royalty on usage of Company's technical knowhow.

In respect of Technical / IT service, the revenue is recognised on a time proportion basis as the customer simultaneously receives and consumes the benefits as the obligations are performed. Payment for the services provided are received as per the credit terms agreed with the customers. The credit period is

## Notes to the Financial Statements (Contd.)

generally short term, and thus there is no significant financing component.

In respect of Royalty, the performance obligation is, to provide the right-to-use the Company's technical knowhow by the customers, for which usage-based royalty is charged. Payment for the services provided is received as per the credit terms as agreed with the customers. The credit period is generally short term, and thus there is no significant financing component.

### Warranty Obligations:

The Company provides warranties for products sold as per terms of the contract with ultimate customers. These warranties are considered as assurance type warranties and are accounted for under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets.

### Significant judgements:

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

### f) Property, Plant and Equipment

Property, plant and equipment (including land, building, furniture and fixtures, office equipment, vehicles, etc.) held for use in the production or supply of goods or services, or for administrative purposes. Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation /amortisation, and impairment if any. Cost includes purchase price, taxes and duties, labour cost and directly attributable overheads incurred up to the date the asset is ready for its intended use net of cost reimbursed if any. However, cost excludes Goods and Services Tax to the extent credit of the tax is availed of.

Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for its intended use. Property, plant and equipment not ready for the intended use, on the date of Balance sheet, are disclosed as "Capital work-in progress".

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognised when replaced. All other repairs and maintenance are charged to Profit and Loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised as profit or loss with in other income /expenses.

### g) Depreciation and amortisation

- i) Depreciation on property, plant and equipment is charged over the estimated useful life of the asset or part of the asset (after considering the required number of shifts in use) as evaluated by a Chartered Engineer, on straight line method, in accordance with Part A of Schedule II to the Companies Act 2013. The useful life of the Property, plant and equipment are reviewed annually with respect to estimates and changes if any are, being accounted for on a prospective basis.
- ii) Keeping in mind the rigorous and periodic maintenance program followed by the Company, the estimated useful life of the tangible fixed assets as assessed by the Chartered Engineer and followed by the Company is given below:

Description	Years
Factory building and other buildings	5 to 61
Plant and machinery	5 to 29
Electrical equipment	15
Furniture and fixtures	10
Computers and information systems	3 to 4
Material handling equipment	5
Mobile phone	2
Vehicles	3 to 6

- iii) Tools and dies are generally depreciated based on quantity of components manufactured, subject to a maximum of 5 years. Tools and dies used for low volume models are depreciated over a period of 9 years.
- iv) Residual values and useful lives are reviewed, and adjusted, if appropriate, for each reporting period.
- v) On property, plant and equipment added / disposed of during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.
- vi) Depreciation in respect of tangible assets costing less than ₹ 5,000/- is provided at 100%.

## Notes to the Financial Statements (Contd.)

### h) Intangible assets

#### Intangible assets acquired separately:

Intangible assets with finite useful lives that are acquired separately and the estimated useful life is more than one year, is capitalised and carried at cost less accumulated amortisation and accumulated impairment losses.

#### Internally-generated intangible assets -:

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from development phase of internal project is recognised, if and only if, the conditions under the Ind AS 38 – Intangible Asset, are fulfilled. If the conditions are not fulfilled the same is recognised in profit and loss in the period in which it is incurred.

The intangible assets are amortised on straight line basis over its useful life, viz., 2-3 years in the case of software and 6 to 10 years in the case of Design, Development and Technical knowhow. The useful life of the Intangible assets are reviewed annually with respect to estimates and changes if any are, being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised as profit or loss with in other income /expenses.

### i) Impairment of Non-financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for, the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### j) Foreign currency translation

#### (i) Functional and presentation currency

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

#### (ii) Transactions and balances

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

- i) Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.
- ii) Non-monetary items denominated in foreign currency such as investments, Property, Plant and Equipment, etc., are valued at the exchange rate prevailing on the date of transaction. Non-monetary investments measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on account of such translation is recognized in OCI or Profit and Loss in line with the designation of the respective item.
- iii) Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.

### k) Hedge accounting

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as either:

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

## Notes to the Financial Statements (Contd.)

The Company documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 29. Movements in the hedging reserve in shareholders' equity are shown in Note 30 (D). The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

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

When forward contracts are used to hedge forecast transactions, the Company generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income in cash flow hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit and loss in the periods when the hedged item affects profit and loss (for example, when the forecast sale that is hedged takes place).

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

deferred costs of hedging that were reported in equity are immediately reclassified to profit and loss.

### l) Inventories

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

- i) Cost of raw materials, components, stores and spares are ascertained on a moving average basis.
- ii) Cost of finished goods and work-in-progress comprise of direct materials, direct labour and an appropriate proportion of variable and fixed overhead, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory includes cost of purchase and other cost incurred in bringing the inventories to the current location after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Materials and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost.
- iii) Provision for slow and Obsolete inventory:

The company has a policy for identifying slow/non-moving inventory. Based on the policy value inventory is provided for obsolescence based on ageing.

### m) Employee benefits

#### i) Short term obligations:

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

#### ii) Other long term employee benefit:

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



## Notes to the Financial Statements (Contd.)

reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are charged to Profit and Loss account.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### iii) Post-employment obligation:

The Company operates the following post-employment schemes:

- a) Defined benefit plans such as gratuity for its eligible employees, pension plan for its eligible senior managers; and
- b) Defined contribution plans such as provident fund.

#### Pension and gratuity obligation:

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated- at the end of each reporting period by Actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income (net-off deferred tax). They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit and loss as past service cost.

#### Provident fund:

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The provident fund contributions are made to an irrevocable trust set up by the Company. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the Government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year in which it is incurred.

### iv) Bonus plans:

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

### n) Taxes on income

Tax expense comprises of current and deferred taxes.

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit and or loss. Deferred income

## Notes to the Financial Statements (Contd.)

tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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

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

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

### **o) Government Grants**

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

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

Government grants relating to the purchase of property, plant and equipment are included in current / non-current liabilities as deferred income and are credited to profit and loss on a straight-line basis over the expected lives of the related assets.

In case of waiver of duty under EPCG license, such grant is considered as revenue grant and recognized in statement of profit and loss on positive evidence of completion of export obligation as approved by the Regulatory Authorities.

The benefit of a government loan at a below market-rate of interest is treated as government grant and is measured as the difference between proceeds received and fair value of the loan.

### **p) Dividends**

Dividends are recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be reliably measured.

### **q) Provisions and contingent liabilities**

#### **i) Provision:**

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

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

#### **ii) Contingent liabilities:**

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

## Notes to the Financial Statements (Contd.)

### iii) Warranty:

Provision is made for estimated warranty claims in respect of vehicles sold which are still under warranty at the end of the reporting period. These claims are expected to be settled from the next financial year. Management estimates the provision based on historical warranty claim information; and any recent trends that may suggest future claims could differ from historic and the dues which are payable within 12 Months is classified as current and others are non-current.

### r) Segment reporting

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

### s) Leases

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

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

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

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the company's incremental borrowing rate is used, being the rate that

the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

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

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

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The carrying amount of lease liability is reduced by net lease payments (i.e. lease payments net off finance cost).

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

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

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

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

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in

## Notes to the Financial Statements (Contd.)

profit and loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

### t) Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### u) Trade receivables

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

### v) Contract liabilities

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

### w) Investments and Other financial assets

#### i) Classification

The Company classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either through Fair Value Through Other Comprehensive Income (FVOCI), or Fair Value Through Profit or Loss (FVTPL)), and
- Those measured at amortized cost.

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

#### ii) Measurement

At Initial recognition, the Company measures a financial asset at its fair value plus transaction cost (in the case of a financial asset not at FVTPL) that are directly attributable to the acquisition of

the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit and loss.

#### Debt Instruments:

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

#### Amortised Cost:

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

#### Fair value through other comprehensive income (FVOCI):

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

#### Fair Value through profit or loss:

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

#### Equity instruments:

The Company subsequently measures all investments in equity (except of the subsidiaries / associates) at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent

## Notes to the Financial Statements (Contd.)

reclassification of fair value gains and losses to profit and loss.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately.

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

### Investment in subsidiaries / associates:

Investment in subsidiaries / associates are measured at cost less provision for impairment.

### iii) Impairment of financial assets

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

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

### iv) Derecognition of financial assets

A financial asset is derecognised only when:

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

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

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized, if the Company has not retained control of the financial asset. Where the company retains control of the financial asset, the

asset is continued to be recognised to the extent of continuing involvement in the financial asset.

### Interest Income:

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

### x) Financial Liabilities:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included under 'Finance costs'.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

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

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

## Notes to the Financial Statements (Contd.)

### y) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

### z) Current and Non-current classification

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

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

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

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

All other assets are classified as non-current.

A liability is treated as current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of trading

- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

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

### aa) Earnings Per Share (EPS):

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

### ab) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.



## Notes to the Financial Statements (Contd.)

### 2 Property, Plant & Equipment and Other Intangible Assets - 31st March 2024

Rupees In crores

Description	Property, Plant & Equipment								Other Intangible		
	Land	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Right of Use Asset	Total	Software	Design Development	Total
Cost of assets											
Gross carrying value as at 01-04-2023	397.56	959.46	4,867.15	111.28	52.22	227.09	579.77	7,194.53	177.35	616.04	793.39
Additions	56.21	101.96	380.45	43.27	13.74	42.32	160.55	798.50	21.79	105.05	126.84
<b>Sub-total</b>	<b>453.77</b>	<b>1,061.42</b>	<b>5,247.60</b>	<b>154.55</b>	<b>65.96</b>	<b>269.41</b>	<b>740.32</b>	<b>7,993.03</b>	<b>199.14</b>	<b>721.09</b>	<b>920.23</b>
Sales / deletion	-	3.90	132.97	0.01	5.93	3.99	40.13	186.93	-	-	-
<b>Total</b>	<b>453.77</b>	<b>1,057.52</b>	<b>5,114.63</b>	<b>154.54</b>	<b>60.03</b>	<b>265.42</b>	<b>700.19</b>	<b>7,806.10</b>	<b>199.14</b>	<b>721.09</b>	<b>920.23</b>
Depreciation / Amortisation											
Upto 31-03-2023	-	313.66	3,149.17	76.41	32.77	166.29	196.06	3,934.36	133.42	324.25	457.67
For the year	-	38.49	350.66	12.15	9.00	32.68	124.48	567.46	36.59	96.30	132.89
<b>Sub-total</b>	<b>-</b>	<b>352.15</b>	<b>3,499.83</b>	<b>88.56</b>	<b>41.77</b>	<b>198.97</b>	<b>320.54</b>	<b>4,501.82</b>	<b>170.01</b>	<b>420.55</b>	<b>590.56</b>
Withdrawn on assets sold / deleted	-	2.93	103.75	-	4.70	3.99	22.53	137.90	-	-	-
<b>Total</b>	<b>-</b>	<b>349.22</b>	<b>3,396.08</b>	<b>88.56</b>	<b>37.07</b>	<b>194.98</b>	<b>298.01</b>	<b>4,363.92</b>	<b>170.01</b>	<b>420.55</b>	<b>590.56</b>
Carrying value											
As at 31-03-2024	453.77	708.30	1,718.55	65.98	22.96	70.44	402.18	3,442.18	29.13	300.54	329.67

- Cost of buildings includes ₹ 11.42 crores pertaining to buildings constructed on leasehold lands.
- Land includes lease hold land of ₹ 0.51 crores, whose ownership is transferrable at the end of the lease term.
- Borrowing cost capitalised during the year - 1.78 crores

#### Capital work-in-progress (at cost) as at 31-03-2024

Rupees in crores

(a) Building	58.44
(b) Plant & equipment	271.29
<b>Total</b>	<b>329.73</b>

#### Ageing of Capital work-in-progress as at 31-03-2024:

Particulars	Amount in Capital work-in-progress for a period of				
	<1 Year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	219.43	33.17	61.97	15.16	329.73

#### Intangible assets under development (at cost) as at 31-03-2024

Ageing of Intangible assets under development as at 31-03-2024

Particulars	Amount in Intangible assets under development for a period of				
	<1 Year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	345.38	168.61	64.86	21.56	600.41

Capital work-in-progress and Intangible asset under development:

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

# Notes to the Financial Statements (Contd.)

## 2 Property, Plant & Equipment and Other Intangible Assets - 31st March 2023

Rupees In crores

Description	Property, Plant & Equipment								Other Intangible		
	Land	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Right of Use Asset	Total	Software	Design Development	Total
Cost of assets											
Gross carrying value as at 01-04-2022	226.17	870.30	4,600.48	95.08	40.01	197.20	453.96	6,483.20	156.18	567.06	723.24
Additions	171.39	90.27	391.70	16.86	13.78	36.18	125.85	846.03	40.96	50.44	91.40
<b>Sub-total</b>	<b>397.56</b>	<b>960.57</b>	<b>4,992.18</b>	<b>111.94</b>	<b>53.79</b>	<b>233.38</b>	<b>579.81</b>	<b>7,329.23</b>	<b>197.14</b>	<b>617.50</b>	<b>814.64</b>
Sales / deletion	-	1.11	125.03	0.66	1.57	6.29	0.04	134.70	19.79	1.46	21.25
<b>Total</b>	<b>397.56</b>	<b>959.46</b>	<b>4,867.15</b>	<b>111.28</b>	<b>52.22</b>	<b>227.09</b>	<b>579.77</b>	<b>7,194.53</b>	<b>177.35</b>	<b>616.04</b>	<b>793.39</b>
Depreciation / Amortisation											
Upto 31-03-2022	-	278.05	2,908.92	68.62	27.21	145.61	114.99	3,543.40	119.89	236.53	356.42
For the year	-	35.86	350.04	8.17	6.85	26.74	81.07	508.73	33.32	89.18	122.50
<b>Sub-total</b>	<b>-</b>	<b>313.91</b>	<b>3,258.96</b>	<b>76.79</b>	<b>34.06</b>	<b>172.35</b>	<b>196.06</b>	<b>4,052.13</b>	<b>153.21</b>	<b>325.71</b>	<b>478.92</b>
Withdrawn on assets sold / deleted	-	0.25	109.79	0.38	1.29	6.06	-	117.77	19.79	1.46	21.25
<b>Total</b>	<b>-</b>	<b>313.66</b>	<b>3,149.17</b>	<b>76.41</b>	<b>32.77</b>	<b>166.29</b>	<b>196.06</b>	<b>3,934.36</b>	<b>133.42</b>	<b>324.25</b>	<b>457.67</b>
Carrying value											
As at 31-03-2023	397.56	645.80	1,717.98	34.87	19.45	60.80	383.71	3,260.17	43.93	291.79	335.72

- Cost of buildings includes ₹ 35.11 crores pertaining to buildings constructed on leasehold lands.
- Land includes lease hold land of ₹ 0.51 crores, whose ownership is transferrable at the end of the lease term.
- Borrowing cost capitalised during the year - Nil

### Capital work-in-progress (at cost) as at 31-03-2023

Rupees in crores

(a) Building	62.37
(b) Plant & equipment	211.75
<b>Total</b>	<b>274.12</b>

### Ageing of Capital work-in-progress as at 31-03-2023

Particulars	Amount in Capital work-in-progress for a period of				
	<1 Year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	153.06	83.82	20.58	16.66	274.12

### Intangible assets under development (at cost) as at 31-03-2023

Ageing of Intangible assets under development as at 31-03-2023

Particulars	Amount in Intangible assets under development for a period of				
	<1 Year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	216.68	109.39	22.93	4.61	353.61

Capital work-in-progress and Intangible asset under development:

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

## Notes to the Financial Statements (Contd.)

### 3 Investments

#### 3A Non Current Investments

Sl. No.	Particulars	Subsidiary / Associate	No. of shares / units		Face Value	Currency	Rupees in crores	
			As at 31-03-2024	As at 31-03-2023			As at 31-03-2024	As at 31-03-2023
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
(a)	<b>Investment in Equity Instruments:</b>							
	<b>Fair valued through OCI:</b>							
	<b>Quoted:</b>							
(i)	Ucal Fuel Systems Limited, Chennai		91,760	91,760	10.00	INR	1.33	1.00
	<b>Unquoted:</b>							
(ii)	Green Infra BTW Limited, New Delhi		32,50,000	32,50,000	10.00	INR	1.89	1.75
(iii)	TVS Lanka (Private) Limited, Colombo		50,00,000	50,00,000	10.00	LKR	4.48	4.38
(iv)	Green Infra Wind Power Projects Limited, New Delhi		1,11,600	1,11,600	10.00	INR	0.08	0.08
(v)	Green Infra Wind Power Generation Limited, New Delhi		2,16,000	2,16,000	10.00	INR	0.18	0.17
(vi)	Condivision Solutions Pvt. Limited, Bengaluru		6,760	6,760	10.00	INR	-	-
(vii)	Mulanur Renewable Energy Pvt. Limited, Chennai		15,000	15,000	10.00	INR	0.02	0.02
(viii)	Atria Wind Power Bijapur 1 Limited, Bengaluru		1,01,217	1,01,217	10.00	INR	2.00	2.00
(ix)	Altizon Systems Private Limited, Pune		10	10	10.00	INR	0.01	0.01
(x)	Roppen Transportation Services Private Limited, Hyderabad		10	10	1.00	INR	0.05	0.05
(xi)	Roppen Transportation Services Private Limited, Hyderabad <sup>5</sup>		23,985	23,985	10.00	INR	119.73	113.93
(xii)	Green Infra Wind Energy Generation Limited, Gurugram		28,45,000	23,45,000	10.00	INR	2.85	2.35
	<b>Valued at Cost (Unquoted):</b>							
(i)	Sundaram Auto Components Limited, Chennai	Subsidiary	1,19,37,422	4,45,69,000	10.00	INR	108.46	336.20
(ii)	TVS Motor Company (Europe) B.V., Amsterdam	Subsidiary	2,25,301	2,25,301	100.00	EUR	1.80	1.80
(iii)	TVS Motor (Singapore) Pte. Limited, Singapore	Subsidiary	67,16,85,616	42,01,55,810	1.00	SGD	3,576.68	2,021.12
(iv)	PT.TVS Motor Company Indonesia, Jakarta	Subsidiary	85,97,000	85,97,000	97,400.00	IDR	389.06	389.06
(v)	TVS Digital Limited, Chennai (Formerly known as TVS Housing Limited)	Subsidiary	30,50,000	50,000	10.00	INR	3.05	0.05
(vi)	TVS Motor Services Limited, Chennai	Subsidiary	14,96,33,814	14,96,33,814	10.00	INR	148.68	148.68
(vii)	TVS Credit Services Limited, Chennai	Subsidiary	19,54,24,754	19,54,24,754	10.00	INR	1,960.99	1,960.99
(viii)	TVS Credit Services Limited, Chennai <sup>6</sup>	Subsidiary	31,69,773	-	10.00	INR	100.00	-
(ix)	TVS Electric Mobility Limited, Chennai	Subsidiary	10,00,000	10,00,000	10.00	INR	1.00	1.00
(x)	Emerald Haven Realty Limited, Chennai	Associate	-	11,12,19,512	10.00	INR	-	111.22
(xi)	Ultraviolette Automotive Private Limited, Bengaluru	Associate	14,850	14,850	10.00	INR	11.00	11.00

## Notes to the Financial Statements (Contd.)

Sl. No.	Particulars	Subsidiary / Associate	No. of shares / units		Face Value	Currency	Rupees in crores	
			As at 31-03-2024	As at 31-03-2023			As at 31-03-2024	As at 31-03-2023
(xii)	Ultraviolette Automotive Private Limited, Bengaluru <sup>\$</sup>	Associate	12,316	12,316	*	INR	110.00	110.00
(xiii)	Tagbox Solutions Private Limited, Bengaluru	Associate	-	45,710	1.00	INR	-	1.19
(xiv)	Tagbox Solutions Private Limited, Bengaluru <sup>\$</sup>	Associate	-	3,83,983	16.00	INR	-	9.99
(xv)	DriveX Mobility Pvt Ltd., Coimbatore	Associate	9,766	9,766	10.00	INR	87.17	87.17
(xvi)	Indian Foundation for Quality Management, Bengaluru	Associate	2,50,00,000	-	10.00	INR	25.00	-
<b>Total value of Equity Instruments (a)</b>							<b>6,655.51</b>	<b>5,315.21</b>
<b>(b) Investments in Preference Shares (Unquoted):</b>								
<b>Fair valued through OCI:</b>								
(i)	Axiom Research Labs Private Limited, Delhi		82	82	10.00	INR	-	-
(ii)	Pinnacle Engines Inc., USA (face value 0.01 cent)		24,09,638	24,09,638	0.0001	USD	-	-
<b>Fair valued through Profit and Loss:</b>								
(iii)	TVS Motor Services Limited, Chennai	Subsidiary	5,00,00,000	5,00,00,000	10.00	INR	50.00	50.00
<b>Total value of Preference shares (b)</b>							<b>50.00</b>	<b>50.00</b>
<b>(c) Investment in Debt Instruments (unquoted):</b>								
<b>Valued at Amortised Cost:</b>								
(i)	Fabric IOT Private Limited, Bengaluru					INR	17.79	16.28
<b>Pension Funds / Government Securities</b>								
(ii)	ICICI Prudential Life Insurance Group Superannuation Fund, Mumbai					INR	6.63	6.39
(iii)	Life Insurance Corporation Pension Policy, Mumbai					INR	20.35	19.00
<b>Fair valued through Profit and Loss:</b>								
(iv)	Fabric IOT Private Limited, Bengaluru					INR	45.00	45.00
<b>Total value of Debt instruments (c)</b>							<b>89.77</b>	<b>86.67</b>
<b>(d) Other non-current Investments (Unquoted):</b>								
<b>Fair valued through OCI:</b>								
(i)	Autotech Fund I, L.P., USA					USD	32.79	40.07
<b>Total value of other non-current investments (d)</b>							<b>32.79</b>	<b>40.07</b>
<b>Total (a) + (b) + (c) + (d)</b>							<b>6,828.07</b>	<b>5,491.95</b>
Aggregate amount of quoted investments and market value thereof							1.33	1.00
Aggregate amount of unquoted investments							6,826.74	5,490.95
<b>Total</b>							<b>6,828.07</b>	<b>5,491.95</b>

All investments are fully paid up.

<sup>\$</sup> Preference shares in the nature of equity instruments

## Notes to the Financial Statements (Contd.)

*Particulars of preference shares held in Ultraviolette Automotive Private Limited, Bengaluru	No. of shares / units		Face Value (in ₹)
	As at 31-03-2024	As at 31-03-2023	
Series A2 Preference Shares	990	990	50,545
Series B Preference Shares	7,387	7,387	40,616
Series C Preference Shares	3,939	3,939	1,90,384
<b>Total</b>	<b>12,316</b>	<b>12,316</b>	

### 3B Current Investments

Sl. No.	Particulars	Subsidiary / associate	No. of shares / units		Face Value (in ₹)	Currency	Rupees in crores	
			As at 31-03-2024	As at 31-03-2023			As at 31-03-2024	As at 31-03-2023
(a)	<b>Investment in Equity Instruments Fair valued through Profit or Loss</b>							
	<b>Quoted:</b>							
(i)	TVS Supply Chain Solutions Limited, Chennai		1,05,62,200	1,06,62,200	1.00	INR	163.19	191.92
	<b>Total (a)</b>						<b>163.19</b>	<b>191.92</b>
	Aggregate amount of Quoted investments						163.19	191.92
	<b>Total</b>						<b>163.19</b>	<b>191.92</b>

All investments are fully paid up.

### 4 Other Financial Assets - Non Current

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Claims receivable Non Current	31.50	37.13
Share application money paid (pending allotment)	121.19	445.41
	<b>152.69</b>	<b>482.54</b>

### 5 Other Non-Current Assets

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Capital advances	125.91	69.70
Advances other than capital advances:		
Deposits made	13.42	13.31
	<b>139.33</b>	<b>83.01</b>

### 6 Inventories

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Raw materials and components	650.11	655.57
Goods-in-transit - Raw materials and components	44.99	107.41
Work-in-progress	48.89	46.06
Finished goods	466.13	255.24
Stock-in-trade	104.70	113.86
Stores and spares	55.98	58.22
	<b>1,370.80</b>	<b>1,236.36</b>

# Notes to the Financial Statements (Contd.)

## 7 Trade Receivables

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Secured, considered good	14.13	11.53
Unsecured, considered good*	1,288.01	967.76
Receivables which have significant increase in credit risk	28.13	26.93
	<b>1,330.27</b>	<b>1,006.22</b>
Less: Loss allowance	28.13	26.93
	<b>1,302.14</b>	<b>979.29</b>

\* Includes balances with related parties [Refer Note 34 (c)(i)]

### (i) Ageing for trade receivable as on 31.03.2024

Particulars	Rupees in Crores					
	Outstanding for following periods from due date of payment					
	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	1,009.64	279.69	7.12	4.11	1.58	1,302.14
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	1.08	1.31	25.74	28.13
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>1,009.64</b>	<b>279.69</b>	<b>8.20</b>	<b>5.42</b>	<b>27.32</b>	<b>1,330.27</b>

### (ii) Ageing for trade receivable as on 31.03.2023

Particulars	Rupees in Crores					
	Outstanding for following periods from due date of payment					
	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	724.77	224.44	14.47	15.34	0.27	979.29
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	1.08	1.31	24.54	26.93
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total</b>	<b>724.77</b>	<b>224.44</b>	<b>15.55</b>	<b>16.65</b>	<b>24.81</b>	<b>1,006.22</b>

## 8 Cash and Cash Equivalents

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Balances with banks	235.62	234.20
Cash on hand	0.21	0.15
Cash equivalents:		
Deposits with maturity of less than three month from the date of deposit.	250.00	-
	<b>485.83</b>	<b>234.35</b>
<b>Cash and cash equivalents for the purpose of cash flow statement</b>	<b>485.83</b>	<b>234.35</b>

## Notes to the Financial Statements (Contd.)

### 9 Other Bank Balances

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Earmarked balances with banks	45.02	7.51
Deposits with maturity of more than three month and less than one year from the date of deposit	0.11	0.10
	<b>45.13</b>	<b>7.61</b>

### 10 Other Financial Assets - Current

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Unsecured, considered good:		
- Employee advances	11.75	11.16
- Other bank balances (Bank deposit)	2.09	0.14
- Security deposits	37.72	21.80
- Claims receivable	25.69	23.82
- Hedge asset - receivable	-	5.91
	<b>77.25</b>	<b>62.83</b>

### 11 Other Current Assets

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Balances with tax authorities	424.99	370.72
Prepaid expense	71.44	50.50
Vendor advance*	109.94	73.01
Trade deposits	0.89	0.67
Incentive receivable from government^	182.61	472.10
Employee benefit assets (Refer Note 33)	4.77	7.42
	<b>794.64</b>	<b>974.42</b>
Less: Loss allowance	21.16	2.23
	<b>773.48</b>	<b>972.19</b>

\* Includes balances with related parties [Refer Note 34(c)(i)]

^ Includes EV subsidy receivable of ₹ 148.62 crores (Previous Year ₹ 448.40 crores)

### 12 Equity Share Capital

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

Particulars	As at 31-03-2024		As at 31-03-2023	
	Number	Rupees in crores	Number	Rupees in crores
<b>Authorised:</b>				
Equity shares of ₹ 1/- each	50,00,00,000	50.00	50,00,00,000	50.00
Issued, subscribed and fully paid up:				
Equity shares of ₹ 1/- each	47,50,87,114	47.51	47,50,87,114	47.51
	<b>47,50,87,114</b>	<b>47.51</b>	<b>47,50,87,114</b>	<b>47.51</b>



## Notes to the Financial Statements (Contd.)

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

Particulars	As at 31-03-2024		As at 31-03-2023	
	Number	Rupees in crores	Number	Rupees in crores
Shares outstanding at the beginning of the year	47,50,87,114	47.51	47,50,87,114	47.51
Shares issued during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>47,50,87,114</b>	<b>47.51</b>	<b>47,50,87,114</b>	<b>47.51</b>

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

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

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

### (d) Shares held by Holding company at the end of the year

Name of shareholder	Class of share	As at 31-03-2024		As at 31-03-2023	
		No. of shares held	% of holding	No. of shares held	% of holding
TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited) (Holding Company)	Equity	23,87,82,786	50.26	23,87,82,786	50.26

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

Name of shareholder	Class of share	As at 31-03-2024		As at 31-03-2023	
		No. of shares held	% of holding	No. of shares held	% of holding
ICICI Prudential Mutual Fund	Equity	3,75,37,940	7.90	4,67,41,798	9.35

### (f) Shares held by Promoters at the end of the year 31-03-2024

Promoter name	Class of share	As at 31-03-2024		As at 31-03-2023		
		No. of shares held	% of holding	No. of shares held	% of holding	% change during the year
TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited)(Holding Company)	Equity	23,87,82,786	50.26	23,87,82,786	50.26	-

### Shares held by Promoters at the end of the year 31-03-2023

Promoter name	Class of share	As at 31-03-2023		As at 31-03-2022		
		No. of shares held	% of holding	No. of shares held	% of holding	% change during the year
Sundaram-Clayton Limited	Equity	23,87,82,786	50.26	23,87,82,786	50.26	-

## Notes to the Financial Statements (Contd.)

### 13 Other Equity

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
General reserve	865.64	865.64
Capital reserve	6.43	6.43
Retained earnings	6,812.80	5,125.20
Other Reserves	(1.34)	3.07
	<b>7,683.53</b>	<b>6,000.34</b>

### 14 Non-Current Liabilities - Financial Liabilities - Borrowings

Description	Frequency	No. of instalments due	Maturity	Rupees in Crores	
				As at 31-03-2024	As at 31-03-2023
<b>Secured:</b>					
State owned corporation	Specific Period	2	Apr 2030	9.68	84.68
<b>Unsecured:</b>					
Non Convertible Debentures - I	-	-	-	-	499.93
Non Convertible Debentures - II	End of Tenure	1	Mar 2026	124.87	124.81
Non-Convertible Zero Coupon Debentures #	-	-	-	-	310.00
Term loan from Bank - I	Quarterly	12	Mar 2027	429.96	479.93
Term loan from Bank - II	Quarterly	8	Mar 2026	199.56	199.20
Term loan from Bank - III	Quarterly	10	July 2026	187.38	-
Term loan from Bank - IV	Quarterly	8	May 2026	499.08	-
ECB Loan from Bank	-	-	-	-	27.39
Sales Tax Deferral	Yearly	4	Jun 2027	62.91	78.64
<b>Total Long-term Borrowings:</b>				<b>1,513.44</b>	<b>1,804.58</b>
Less: Current Maturities of Long-term Borrowings				526.53	593.04
<b>Total Long-term Borrowings (net)</b>				<b>986.91</b>	<b>1,211.54</b>

Details of securities created:

- (i) Soft loan - State owned corporation viz., SIPCOT - First charge on the specific plant and equipment and also secured by equitable mortgage created by way of deposit of title deeds of land.

# due to related parties [Refer Note 34 (b)(xii)].

Amount payable in each instalment:

Description	Currency	Amount*	Rate of Interest
State owned corporation	INR	₹ 4.45 crores and ₹ 5.22 crores (Two instalments between April 2026 and April 2030)	0.10%
Non Convertible Debentures - II (12500 numbers, face value of ₹ 1 lakh each)	INR	₹ 125 crores at the end of the term - March 2026	Repo Rate plus Margin
Term Loan from Bank - I	INR	12 quarterly unequated instalments from 28 <sup>th</sup> June 2024	6.30%
Term Loan from Bank - II	INR	8 quarterly equated instalments beginning from 30 <sup>th</sup> June 2024	Repo Rate plus Margin
Term loan from Bank - III	INR	10 quarterly unequated instalments from 30 <sup>th</sup> June 2024	Repo Rate plus Margin
Term loan from Bank - IV	INR	8 quarterly equated instalments beginning from 31 <sup>st</sup> August 2024	Repo Rate plus Margin
Sales tax deferral	INR	₹ 15.73 crores per annum from June - 2024 to June - 2027	Nil

\* undiscounted cash outflows

## Notes to the Financial Statements (Contd.)

### 15 PROVISIONS

Rupees in Crores

Particulars	As at 31-03-2024		As at 31-03-2023	
	Current	Non-current	Current	Non-current
Provision for employee benefits:				
(a) Pension	65.85	100.25	48.39	94.44
(b) Leave salary	11.51	83.54	8.82	67.66
Others:				
(a) Warranty	66.24	22.08	41.33	13.78
	<b>143.60</b>	<b>205.87</b>	<b>98.54</b>	<b>175.88</b>

### 16 Deferred Tax Liabilities (NET)

The balance comprises temporary differences attributable to:

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
<b>Deferred tax liability consists of tax impact on:</b>		
- Depreciation	324.87	290.80
- Others	19.49	33.81
<b>Total deferred tax liability (A)</b>	<b>344.36</b>	<b>324.61</b>
<b>Deferred tax asset consists of tax impact on:</b>		
- Employee Benefits expense	49.14	42.82
- Warranty provision	23.95	15.59
- Others	84.22	68.00
<b>Total deferred tax assets (B)</b>	<b>157.31</b>	<b>126.41</b>
<b>Net deferred tax liability (A)-(B)</b>	<b>187.05</b>	<b>198.20</b>

### Movement in deferred tax:

Rupees in Crores

Particulars	Depreciation	Others	Total
<b>As at 31-03-2022</b>			197.87
<b>Charged/(credited):</b>			
- to profit or loss	(4.68)	13.37	8.69
- to other comprehensive income	-	(8.36)	(8.36)
<b>As at 31-03-2023</b>			198.20
<b>Charged/(credited):</b>			
- to profit or loss	34.07	(38.49)	(4.42)
- to other comprehensive income	-	(6.73)	(6.73)
<b>As at 31-03-2024</b>			<b>187.05</b>

### 17 Financial Liabilities - Borrowings - Current

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Borrowings repayable on demand from banks:		
Unsecured	-	440.00
Current Maturities of long term borrowings:		
Unsecured	526.53	593.04
	<b>526.53</b>	<b>1,033.04</b>

## Notes to the Financial Statements (Contd.)

### 18 Trade Payables

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Dues to Micro and Small Enterprises**	34.80	45.42
Dues to enterprises other than Micro and Small Enterprises#	5,077.37	4,085.14
	<b>5,112.17</b>	<b>4,130.56</b>

\*\* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information received by the management. The entire closing balance represents the principal amount payable to these enterprises. There is no principal or interest due thereon and remaining unpaid at the end of the year. (Refer Note 38)

# Includes balances due to related parties [Refer Note 34 (c)(ii)].

### Ageing for trade payables as on 31-03-2024

Rupees in Crores

Particulars	Not due	Outstanding for following periods from due date of payment				
		<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
(i) Micro and Small Enterprises (MSME)	34.80	-	-	-	-	34.80
(ii) Others	3,181.44	309.99	29.46	19.48	20.25	3,560.62
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
<b>Total (i) to (iv)</b>	<b>3,216.24</b>	<b>309.99</b>	<b>29.46</b>	<b>19.48</b>	<b>20.25</b>	<b>3,595.42</b>
Accrued expenses						1,516.75
<b>Total</b>						<b>5,112.17</b>

### Ageing for trade payables as on 31-03-2023

Rupees in Crores

Particulars	Not due	Outstanding for following periods from due date of payment				
		<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
(i) Micro and Small Enterprises (MSME)	45.42	-	-	-	-	45.42
(ii) Others	2,632.07	567.60	19.46	8.25	16.69	3,244.07
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
<b>Total (i) to (iv)</b>	<b>2,677.49</b>	<b>567.60</b>	<b>19.46</b>	<b>8.25</b>	<b>16.69</b>	<b>3,289.49</b>
Accrued expenses						841.07
<b>Total</b>						<b>4,130.56</b>

### 19 Other Financial Liabilities

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Interest accrued but not due on loans	4.26	37.96
Trade deposits received	32.33	32.76
Unclaimed dividends (Not due for transfer to Investor Education and Protection Fund)	4.07	3.88
Payables against capital goods	80.91	47.05
Hedge liability (Net)	5.38	-
	<b>126.95</b>	<b>121.65</b>

### 20 Other Current Liabilities

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Statutory dues	164.78	117.70
Employee related	157.37	159.74
Advance received from customers	198.85	228.10
Deferred income	5.63	7.75
	<b>526.63</b>	<b>513.29</b>

# Notes to the Financial Statements (Contd.)

## 21 Revenue from Operations

Particulars	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Sale of products	31,449.57	25,938.78
Sale of services	52.92	69.28
Other operating revenue <sup>#</sup>	273.88	370.03
	<b>31,776.37</b>	<b>26,378.09</b>

<sup>#</sup> Includes Government Grants of ₹ 237.02 crores (Last year ₹ 234.10 crores)

## 22 Other Income

Particulars	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Dividend income from:		
(i) Subsidiaries	1.96	2.23
(ii) Other investments designated as Fair Value through OCI	0.65	0.02
Interest income	18.88	6.21
Profit on sale of investments - (Net)	145.39	22.01
Profit on sale of property, plant and equipment (Net)	2.63	2.82
(Loss)/Gain on valuation of investments Fair Valued through profit and loss (Net)	(26.93)	61.69
Other non-operating income	5.95	5.59
	<b>148.53</b>	<b>100.57</b>

## 23 Material Cost

Particulars	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Cost of materials consumed:		
Opening stock of raw materials and components	655.57	625.26
Add: Purchases	23,238.70	19,642.90
	<b>23,894.27</b>	<b>20,268.16</b>
Less: Closing stock of raw materials and components	650.11	655.57
	<b>23,244.16</b>	<b>19,612.59</b>
Purchases of stock-in-trade:		
Spare parts	211.35	202.53
Engine oil	178.02	175.47
	<b>389.37</b>	<b>378.00</b>
Changes in inventories of finished goods, work-in-progress and stock-in-trade:		
Opening stock:		
Work-in-progress	46.06	43.07
Stock-in-trade	113.86	98.58
Finished goods	255.24	278.72
<b>(A)</b>	<b>415.16</b>	<b>420.37</b>
Closing stock:		
Work-in-progress	48.89	46.06
Stock-in-trade	104.70	113.86
Finished goods	466.13	255.24
<b>(B)</b>	<b>619.72</b>	<b>415.16</b>
<b>(A)-(B)</b>	<b>(204.56)</b>	<b>5.21</b>

## Notes to the Financial Statements (Contd.)

### 24 Employee Benefits Expense

Particulars	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Salaries, wages and bonus	1,334.59	1,149.19
Contribution to provident and other funds	121.12	92.85
Staff welfare expenses	140.16	103.05
	<b>1,595.87</b>	<b>1,345.09</b>

### 25 Finance Costs

Particulars	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Interest on borrowings	137.39	109.16
Interest on lease liabilities	44.75	31.26
Exchange differences	(0.51)	0.24
	<b>181.63</b>	<b>140.66</b>

### 26 Depreciation and Amortisation Expense

Particulars	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Depreciation on property, plant and equipment	442.98	427.66
Amortisation on right of use asset	124.48	81.07
Amortisation on intangible assets	132.89	122.50
	<b>700.35</b>	<b>631.23</b>

### 27 Other Expenses

Particulars	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
(a) Consumption of stores, spares and tools	52.96	52.43
(b) Power and fuel	102.80	101.93
(c) Repairs - buildings	35.08	21.62
(d) Repairs - plant and equipment	81.40	74.68
(e) Insurance	43.78	35.04
(f) Rates and taxes (excluding taxes on income)	5.96	5.59
(g) Audit fees <sup>#</sup>	1.15	1.15
(h) Cost audit fees	0.08	0.08
(i) Packing and freight charges	524.74	499.72
(j) Advertisement and publicity	536.78	328.56
(k) Other marketing expenses	567.52	340.83
(l) Foreign exchange loss (Net)	1.35	-
(m) Corporate Social Responsibility expenditure*	30.00	19.00
(n) Contributions to Electoral Trust	40.00	5.00
(o) Miscellaneous expenses (under this head there is no expenditure which is in excess of 1% of revenue from operations or ₹ 10 lakh, whichever is higher)	1,213.82	876.88
	<b>3,237.42</b>	<b>2,362.51</b>

<sup>#</sup>Refer Note No. 39 for details on Audit fees.

\* Refer Note No. 45 for details on Corporate Social Responsibility expenditure.



# Notes to the Financial Statements (Contd.)

## 28 Tax Expense and Reconciliation

Particulars	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
<b>(a) Tax expense</b>		
Current tax:		
On profits for the year	702.08	504.82
Adjustments for prior periods	-	(1.17)
<b>(A)</b>	<b>702.08</b>	<b>503.65</b>
Deferred tax:		
Decrease / (increase) in deferred tax assets	(82.78)	(54.04)
(Decrease) / increase in deferred tax liabilities	78.36	62.73
<b>(B)</b>	<b>(4.42)</b>	<b>8.69</b>
<b>(A + B)</b>	<b>697.66</b>	<b>512.34</b>
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:</b>		
<b>Profit before income tax expense</b>	<b>2,780.66</b>	<b>2,003.37</b>
Tax expense at 25.168%	699.84	504.21
Add / (Less): Tax Impact on		
Tax on income chargeable at lower rates	(39.40)	-
Capital receipts	-	(1.63)
Expenses not admissible for deduction	37.06	10.93
Others	0.17	-
Tax relating to earlier years	-	(1.17)
<b>Tax expense</b>	<b>697.66</b>	<b>512.34</b>

## 29 Fair Value Measurements

Particulars	Rupees in crores					
	As at 31-03-2024			As at 31-03-2023		
	FVTPL <sup>\$</sup>	FVTOCI <sup>*</sup>	Amortised cost	FVTPL <sup>\$</sup>	FVTOCI <sup>*</sup>	Amortised cost
<b>Financial assets</b>						
Investments						
- Equity instruments	163.19	132.62	-	191.92	125.74	-
- Preference shares	50.00	-	-	50.00	-	-
- Other non-current investments	-	32.79	-	-	40.07	-
- Debt Instruments	45.00	-	44.77	45.00	-	41.67
Trade receivables	-	-	1,302.14	-	-	979.29
Derivative financial asset	-	-	-	-	5.91	-
Cash and cash equivalents	-	-	485.83	-	-	234.35
Other bank balances - Bank deposit	-	-	2.20	-	-	0.24
Earmarked balances with banks	-	-	45.02	-	-	7.51
Other financial assets	-	-	106.66	-	-	93.91
	<b>258.19</b>	<b>165.41</b>	<b>1,986.62</b>	<b>286.92</b>	<b>171.72</b>	<b>1,356.97</b>
<b>Financial liabilities</b>						
Borrowings	-	-	1,513.44	-	-	2,244.58
Trade payables	-	-	5,112.17	-	-	4,130.56
Lease liability	-	-	450.18	-	-	418.78
Derivative financial liability	-	5.38	-	-	-	-
Other financial liability	-	-	121.57	-	-	121.65
	-	<b>5.38</b>	<b>7,197.36</b>	-	-	<b>6,915.57</b>

\* FVTOCI - Fair Valued Through Other Comprehensive Income \$ FVTPL- Fair Value Through Profit or Loss

## Notes to the Financial Statements (Contd.)

### (i) Fair value hierarchy

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

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

Rupees in crores					
As at 31-03-2024	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Financial investments at FVTPL	3A & 3B	163.19	-	95.00	258.19
Financial investments at FVTOCI	3A	1.33	32.79	131.29	165.41
		164.52	32.79	226.29	423.60
<b>Financial liabilities</b>					
Derivatives	19	-	5.38	-	5.38
		-	5.38	-	5.38

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

Rupees in crores					
As at 31-03-2024	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Investments					
Debt instruments	3A	-	-	44.77	44.77
		-	-	44.77	44.77
<b>Financial liabilities</b>					
Borrowings	14 & 17	-	-	1,513.44	1,513.44
		-	-	1,513.44	1,513.44

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

Rupees in crores					
As at 31-03-2023	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Financial Investments at FVTPL	3A & 3B	-	-	286.92	286.92
Financial Investments at FVTOCI	3A	1.00	40.07	124.74	165.81
Derivatives	10	-	5.91	-	5.91
		1.00	45.98	411.66	458.64

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

Rupees in crores					
As at 31-03-2023	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Investments					
Debt instruments	3A	-	-	41.67	41.67
		-	-	41.67	41.67
<b>Financial liabilities</b>					
Borrowings	14 & 17	-	-	2,244.58	2,244.58
		-	-	2,244.58	2,244.58

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

## Notes to the Financial Statements (Contd.)

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, preference shares and other non current investments included in level 3.

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

During the reporting period, there are no transfers among the three levels.

### (ii) Valuation technique used to determine fair value (Level 2)

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of interest rate swaps is calculated as the present value of estimated cash flows based on observable yield curves.
- the fair value of forward exchange contract and principal only swap is determined using forward exchange rate at the balance sheet date.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

### (iii) Fair value measurements using significant unobservable inputs (level 3)

Particulars	Rupees in crores			
	Unlisted Equity Shares	Unlisted Preference Shares	Debt Instruments	Total
<b>As at 01-04-2022</b>	139.87	-	-	139.87
Additions / (Deletions)	116.41	50.00	45.00	211.41
Gains/(losses) recognised in profit or loss	61.69	-	-	61.69
Gains/(losses) recognised in other comprehensive income	(1.31)	-	-	(1.31)
<b>As at 31-03-2023</b>	316.66	50.00	45.00	411.66
Additions / (Deletions)	0.50	-	-	0.50
Reclassified from level 3 to Level 1	(191.92)	-	-	(191.92)
Gains/(losses) recognised in other comprehensive income	6.05	-	-	6.05
<b>As at 31-03-2024</b>	<b>131.29</b>	<b>50.00</b>	<b>45.00</b>	<b>226.29</b>

### (iv) Valuation inputs and relationships to fair value

Particulars	Fair value as at		Significant unobservable input	Probability weighted range for the year ended		Sensitivity
	31-03-2024	31-03-2023		31-03-2024	31-03-2023	
	Preference Share	50.00		50.00	a) Earnings growth rate	
			b) Risk adjusted discount rate	8%	8%	
Debt Instrument	45.00	45.00	a) Earnings growth rate	1-3%	1-3%	Not significant
			b) Risk adjusted discount rate	8%	8%	
Unquoted Equity shares	131.29	316.66	a) Earnings growth rate	1-3%	1-3%	Not significant
			b) Risk adjusted discount rate	8%	8%	

### (v) Valuation processes

Discount rates are determined using a capital asset pricing model to calculate a pretax rate that reflects current market assessments of the time value of money and the risk specific to the asset. Earnings growth factor of preference shares are based on cash flow projections of future earnings of the Company and unlisted equity securities are estimated based on market information for similar type of companies. Risk adjustments have been derived based on the market risk premium adjusted for companies relevant financial data.

## Notes to the Financial Statements (Contd.)

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

Particulars	As at 31-03-2024		As at 31-03-2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
<b>Investments:</b>				
Preference shares	-	-	-	-
Debt instruments	44.77	44.77	41.67	41.67
	<b>44.77</b>	<b>44.77</b>	<b>41.67</b>	<b>41.67</b>
<b>Financial liabilities</b>				
Borrowings	1,513.44	1,513.44	2,244.58	2,244.58
	<b>1,513.44</b>	<b>1,513.44</b>	<b>2,244.58</b>	<b>2,244.58</b>

Rupees in crores

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for preference shares and other debt instruments are calculated based on cash flows discounted using effective interest rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs, including counterparty credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a effective interest rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

## 30 Financial Risk Management

The Company's activities exposes it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Risk Parameters and Mitigation
Credit risk	Cash, Cash equivalents and Trade receivables	Credit risk primarily arises from cash and cash equivalents, trade receivables and investments carried at amortised cost. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available, reasonable and supportive forward-looking information (more specifically described below). In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments within 60 days, when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.
	a. Cash and Cash Equivalents	Surplus cash is deposited only with banks / financial institutions with a high external credit rating.
	b. Domestic Trade Receivables	Domestic sales to the Dealers are based on advance payments received through banking channels or through inventory funding facilities availed by them from the banks. The Company extends limited credit to the dealers and such extension of credit is based on dealers' credit worthiness, ability to repay and past track record. The Company has extensive reporting and review system to constantly monitor the outstandings.
	c. Export Trade Receivables	The Company's export business is mostly based on Letters of credit. Export receivables are also covered through Insurance with ECGC Limited.
Liquidity risk	INR denominated borrowings [other than soft loans given by Govt. Authorities]	The company's liquidity management policy involves projecting cash flows in major currencies by considering the level of liquid assets necessary to meet the same, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. The Company works out a detailed annual operating plans to assess the fund requirements - both short term and long term. Detailed month wise cash flow forecast is also carried out along with required sensitivities. Based on these factors adequate working capital credit limits are organised in advance. Company has pre-approved credit lines with various banks and these are constantly reviewed and approved by the Board. For long term fund requirements, Company targets various options such as rupee term loan, external commercial borrowing, debentures etc. The Company obtains a credit rating for the various borrowing facilities on annual basis. Company constantly monitors the free cash flow from operations to ensure that the borrowing is minimized.

## Notes to the Financial Statements (Contd.)

Risk	Exposure arising from	Risk Parameters and Mitigation
Market risk	(i) Foreign exchange	The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The Company has a forex management policy which is duly approved by the Board. The objective of the hedges when taken is to minimise the volatility of the INR cash flows of highly probable forecasted transactions.
	a. Export trade receivables and Import payables	The company has a forex management policy duly approved by the Board. The Company's policy is to hedge most of its net currency exposure. Company reviews the forex exposure on a regular basis and also reports its adherence to the Board on a quarterly basis. The recording and reporting requirements are strictly adhered.
	b. Foreign currency denominated borrowings	The Company has hedged its borrowings by covering the principal repayments.
	(ii) Interest rate - Foreign currency denominated borrowings	The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. Company's policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

### (A) Credit risk

Basis of recognition of expected credit loss provision

Rating	Category	Description of category	Investments	Loans and deposits	Trade receivables
1	High Quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.	12 month expected credit losses	12 month expected credit losses	Life time expected credit losses (simplified approach)
2	Quality assets, low credit risk	Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past			
3	Standard Assets, moderate credit risk	Assets where the probability of default is considered moderate and where the counter-party's capacity to meet the obligations is not strong.			
4	Substandard Assets, relatively high credit risk	Assets where there has been a significant increase in credit risk since initial recognition.			
5	Low quality assets, very high credit risk	Assets where there is a high probability of default. Also includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 180 days past due.		Life time expected credit losses	
6	Doubtful assets, credit impaired	Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.			Asset is written off

## Notes to the Financial Statements (Contd.)

### As at 31-03-2024

a) Expected credit loss for investments, loans and other financial assets

							Rupees in crores
Particulars	Internal rating	Asset/Asset group	Gross carrying amount	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision	
Loss allowance measured at 12 month expected credit loss	2	Investments at amortised cost	44.77	0%	-	44.77	
	1	Other financial assets	106.66	0%	-	106.66	

b) Expected credit loss for trade receivables under simplified approach

				Rupees in crores		
Particulars	0 to 180 days past due	More than 180 days past due	Total			
Gross carrying amount	1,009.64	320.63	1,330.27			
Expected loss rate	-	9%				
Expected credit losses	-	28.13	28.13			
Carrying amount of trade receivables	1,009.64	292.50	1,302.14			

### As at 31-03-2023

a) Expected credit loss for investments, loans and other financial assets

							Rupees in crores
Particulars	Internal rating	Asset/Asset group	Gross carrying amount	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision	
Loss allowance measured at 12 month expected credit loss	2	Investments at amortised cost	41.67	0%	-	41.67	
	1	Other financial assets	93.91	0%	-	93.91	

b) Expected credit loss for trade receivables under simplified approach

				Rupees in crores		
Particulars	0 to 180 days past due	More than 180 days past due	Total			
Gross carrying amount	724.77	281.45	1,006.22			
Expected loss rate	-	10%				
Expected credit losses	-	26.93	26.93			
Carrying amount of trade receivables	724.77	254.52	979.29			

Reconciliation of loss allowance provision - Trade receivables

		Rupees in crores
Loss allowance on 01-04-2022		28.23
Changes in loss allowance		(1.30)
Loss allowance on 31-03-2023		26.93
Changes in loss allowance		1.20
Loss allowance on 31-03-2024		28.13

## (B) Liquidity risk

### (i) Financing arrangements

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

			Rupees in Crores	
Particulars	As at 31-03-2024	As at 31-03-2023		
Floating rate				
- Expiring within one year (bank overdraft and other facilities)	1,920.54	1,779.58		
- Expiring beyond one year (bank loans)	-	-		



## Notes to the Financial Statements (Contd.)

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR and have an average maturity ranging 30 to 180 days.

### (ii) Maturities of financial liabilities

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

- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

#### As at 31-03-2024

Contractual Maturities of Financial Liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	96.55	143.33	286.65	983.36	5.23	1,515.12
Lease liabilities	35.35	34.68	67.08	363.92	27.60	528.63
Trade payables	5,112.17	-	-	-	-	5,112.17
Other financial liabilities	126.95	-	-	-	-	126.95

#### As at 31-03-2023

Contractual Maturities of Financial Liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	968.15	12.50	52.39	907.00	310.00	2,250.04
Lease liabilities	27.43	26.10	52.01	379.90	11.81	497.25
Trade payables	4,130.56	-	-	-	-	4,130.56
Other financial liabilities	121.65	-	-	-	-	121.65

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

### (C) Market risk

#### i) Foreign exchange risk

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Particulars	As at 31-03-2024		As at 31-03-2023	
	USD	EUR	USD	EUR
<b>Exposure in foreign currency</b>				
<b>Financial assets:</b>				
Trade receivables	888.20	87.45	740.28	66.88
Investments	32.79	-	40.07	-
Derivative assets				
Foreign exchange forward contracts				
Sell foreign currency	(888.20)	(87.45)	(847.89)	(62.75)
<b>Financial liabilities:</b>				
Foreign currency loan	-	-	27.39	-
Trade payables	108.88	15.22	176.24	7.53
Derivative liabilities				
Foreign exchange forward contracts				
Buy foreign currency	-	-	-	-
Principal swap				
Buy foreign currency	-	-	(27.39)	-

## Notes to the Financial Statements (Contd.)

### Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

Particulars	Impact on profit after tax*		Impact on other components of equity*	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
<b>USD sensitivity</b>				
INR/USD increases by 10%	58.38	41.98	(64.08)	(60.12)
INR/USD decreases by 10%	(58.38)	(41.98)	64.08	60.12
<b>EURO sensitivity</b>				
INR/EURO increases by 10%	5.41	4.42	(6.55)	(4.67)
INR/EURO decreases by 10%	(5.41)	(4.42)	6.55	4.67

\* Holding all other variables constant

### ii) Interest rate risk

For short term borrowings, interest rates are based on central bank approved benchmark rates plus margin. Whenever the Company resorts to short term borrowings through Commercial Paper, the rate of interest is fixed in advance. In respect of long term foreign currency borrowings, the interest rates are covered through interest rate swaps (IRS)

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Variable rate borrowings	1,012.53	792.39
Fixed rate borrowings	502.59	1,457.73

The Amount disclosed in the table are the contractual undiscounted cash flows.

Sensitivity	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Increase in interest rates by 100 bps	(7.58)	(5.90)
Decrease in interest rates by 100 bps	7.58	5.90

### iii) Price risk

The company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. To manage its price risk from investments in equity securities, the Company diversifies its portfolio. The impact of the changes in price risk is not material.

## (D) Impact of hedging activities

i) Disclosure of effects of hedge accounting on financial position

a Disclosure of effects of hedge accounting on financial position as at 31-03-2024

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Changes in fair value of hedging instrument since inception of hedge	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities			
Cash flow hedge							
Foreign exchange forward contracts	975.65	-	-	5.38	Apr'24 to Dec'24	5.38	(5.38)

## Notes to the Financial Statements (Contd.)

### b) Disclosure of effects of hedge accounting on financial position as at 31-03-2023

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Changes in fair value of hedging instrument since inception of hedge	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities			
Cash flow hedge							
Foreign exchange forward contract	910.64	-	2.74	-	Apr'23 to Dec'23	2.74	(2.74)
Foreign currency loan:							
Principal swap	-	27.39	2.91	-	Sep'23	2.91	(2.91)
Interest rate swap	-	27.39	0.26	-		0.26	(0.26)

### ii) Disclosure of effects of hedge accounting on financial performance:

for the year ended 31-03-2024:

Rupees in Crores

Type of hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit and loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
<b>Cash flow hedge:</b>				
Foreign exchange risk/ POS/ IRS	(3.77)	-	1.35	Revenue and Borrowing cost

for the year ended 31-03-2023:

Rupees in Crores

Type of hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit and loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
<b>Cash flow hedge:</b>				
Foreign exchange risk/ POS/ IRS	1.35	-	(1.65)	Revenue and Borrowing cost

## 31 Capital Management

### (a) Risk management

The Company's objectives when managing capital are to

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

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

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet). The company's strategy is to maintain an optimum gearing ratio. The gearing ratios were as follows:

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Net debt	1,027.61	2,010.23
Total equity	7,731.04	6,047.85
<b>Net debt to equity ratio (times)</b>	<b>0.1</b>	<b>0.3</b>

## Notes to the Financial Statements (Contd.)

**The company also monitors Interest coverage ratio:**

Company's earnings before interest, taxes and exceptional items (EBIT) divided by Interest

**The Company's strategy is to maintain an optimum interest coverage ratio.**

The Interest coverage ratio were as follows:

Particulars	Rupees in Crores	
	Year ended 31-03-2024	Year ended 31-03-2023
EBIT	2,962.29	2,144.03
Interest	136.88	109.40
<b>Interest coverage ratio (times)</b>	<b>21.6</b>	<b>19.6</b>

**(b) Dividends**

Particulars	Rupees in Crores	
	Year ended 31-03-2024	Year ended 31-03-2023
(i) Equity shares		
Interim dividend for the year ended 31-03-2024 of ₹ 8.00 (31-03-2023 of ₹ 5.00) per fully paid share	380.07	237.54
(ii) Dividends not recognised at the end of the reporting period	-	-

### 32 Key Financial Ratios

Sl. No.	Particulars	As at 31-03-2024	As at 31-03-2023	Variance
1	Current ratios (times) [Current Assets / Current Liabilities]	0.6	0.6	0.0%
2	Net Debt / Equity Ratio (times) [ (Total borrowing - Cash) / Equity] - Note 1	0.1	0.3	66.7%
3	Debt Service Coverage Ratio (times) [ Earnings before Interest, Tax and Exceptional Items / (Interest Expense + Principal repayments of long term loan made during the period excluding prepayment)] - Note 1	2.5	5.4	(53.3%)
4	Return on Equity (%) [Net Profit after tax/Average shareholders equity]	30.2%	29.2%	3.6%
5	Inventory Turnover Ratio (times) [ Annualised Cost of goods sold / Average Inventory]	18.0	17.0	(6.0%)
6	Debtors Turnover ratio (times) [ Annualised Turnover / Average Debtors ]	27.9	27.0	(3.1%)
7	Trade Payable turnover ratio (times) [(Cost of Goods sold + Other expenses) /Average Trade payable]	5.8	5.6	(4.0%)
8	Net Capital Turnover ratio (times) [Net Sales /(Current Asset - Current Liabilities excluding current maturities of long term borrowing)]	NA	NA	NA
9	Net Profit ratio (%) [Profit after tax / Turnover]	6.6%	5.7%	16.0%
10	Return on Capital Employed (%) [Earnings before Interest, Tax and Exceptional Items / Capital Employed]	31.4%	25.3%	24.4%
11	Return on Investment (%) [Income generated from invested funds/Average invested funds.] - Note 2	NA	NA	NA

- Reflects repayment of borrowings during the year.
- Significant investments held by the Company is for strategic purposes. Benchmarking the return on annual basis will not reflect yield from such investments.

## Notes to the Financial Statements (Contd.)

### 33 Employee Benefit Obligations

#### Defined benefit plans as per actuarial valuation

	Funded Plan			Unfunded Plans
	Gratuity			Pension
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation
				Rupees in Crores
<b>As at 01-04-2022</b>	<b>160.92</b>	<b>(157.48)</b>	<b>3.44</b>	<b>141.56</b>
Current service cost	29.53	-	29.53	-
Interest expense/(income)	12.46	(11.59)	0.87	9.03
<b>Total amount recognised in profit or loss</b>	<b>41.99</b>	<b>(11.59)</b>	<b>30.40</b>	<b>9.03</b>
<b>Remeasurements</b>				
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.10	0.10	-
(Gain)/loss from change in financial assumptions	4.87	-	4.87	(18.65)
Experience (gains)/losses	(2.65)	-	(2.65)	14.89
<b>Total amount recognised in other comprehensive income</b>	<b>2.22</b>	<b>0.10</b>	<b>2.32</b>	<b>(3.76)</b>
Employer contributions	-	(43.58)	(43.58)	-
Benefit payments	(18.87)	18.87	-	(4.00)
<b>As at 31-03-2023</b>	<b>186.26</b>	<b>(193.68)</b>	<b>(7.42)</b>	<b>142.83</b>
Current service cost	36.01	-	36.01	-
Interest expense/(income)	14.52	(13.78)	0.74	10.85
<b>Total amount recognised in profit or loss</b>	<b>50.53</b>	<b>(13.78)</b>	<b>36.75</b>	<b>10.85</b>
<b>Remeasurements</b>				
Return on plan assets, excluding amounts included in interest expense/(income)	-	6.10	6.10	-
(Gain)/loss from change in financial assumptions	4.28	-	4.28	0.92
Experience (gains)/losses	(7.03)	-	(7.03)	16.21
<b>Total amount recognised in other comprehensive income</b>	<b>(2.75)</b>	<b>6.10</b>	<b>3.35</b>	<b>17.13</b>
Employer contributions	-	(37.45)	(37.45)	-
Benefit payments	(12.89)	12.89	-	(4.72)
<b>As at 31-03-2024</b>	<b>221.15</b>	<b>(225.92)</b>	<b>(4.77)</b>	<b>166.09</b>

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The Company has created an Employees' Group Gratuity Fund which has taken a Group Gratuity Assurance Scheme with the Life Insurance Corporation of India. Company's contributions are based on actuarial valuation arrived at the end of each year and charged to Statement of Profit and Loss.

#### The defined benefit obligations maturing after year ended March 31, 2024 are as follows

Year ending March 31,	Defined Benefit Obligations
2025	24.55
2026	19.46
2027	14.71
2028	16.4
2029	18.98
2030-2034	82.68

## Notes to the Financial Statements (Contd.)

The significant actuarial assumptions were as follows:

Particulars	As at 31-03-2024	As at 31-03-2023
Discount rate (Gratuity)	7.0%	7.2%
Discount rate (Pension)	7.0%	7.0%
Salary growth rate	5.5%	5.5%
Pre-retirement Mortality rate	IALM (2006-08) Ultimate	
Post-retirement Mortality rate	LIC Ann (1996-98)	
Attrition rate (For Gratuity)	3.0%	3.0%
Attrition rate (For Pension)	0.0%	0.0%

Assumptions regarding future mortality for pension are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 58.

### (i) Sensitivity analysis

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

	Impact on defined benefit obligation - Gratuity					
	Change in assumption		Increase in assumption		Decrease in assumption	
	Year ended 31-03-2024	Year ended 31-03-2023	Year ended 31-03-2024	Year ended 31-03-2023	Year ended 31-03-2024	Year ended 31-03-2023
Discount rate	0.50%	0.50%	211.96	178.57	231.03	194.53
Salary growth rate	0.50%	0.50%	231.13	194.63	211.79	178.42
Mortality	5.00%	5.00%	221.18	186.30	221.10	186.22

	Impact on defined benefit obligation - Pension					
	Change in assumption		Increase in assumption		Decrease in assumption	
	Year ended 31-03-2024	Year ended 31-03-2023	Year ended 31-03-2024	Year ended 31-03-2023	Year ended 31-03-2024	Year ended 31-03-2023
Discount rate	1.00%	1.00%	150.75	129.49	184.21	159.40
Salary growth rate	1.00%	1.00%	185.21	160.28	149.74	128.60
Mortality	5.00%	5.00%	164.70	142.02	167.55	144.38

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

### (ii) Risk exposure

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

**Asset volatility:** The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit.

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

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

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

### (iii) Defined contribution plans:

The Company's contribution to defined contribution plan i.e., provident fund of ₹ 44.73 crores (previous year ₹ 36.63 crores) has been recognised in the Statement of Profit and Loss.



# Notes to the Financial Statements (Contd.)

## 34 Related Party Disclosure

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

**Holding company:**

TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited)

**Subsidiaries:**

Sundaram Auto Components Limited, Chennai

TVS Digital Limited, Chennai (Formerly known as TVS Housing Limited, Chennai)

TVS Motor Services Limited, Chennai

TVS Credit Services Limited, Chennai

TVS Electric Mobility Ltd., Chennai

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

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

PT TVS Motor Company Indonesia, Jakarta

Harita ARC Services Private Limited, Chennai

Harita Two Wheeler Mall Private Limited, Chennai (Formerly known as TVS Two Wheeler Mall Private Limited, Chennai)

TVS Housing Finance Private Limited, Chennai

The GO Corporation, Switzerland (GO AG),

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

The Norton Motorcycle Co Limited, UK

TVS Digital Pte Ltd., Singapore

EBCO Limited, UK

Celerity Motor GmbH, Germany

EGO Movement Stuttgart, GmbH, Germany (Subsidiary of GO AG)

Swiss E-Mobility Group (Schweiz) AG Switzerland

Colag E-Mobility GmbH, Germany, Zurich

Alexand'Ro Edouard'O Passion Vélo Sàrl, Switzerland

**Associate company:**

Ultraviolette Automotive Private Limited, Bengaluru

Tagbox Solutions Private Limited, Bengaluru [Upto 30<sup>th</sup> March 2024]

DriveX Mobility Private Limited, Coimbatore

Indian Foundation for Quality Management, Bengaluru [From 15<sup>th</sup> Feb 2024]

Emerald Haven Realty Ltd., Chennai (Upto 14<sup>th</sup> June 2023)

### (ii) Other related parties and their relationship where transaction exists

**Associate / Joint venture of holding / ultimate holding / subsidiary / fellow subsidiary company:**

Predictronics Corp, USA

Emerald Haven Realty Ltd., Chennai (From 16<sup>th</sup> June 2023)

Emerald Haven Development Limited, Chennai

ION Mobility Private Limited, Singapore [From 14<sup>th</sup> March 2024]

## Notes to the Financial Statements (Contd.)

### (iii) Enterprises under Common control

Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)

#### Enterprises in which directors are interested:

Dua Associates, Delhi

Dua Consulting Private Limited, Delhi

McCann-Erickson (India) Private Limited, Delhi

Trichur Sundaram Santhanam & Family Private Limited, Chennai

T.V Sundram Iyengar & Sons Private Limited, Madurai

Lakshmi Energy and Environment Design Private Limited, Coimbatore

TVS Organics Private Limited, Chennai

Adwaith Lakshmi Industries Private Limited, Coimbatore ( From 01<sup>st</sup> April 2023)

#### Key Management personnel

##### Executive Directors:

Mr. Venu Srinivasan, Chairman Emeritus & Managing Director

Mr Sudarshan Venu, Managing Director

Mr K N Radhakrishnan, Director & Chief Executive Officer

##### Non-Executive Directors:-

##### Independent Directors:

Mr. C R Dua

Mr. R Gopalan (Upto 2<sup>nd</sup> March 2024)

Dr. Deepali Pant Joshi (From 11<sup>th</sup> September 2023)

Mrs. Lalita D Gupte (Upto 22<sup>nd</sup> October 2023)

Mr. T Kannan (Upto 23<sup>rd</sup> May 2023)

Mr. Kuok Meng Xiong

Mr. Vijay Sankar (From 20<sup>th</sup> March 2024)

Mr. Hemant Krishan Singh

Mr. B Sriram

##### Non-Independent Directors:

Sir Ralf Dieter Speth

Dr. Lakshmi Venu

##### Chief Financial Officer

K. Gopala Desikan

##### Company Secretary

K.S. Srinivasan

##### Post Employment benefit plans:

TVS Motor Company Employees' Gratuity Fund

TVS Motor Company Employees' Provident Fund

## Notes to the Financial Statements (Contd.)

### (b) Transactions with related parties: (Transactions from the date of becoming/ upto the date of ceasing to be related party)

		Rupees in Crores	
		As at / Year Ended 31-03-2024	As at / Year Ended 31-03-2023
<b>(i) Purchase of goods (Including sales reversal)</b>			
- Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited)		126.75	-
- Subsidiary companies			
Sundaram Auto Components Limited, Chennai		398.38	377.46
PT.TVS Motor Company Indonesia, Jakarta		0.09	0.35
Swiss E-Mobility Group (Schweiz) AG Switzerland		0.13	0.08
- Associate / joint venture			
Tagbox Solutions Private Limited, Bengaluru		0.73	1.43
- Enterprises under Common control			
Sundaram-Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)		255.24	412.62
- Enterprises in which directors are interested			
T.V Sundram Iyengar & Sons Private Limited, Madurai		-	0.23
TVS Organics Private Limited, Chennai		0.69	0.19
Adwaith Lakshmi Industries Pvt Ltd., Coimbatore		0.01	-
<b>(ii) Sale of goods</b>			
- Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited)		471.96	420.09
- Subsidiary companies			
Sundaram Auto Components Limited, Chennai		-	0.11
PT.TVS Motor Company Indonesia, Jakarta		354.27	405.02
The Norton Motorcycle Co. Ltd., UK		0.72	-
Celerity Motor GmbH, Germany		0.06	-
- Associate company			
DriveX Mobility Private Limited, Coimbatore		0.06	-
- Enterprises under Common control			
Sundaram-Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)		9.60	19.52
- Enterprises in which directors are interested			
T.V Sundram Iyengar & Sons Private Limited, Madurai		-	-
<b>(iii) Purchase of assets</b>			
- Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited)		39.00	-
- Associate / joint venture			
Ultraviolette Automotive Private Limited, Bengaluru		-	3.00
Tagbox Solutions Private Limited, Bengaluru		0.61	-
- Associate / joint venture of holding / ultimate holding / subsidiary / fellow subsidiary company			
Predictronics Corporation, USA		-	0.07
<b>(iv) Sale of assets</b>			
- Subsidiary companies			
Sundaram Auto Components Limited, Chennai		0.02	-
- Enterprises under Common control			
Sundaram-Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)		0.29	-
<b>(v) Rendering of services</b>			
- Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited)		0.45	1.79
- Subsidiary companies			
Sundaram Auto Components Limited, Chennai		0.11	0.11
PT. TVS Motor Company Indonesia, Jakarta		0.55	0.55
TVS Credit Services Limited, Chennai		5.43	8.61
The Norton Motorcycle Co. Ltd., UK		8.58	4.23
- Enterprises under Common control			
Sundaram-Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)		1.34	-
- Associate / Joint Venture of holding / ultimate holding / subsidiary / fellow subsidiary company			
Emerald Haven Realty Limited, Chennai		1.05	-

## Notes to the Financial Statements (Contd.)

	Rupees in Crores	
	As at / Year Ended 31-03-2024	As at / Year Ended 31-03-2023
<b>(vi) Availing of services (includes sub-contract charges paid)</b>		
- Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited)	118.03	62.15
- Subsidiary company		
Sundaram Auto Components Limited, Chennai	2.84	0.87
TVS Credit Services Limited, Chennai	6.10	5.17
TVS Digital Pte Limited, Singapore	0.34	0.26
- Associate / joint venture(Tagbox Solutions Private Limited, Bengaluru)	-	0.16
- Enterprises under Common control		
Sundaram-Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	3.35	-
- Enterprises in which directors are interested		
Dua Associates, Delhi	0.35	0.70
Dua Consulting Private Limited, Delhi	4.57	4.33
McCann-Erickson (India) Private Limited, Delhi	3.59	3.47
Lakshmi Energy and Environment Design Private Limited, Coimbatore	0.20	0.20
Harita Techserv Limited, Chennai (upto 27 <sup>th</sup> Jun 2022)	-	0.90
T.V Sundram Iyengar & Sons Private Limited, Madurai	-	0.83
Trichur Sundaram Santhanam & Family Private Limited, Chennai	0.65	0.12
<b>(vii) Investments made / (Redemption) during the year</b>		
- Subsidiary companies		
TVS Motor (Singapore) Pte. Limited, Singapore	1,231.34	108.31
TVS Motor Services Limited, Chennai	-	50.00
TVS Credit Services Limited, Chennai	100.00	500.00
Sundaram Auto Components Limited, Chennai (Reduction of share capital)	(310.00)	-
TVS Digital Limited, Chennai	3.00	-
- Associate / Joint venture		
Ultraviolette Automotive Private Limited, Bengaluru	-	-
DriveX Mobility Private Limited, Coimbatore	-	87.17
Indian Foundation for Quality Management, Bengaluru [From 15.02.2024]	25.00	-
<b>(viii) Share application money pending allotment</b>		
- Subsidiary companies		
TVS Motor (Singapore) Pte Limited, Singapore	121.19	445.41
<b>(ix) Remuneration to key management personnel:</b>		
Short-term employee benefits	64.74	84.24
Post-employment benefits	0.65	0.47
<b>(x) Obligation arising out of agreements facilitating credit / payment to service provider</b>		
- Subsidiary companies		
PT. TVS Motor Company Indonesia, Jakarta	-	41.09
TVS Motor (Singapore) Pte. Limited, Singapore	83.41	82.17
<b>(xi) Contributions to post employment benefit plans:</b>		
TVS Motor Company Employees' Gratuity Fund	38.51	43.71
TVS Motor Company Employees' Provident Fund (Including Employee and Employer Contributions)	114.30	92.25
<b>(xii) Loan and Advances</b>		
- Issue / (Redemption) of Non convertible zero coupon debentures		
Sundaram Auto Components Limited, Chennai	(310.00)	310.00
<b>(xiii) Dividend received from</b>		
Subsidiary Company (Sundaram Auto Components Limited, Chennai)	1.96	2.23
<b>(xiv) Dividend paid to</b>		
- Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited)	191.03	119.39

## Notes to the Financial Statements (Contd.)

### (c) Balances with related parties:

		Rupees in Crores	
		As at / Year Ended 31-03-2024	As at / Year Ended 31-03-2023
<b>(i)</b>	<b>Trade receivables / Other current assets</b>		
-	Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited)	74.23	17.36
-	Subsidiary companies		
	Sundaram Auto Components Limited, Chennai	0.75	0.14
	PT. TVS Motor Company Indonesia, Jakarta	412.13	376.93
	TVS Credit Services Limited, Chennai	8.17	4.72
	The Norton Motorcycle Co. Ltd., UK	18.99	6.61
	TVS Digital Pte Limited, Singapore	8.03	6.66
	Swiss E-Mobility Group (Schweiz) AG Switzerland	0.98	-
	Celerity Motor GmbH, Germany	0.06	-
-	Associate / joint venture		
	Tagbox Solutions Private Limited, Bengaluru	-	0.16
-	Associate / joint venture of holding / ultimate holding / subsidiary / fellow subsidiary company		
	Emerald Haven Development Limited, Chennai	0.09	-
	Emerald Haven Realty Limited, Chennai	11.96	5.78
-	Enterprises under Common control		
	Sundaram-Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	0.93	-
-	Enterprises in which directors are interested		
	Trichur Sundaram Santhanam & Family Private Limited, Chennai	0.52	-
	McCann-Erickson (India) Private Limited, Delhi	0.02	-
<b>(ii)</b>	<b>Trade payables</b>		
-	Holding company (TVS Holdings Limited, Chennai) - (Formerly known as Sundaram-Clayton Limited)	1.25	-
-	Subsidiary companies		
	Sundaram Auto Components Limited, Chennai	5.54	-
	TVS Motor (Singapore) Pte Limited, Singapore	1.52	4.03
	TVS Credit Services Limited, Chennai	1.81	-
	PT. TVS Motor Company Indonesia, Jakarta	0.11	-
-	Associate / joint venture		
	DriveX Mobility Private Limited, Coimbatore	0.04	-
-	Associate / joint venture of holding / ultimate holding / subsidiary / fellow subsidiary company		
	Predictronics Corporation, USA	0.07	0.07
-	Enterprises under Common control		
	Sundaram-Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	20.98	7.97
-	Enterprises in which directors are interested		
	Dua Consulting Private Limited, Delhi	0.32	0.32
	McCann-Erickson (India) Private Limited, Delhi	-	0.32
	T.V Sundram Iyengar & Sons Private Limited, Madurai	0.07	0.03
	Lakshmi Energy and Environment Design Private Limited, Coimbatore	-	0.06
	TVS Organics Private Limited, Chennai	0.03	-
<b>(iii)</b>	<b>Guarantees issued</b>	<b>83.41</b>	<b>123.26</b>

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and settlement occurs in cash.

## Notes to the Financial Statements (Contd.)

### 35 Revenue from Contract with Customers

#### A Disaggregated revenue

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

Sl. No.	Particulars	Rupees in crores	
		For the year ended 31-03-2024	For the year ended 31-03-2023
<b>(a)</b>	<b>Type of goods and service</b>		
(i)	Two wheelers	26,388.94	21,243.75
(ii)	Three wheelers	1,890.10	1,989.90
(iii)	Parts and accessories	3,170.53	2,705.13
(iv)	Technical / IT Services	39.65	61.26
(v)	Royalty	13.27	8.02
		<b>31,502.49</b>	<b>26,008.06</b>
<b>(b)</b>	<b>Geographical markets</b>		
(i)	Domestic	24,072.51	18,862.57
(ii)	Exports	7,429.98	7,145.49
		<b>31,502.49</b>	<b>26,008.06</b>

**B** The above operating revenue of the Company relates to only one segment viz., automotive vehicle and parts. Thus, the information on the relationship between disaggregated revenue under Ind AS 115 and for reportable segment under Ind AS 108 is not required.

#### C Reconciliation of contracts with customers

Movement of contract liabilities for the reporting period given below:

Particulars	Rupees in Crores	
	For the year ended 31-03-2024	For the year ended 31-03-2023
Contract Liabilities at the beginning of the period	154.70	147.64
Add / (Less):		
Consideration received during the year as advance	265.58	154.70
Revenue recognized from contract liability	(154.70)	(147.64)
<b>Contract Liabilities at the end of the period</b>	<b>265.58</b>	<b>154.70</b>

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

#### D Transaction price allocated to the remaining performance obligations

The Company's contracts with customers are short term (i.e., the performance obligations are expected to be met within one year or less). Therefore, taking the practical expedient, the details on transaction price allocated to the remaining performance obligations are not disclosed.

#### E Reconciliation of revenue with contract price

Sl. No.	Particulars	Rupees in crores	
		For the year ended 31-03-2024	For the year ended 31-03-2023
(i)	Contract price	30,270.38	25,144.29
(ii)	Adjustments:		
	Incentive schemes	705.62	450.97
	Transport cost	526.49	412.80
(iii)	Revenue from sale of products/services (refer note no: 21)	31,502.49	26,008.06

## Notes to the Financial Statements (Contd.)

### 36 Earnings Per Share

Particulars	Rupees in Crores	
	As at / Year Ended 31-03-2024	As at / Year Ended 31-03-2023
Profit attributable to ordinary shareholders	2,083.00	1,491.03
Number of equity shares	47,50,87,114	47,50,87,114
Face value of the share (in rupees)	1.00	1.00
Weighted average number of equity shares outstanding during the year	47,50,87,114	47,50,87,114
Basic and diluted earnings per share for continued operations (in rupees)	43.84	31.38
Basic and diluted earnings per share for discontinued operations (in rupees)	-	-
Basic and diluted earnings per share for continued and discontinued operations (in rupees)	43.84	31.38

### 37 Warranty Provision

Particulars	Rupees in Crores	
	As at / Year Ended 31-03-2024	As at / Year Ended 31-03-2023
Opening balance	55.11	41.32
Add: Provision for the year (net)	88.32	55.11
	<b>143.43</b>	<b>96.43</b>
Less: Payments / debits (net)	55.11	41.32
<b>Closing balance</b>	<b>88.32</b>	<b>55.11</b>

### 38 Disclosure Under Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	Rupees in Crores	
	As at / Year Ended 31-03-2024	As at / Year Ended 31-03-2023
Trade Payables pertaining to dues to Micro and Small Enterprises (all are within agreed credit period and not due for payment) [Refer note 18]	34.80	45.42
(i) The principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year	Nil	Nil
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	Nil	Nil
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil

### 39 Payment to Auditors Comprises

Particulars	Rupees in Crores	
	As at / Year Ended 31-03-2024	As at / Year Ended 31-03-2023
As statutory auditors	0.85	0.85
Taxation matters	0.20	0.20
Certification matters	0.10	0.10
	<b>1.15</b>	<b>1.15</b>
Miscellaneous expenses include travel and stay expenses of auditors	0.03	0.05
	<b>1.18</b>	<b>1.20</b>

## Notes to the Financial Statements (Contd.)

### 40 Contingent Liabilities and Commitments not Provided for

Particulars	Rupees in Crores	
	As at / Year Ended 31-03-2024	As at / Year Ended 31-03-2023
<b>(a) Claims against the company not acknowledged as debts:</b>		
(i) Excise	31.14	52.44
(ii) Service tax	0.95	0.95
(iii) Customs	-	39.27
(iv) Sales tax	2.00	2.00
(v) Guarantees given to bank/others for credit facility granted to subsidiary Companies	83.41	123.26
(vi) Income tax	46.85	53.24
The future cash flows on the above items are determinable only on receipt of the decisions / judgments that are pending at various forums / authorities. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.		
<b>(b) Other money for which the company is contingently liable:</b>		
On bills discounted with banks	250.99	146.91
<b>(c) Commitments:</b>		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	229.94	259.85
(ii) On Investments	1.88	3.90

### 41 Leases

#### Company as a Lessee

The company has taken land, warehouses and sales offices across the country on lease for lease period ranging from 6-99 years. Company also has other assets on leases, the lease term here ranges from 2-9 Years.

Wherever the lease includes extension option and it is reasonably certain to exercise that option, the same is considered for computing the lease term. In other cases, the term is limited to initial lease period. Lease term includes non-cancellable period and expected lease period.

Payment made towards short term leases during the year is ₹ 78.46 Cr (Previous year: ₹ 45.34 Cr)

Payment made towards Low value assets during the year is Nil (Previous year: Nil)

Payment relating to leases are disclosed in Cash flow statement

Income from sub-leasing of Right of use asset is ₹ NIL (Previous year: ₹ 7.47 Cr)

### 42 Additional Regulatory Disclosures as Per Schedule iii of Companies Act, 2013

- (i) The Title deeds of the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (ii) The Company does not have any investment property.
- (iii) As per the Company's accounting policy, Property, Plant and Equipment (including Right of Use Assets) and intangible assets are carried at historical cost (less accumulated depreciation & impairment, if any), hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.



## Notes to the Financial Statements (Contd.)

- (iv) The Company has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013), which are repayable on demand or without specifying any terms or period of repayments.
- (v) No proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (vi) The Company has sanctioned facilities from banks on the basis of security of current assets. The periodic returns filed by the Company with such banks are in agreement with the books of accounts of the Company.
- (vii) The company has adhered to debt repayment and interest service obligations on time. "Wilful defaulter" related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.
- (viii) There are no transactions with the companies whose names were struck off under section 248 of The Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2024.
- (ix) All applicable cases where registration of charges or satisfaction is required to be filed with Registrar of Companies have been filed. No registration or satisfaction is pending at the year ended 31<sup>st</sup> March 2024.
- (x) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- (xi) No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.
- (xii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary.
- (xiii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (xiv) The Company has not operated in any crypto currency or Virtual Currency transactions.
- (xv) During the year the Company has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.

## Notes to the Financial Statements (Contd.)

### 43 Disclosure Made in Terms Of Regulation 34(3) of Listing Regulations

Sl. No.	Particulars	Name of the company	Rupees in Crores	
			Amount outstanding as at 31-03-2024	Amount outstanding as at 31-03-2023
(a)	<b>Investments by the company</b>			
(i)	<b>In subsidiary companies</b>			
		<b>Sundaram Auto Components Limited, Chennai</b>	108.46	336.20
		[1,19,37,422 (last year-4,45,69,000) Equity shares of ₹10/- each fully paid up]	108.46	
		Maximum amount held at any time		
		During the year		
		During the previous year	336.20	
		<b>TVS Digital Limited, Chennai (Formerly known as TVS Housing Limited)</b>	3.05	0.05
		[30,50,000 (last year - 50,000) Equity shares of ₹10/- each fully paid up]	3.05	
		Maximum amount held at any time		
		During the year		
		During the previous year	0.05	
		<b>TVS Motor Services Limited, Chennai</b>	148.68	148.68
		[14,96,33,814 (last year -14,96,33,814) Equity shares of ₹10/- each fully paid up]	148.68	
		Maximum amount held at any time		
		During the year		
		During the previous year	148.68	
		<b>TVS Motor Services Limited, Chennai</b>	50.00	50.00
		[5,00,00,000 (last year - 5,00,00,000) Preference shares of ₹ 10/- each fully paid up]	50.00	
		Maximum amount held at any time		
		During the year	50.00	
		During the previous year	50.00	
		<b>TVS Credit Services Limited, Chennai</b>	1,960.99	1,960.99
		[19,54,24,754 (last year - 19,54,24,754) Equity shares of ₹10/- each fully paid up]		
		Maximum amount held at any time		
		During the year	1960.99	
		During the previous year	1960.99	
		<b>TVS Credit Services Limited, Chennai</b>	100.00	-
		[31,69,773 (last year - Nil ) Preference shares of ₹ 10/- each fully paid up]		
		Maximum amount held at any time		
		During the year	200	
		During the previous year	-	
		<b>TVS Motor Company (Europe) B.V., Amsterdam</b>	1.80	1.80
		[2,25,301 (last year- 2,25,301) Ordinary shares of Euro 100/- each fully paid up]		
		Maximum amount held at any time		
		During the year	1.80	
		During the previous year	1.80	
		<b>TVS Motor (Singapore) Pte. Limited, Singapore</b>	3,697.87*	2,466.53*
		[67,16,85,616 (last year 42,01,55,810) Ordinary shares of Singapore \$ 1/- each fully paid up]		
		Maximum amount held at any time		
		During the year	3,697.87	
		During the previous year	2,466.53	
		(* - Including share application money pending allotment)		

## Notes to the Financial Statements (Contd.)

Sl. No.	Particulars	Name of the company	Rupees in Crores	
			Amount outstanding as at 31-03-2024	Amount outstanding as at 31-03-2023
		<b>PT. TVS Motor Company Indonesia, Jakarta</b>	389.06	389.06
		[85,97,000 (last year - 85,97,000) Equity shares of Indonesian Rp.97,400/- each fully paid up]		
		Maximum amount held at any time		
		During the year	389.06	
		During the previous year	389.06	
		<b>TVS Electric Mobility Ltd., Chennai</b>	1.00	1.00
		[10,00,000 (last year - 10,00,000) Equity shares of ₹ 10/- each fully paid up]		
		Maximum amount held at any time		
		During the year	1.00	
		During the previous year	1.00	
(ii)	<b>in associate companies</b>	<b>Emerald Haven Realty Limited, Chennai,</b>	-	111.22
		Nil (last year - 11,12,19,512) Equity shares of ₹ 10/- each fully paid up]		
		Maximum amount held at any time		
		During the year	111.22	
		During the previous year	111.22	
		<b>Ultraviolette Automotive Private Limited, Bengaluru</b>	11.00	11.00
		[14,850 (last year-14,850) Equity shares of ₹ 10/- each fully paid up]		
		Maximum amount held at any time		
		During the year	11.00	
		During the previous year	11.00	
		<b>Ultraviolette Automotive Private Limited, Bengaluru</b>	5.00	5.00
		[990 (last year - 990) Preference shares of ₹ 50,545/- each fully paid up]		
		Maximum amount held at any time		
		During the year	5.00	
		During the previous year	5.00	
		(7387 (last year - 7387) Preference shares of ₹ 40,616/- each fully paid up]	30.00	30.00
		Maximum amount held at any time		
		During the year	30.00	
		During the previous year	30.00	
		[3939 (last year - 3939) Preference shares of ₹ 1,90,384/- each fully paid up]	75.00	75.00
		Maximum amount held at any time		
		During the year	75.00	
		During the previous year	75.00	
		<b>Tagbox Solutions Private Limited, Bengaluru</b>	-	1.19
		[Nil (last year - 45,710) Equity shares of ₹ 1 each fully paid]		
		Maximum amount held at any time		
		During the year	1.19	
		During the previous year	1.19	
		<b>Tagbox Solutions Private Limited, Bengaluru</b>	-	9.99
		[Nil (last year - 383,983) Preference shares of ₹ 16 each fully paid]		
		Maximum amount held at any time		
		During the year	9.99	
		During the previous year	9.99	

## Notes to the Financial Statements (Contd.)

Sl. No.	Particulars	Name of the company	Rupees in Crores	
			Amount outstanding as at 31-03-2024	Amount outstanding as at 31-03-2023
		<b>DriveX Mobility Private Limited, Coimbatore</b>	87.17	87.17
		[9766 (last year - 9766) Equity shares of ₹ 10 each fully paid]		
		Maximum amount held at any time		
		During the year	87.17	
		During the previous year	87.17	
		<b>Indian Foundation for Quality Management, Bengaluru</b>	25.00	-
		[2,50,00,000 (last year - Nil) Equity shares of ₹ 10 each fully paid]		
		Maximum amount held at any time		
		During the year	25.00	
		During the previous year	-	
<b>(b)</b>	<b>Investments by the holding company</b>	<b>TVS Holdings Limited (formerly Sundaram-Clayton Limited)</b>	17.15	17.15
		Chennai holds,		
		23,87,82,786 (last year 23,87,82,786) Equity shares of ₹ 1/- each fully paid up		
		Maximum amount held at any time		
		During the year	17.15	
		During the previous year	17.15	

### 44 Details of Loans given, Investments Made and Guarantees given

(DISCLOSURE AS PER SECTION 186 OF THE COMPANIES ACT, 2013)

- (a) Investments made - Refer Note No.3
- (b) Guarantee issued towards credit facility / business purpose - Refer 34 b (x)

## Notes to the Financial Statements (Contd.)

### 45 Corporate Social Responsibility

Expenditure incurred on Corporate Social Responsibility (CSR) activities:

- (a) Gross amount required to be spent during the year is ₹ 26.39 crores (Previous Year ₹ 18.61 crores)
- (b) Amount spent during the year:

				Rupees in Crores	
Sl. No.	Particulars	In cash	Yet to be paid in cash	Year ended 31-03-2024	Year ended 31-03-2023
1	Construction/acquisition of any asset	-	-	-	-
2	Other than above	-	-	30.00	19.00

Sl. No.	Particulars	Year ended 31-03-2024	Year ended 31-03-2023
1	Amount required to be spent by the Company during the year	26.39	18.61
2	Amount of expenditure incurred	30.00	19.00
3	Shortfall at the end of the year	-	-
4	Total of previous years shortfall	-	-
5	Reasons for shortfall	- NOT APPLICABLE -	
6	Details of related party transactions	-	-
7	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in position	-	-

Nature of CSR Activities: Rural development, economic development, Women empowerment, health care, education, environment sustainability, social empowerment, infrastructure development and conservation of natural resources.

**46** Previous year's figures have been regrouped wherever necessary to conform to the current year's classification.

**PROF. SIR RALF DIETER SPETH**

Chairman

DIN: 03318908

**SUDARSHAN VENU**

Managing Director

DIN: 03601690

**K.N. RADHAKRISHNAN**

Director & Chief Executive Officer

DIN: 02599393

As per our report annexed

For **Sundaram & Srinivasan**

Chartered Accountants

Firm Regn. No.004207S

Place: Chennai

Date: 8<sup>th</sup> May 2024

**K. GOPALA DESIKAN**

Chief Financial Officer

**K.S.SRINIVASAN**

Company Secretary

**S USHA**

Partner

Membership No.:211785

# Independent Auditors' Report

for the year ended 31<sup>st</sup> March 2024

To the members of TVS Motor Company Limited

## Report on the Audit of Consolidated Ind AS Financial Statements

### Opinion

We have audited the accompanying consolidated Ind AS financial statements of TVS Motor Company Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associates, which comprise the consolidated Balance Sheet as at March 31, 2024, and the consolidated statement of Profit and Loss, (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated Ind AS financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rule, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates as at March 31, 2024, and its consolidated profit, its consolidated total

comprehensive income, its consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements" section of our report. We are independent of the Group and its associates in accordance with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters section below, other than the unaudited financial statements/ financial information as certified by the management and referred to in Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit matter	Principal Audit Procedure
<p><b>1. Carrying Value of Goodwill</b></p> <p>Management has obtained a valuation report of the Cash Generating Unit, wherein valuers have arrived at a fair value, based on weighted average of the Discounted Cash Flow Method and Comparable Companies Multiples Method.</p>	<p>Management has obtained a valuation report of the Cash Generating Unit, wherein valuers have arrived at a fair value, based on weighted average of the Discounted Cash Flow Method and Comparable Companies Multiples Method.</p> <p>We gained an understanding of the key assumptions used to forecast the cash flows and the discount rates applied Weighted Average Cost of Capital (WACC) as well as the Comparable Companies considered in arriving at the fair value. We consider that the management conclusions concerning the absence of impairment in the goodwill are adequately supported and consistent with the information currently available.</p>
<p><b>2. Government Grants</b></p> <p>Government has announced various Grants to manufacturers of automobiles. The company in turn is availing the said grants on fulfilling the conditions attached to that.</p> <p>The recognition of Government grants is considered to be key audit matter because of significance of amount of grants and management judgements involved in fulfilling the conditions to receive the grant.</p> <p>The management periodically reviews, during the year, compliance of relevant conditions attached to each grant whether there is a reasonable assurance that the grants will be received, in order to determine the timing and amounts of grants to be recognized in the financial statements.</p>	<p>Determined the appropriateness of the accounting policy for government grants as per the relevant accounting standard;</p> <p>Examined the Company's key internal financial controls over recognition of government grants with regard to its design and implementation. Tested the operating effectiveness of such controls for the transactions selected.</p> <p>Verified documents, on sample basis, submitted to the various government authorities relating to the grants received and receivable and checked the compliance of conditions attached to the respective grants.</p> <p>Considered the basis of management's judgement towards fulfilment of conditions attached to the grants and evaluated the reasonable assurance that grants will be received.</p> <p>Reviewed the appropriateness of the disclosures made in accordance with the relevant accounting standards.</p>

Key Audit matter	Principal Audit Procedure
<p><b>3. Investments</b></p> <p>The Company has significant investments in its subsidiaries and associates.</p> <p>Management reviews regularly whether there are any indicators of impairment of the investments by reference to the requirements under Ind AS 36 "Impairment of Assets".</p> <p>For investments where impairment indicators exist, significant judgements are required to determine the key assumptions used in the valuation model and methodology, such as revenue growth, discount rates, etc.</p> <p>Considering, the impairment assessment which involves significant assumptions and judgement of the management and the same has been considered as key audit matter.</p>	<p>Obtained and read the valuation report used by the management for determining the fair value ('recoverable amount') of its material investments.</p> <p>Considered the independence, competence and objectivity of the management specialist involved in determination of valuation.</p> <p>Tested the fair value of the investment as mentioned in the valuation report to the carrying value in books.</p> <p>Made inquiries with management to understand key drivers of the cash flow forecasts, discount rates, etc.</p> <p>Assessed the disclosures made in the financial statements regarding such investments to comply with the requirements of Standards.</p>
<p><b>4. Evaluation of Uncertain Direct tax and Indirect Tax positions:</b></p> <p>The Company has material uncertain tax positions, including matters under dispute relating Excise, Customs Duty, Value Added Tax (Indirect Taxes) and Income Tax (Direct Tax).</p> <p>These matters involve significant judgment to determine the possible outcome of these disputes</p>	<p>We obtained details of demands relating to Direct Tax and indirect tax, for the year ended 31<sup>st</sup> March 2024.</p> <p>We considered legal precedence and other rulings, obtained external opinions and discussed with company's internal legal team in evaluating management's position on these uncertain tax positions.</p> <p>Satisfied ourselves that it is not probable that an outflow of economic benefits will be required and disclosed such obligation as a contingent liability</p>

### Information other than the Consolidated Ind AS Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report (Financial Highlights, Board's Report, Management Discussion and Analysis and Report on Corporate Governance) report but does not include the consolidated Ind AS financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Act, that give a true and fair view of the consolidated

financial position, consolidated financial performance and consolidated cash flows, and consolidated Changes in Equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.



## Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always

detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

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

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

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision, and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

## Other Matters

The consolidated Ind AS financial statement include the audited financial statements of 11 subsidiaries, whose Ind AS financial statement reflect total asset of ₹ 6,235.23 crores as at 31<sup>st</sup> March 2024 and total revenues of ₹ 1,795.38 Crores, total net loss after tax of ₹ 382.93 Crores and total comprehensive loss of ₹ 376.44 Crores, for the year ended 31<sup>st</sup> March 2024 and cash flow of ₹ 40.04 crores for the period from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024. The



consolidated audited Ind AS financial statement also include the Group's share of net loss of ₹ 3.65 crores and total comprehensive Loss of ₹ 3.65 for the year ended 31<sup>st</sup> March 2024, as considered in the consolidated audited Ind AS financial Statement, in respect of 1 associate company, whose Ind AS financial statement have not been audited by us. This financial Statement have been audited by other auditor's whose report has been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and one associate, is based solely on the report of the other auditors.

We have audited the Ind AS financial Statement of 1 subsidiary along with another firm of Chartered Accountants as Joint Auditors whose financial Statement is included in the consolidated audited Ind AS financial Statement which reflect total assets of ₹ 28,141.01 crores as at 31<sup>st</sup> March 2024 and total revenues of ₹ 5,796.01 Crores and total net profit after tax of ₹ 572.56 Crores and total comprehensive income of ₹ 551.85 Crores, for the year ended 31<sup>st</sup> March 2024 and cash flow of ₹ 221.56 crores for the period from 01<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024. Our opinion on the Ind AS Financial Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on our Joint opinion on the audit of Ind AS financial Statement of the said subsidiary.

The consolidated annual Ind AS financial Statement include the unaudited Ind AS financial Statement of 9 subsidiaries which have not been audited by their auditors and are based solely on management certified accounts, whose Ind AS financial Statement reflect total asset of ₹ 1,159.39 crores as at 31<sup>st</sup> March 2024 and total revenue of ₹ 716.67 Crores and total net loss after tax of ₹ 364.43 Crores and total comprehensive Loss of ₹ 364.43 Crores for the year ended 31<sup>st</sup> March 2024 and cash flow of ₹ (4.58) crores for the period from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024 as considered in the consolidated Ind AS audited financial Statement. The consolidated Ind AS audited financial Statement also include the Group's share of net loss after tax of ₹ 39.82 Crores and total comprehensive Loss of ₹ 39.82 Crores for the year ended 31<sup>st</sup> March 2024, as considered in the consolidated Ind AS audited financial Statement, in respect of 10 associates based on their financial statement which have not been audited by their auditors and are based solely on management certified accounts.

The financial information of subsidiaries and associates located outside India have been prepared in accordance with accounting principles generally accepted in their respective countries. The Holding Company's Management has converted this financial information from accounting principles generally accepted in their respective countries, to Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. We have

audited these conversion adjustments made by the Parent Company's Management. Our opinion in so far as it relates to such subsidiaries and associates located outside India is based on the aforesaid conversion adjustments report prepared by the Parent Company's Management.

This financial statements/ financial information are unaudited and have been furnished to us by the Management and our opinion, on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to this associate, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, this financial statement / financial information is not material to the Group.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
  - d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e. On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2024, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and its associate companies, incorporated in India, none of the directors of the Group companies, its associate companies incorporated in India is disqualified as on 31<sup>st</sup> March, 2024, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.
- g. (i) The remuneration paid / provided by the group and its associates to the directors during the year is in accordance with the Section 197 read with Schedule V of the Act.
- (ii) This clause is not applicable to the overseas subsidiary companies and associate companies incorporated outside India.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (refer note no. 43).
- ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, and required to be transferred, to the Investor Education Protection Fund by the Group, its associates incorporated in India.
- iv. a) The respective Managements of the Company, its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts (refer note no 45 (viii), no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries or associates to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries and associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. This clause is not applicable to company incorporated outside India.
- b) The respective Managements of the Company its subsidiaries and associates which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries and associates respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts (refer note no 45 (ix) no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries and associates from any person(s) or entity(ies), including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries or associates shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. This clause is not applicable to the companies incorporated outside India.

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The dividends declared and paid during the year by the Group, are in accordance with Section 123 of the Companies Act 2013.
- vi. Based on our examination, which included test checks, and that performed by the respective auditors of the group and associates and which are companies incorporated in India whose financial statements have been audited under the Act the Group and associates have used accounting software for maintaining books of account for the financial year ended 31<sup>st</sup> March 2024 which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for

all relevant transactions recorded in the software. Further, during the course of performing the procedures, we, and the respective auditors of such group and its associates, did not notice any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024

The reporting requirement under this clause is not applicable to subsidiary companies and associate companies incorporated outside India.

For **Sundaram and Srinivasan**  
Chartered Accountants  
Firm Registration No. 004207S

**S. USHA**  
Partner  
Place: Chennai  
Membership No.: 211785  
Date: 8<sup>th</sup> May 2024  
UDIN: 24211785BKCSLP3972

## Annexure

to the Independent Auditors' Report for the year ended 31<sup>st</sup> March 2024 To the members of TVS Motor Company Limited

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of TVS Motor Company Ltd. ("the Holding Company"), the subsidiary companies and its associate companies incorporated in India.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and its associates, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

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

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

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

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisation of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated Ind AS financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future

periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion the Holding Company, its subsidiary companies and its associates, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to seven subsidiary companies and one associate company, which companies are incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the

internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which company is incorporated in India, is based on the corresponding report issued by us along with the other firm as joint auditors of such company incorporated in India.

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to five associate companies, which companies are incorporated in India, is based on the management certificate of such companies incorporated in India.

The reporting under section 143(3)(i) of the Act is not applicable to thirteen subsidiary companies and five associate companies, which companies are incorporated outside India.

Our opinion is not modified in respect of this matter.

For **Sundaram and Srinivasan**  
Chartered Accountants  
Firm Registration No. 004207S

**S. USHA**  
Partner  
Membership No.: 211785  
UDIN: 24211785BKCSLP3972

Place: Chennai  
Date: 8<sup>th</sup> May 2024

# Consolidated Financial Statements

## Balance Sheet

as at 31<sup>st</sup> March 2024

Rupees in crores

	Notes	As at 31-03-2024	As at 31-03-2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	4,294.12	4,177.40
Capital work-in-progress	2	338.01	315.81
Investment properties	3	137.70	137.70
Goodwill on consolidation		597.05	597.05
Other intangible assets	2	861.95	835.88
Intangible assets under development		694.94	427.64
<b>Financial assets</b>			
i. Investments	4	482.75	364.10
ii. Loans (receivable from financing activity)	5	12,054.55	10,321.42
iii. Other Financial Assets	6	195.52	192.93
Investments accounted using equity method	7	477.25	411.23
Non-current tax assets (Net)		23.55	27.60
Deferred tax assets	8	394.28	305.73
Other non-current assets	9	148.78	94.14
		<b>20,700.45</b>	<b>18,208.63</b>
<b>Current assets</b>			
Inventories	10	2,248.40	1,921.51
<b>Financial assets</b>			
i. Trade receivables	11	1,839.42	1,256.42
ii. Investments	4	163.19	191.92
iii. Loans (receivable from financing activity)	5	13,417.26	10,225.16
iv. Cash and cash equivalents	12	2,355.80	1,851.19
v. Bank balances other than (iv) above	13	69.93	27.92
vi. Other financial assets	14	202.66	241.26
Current tax assets (Net)		23.89	4.56
Other current assets	15	1,199.46	1,304.34
		<b>21,520.01</b>	<b>17,024.28</b>
<b>Total assets</b>		<b>42,220.46</b>	<b>35,232.91</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	47.51	47.51
Other equity	17	6,736.00	5,457.49
Equity attributable to owners		<b>6,783.51</b>	<b>5,505.00</b>
Non-controlling interest		727.60	404.85
		<b>7,511.11</b>	<b>5,909.85</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
i. Borrowings	18	12,629.32	9,064.08
ii. Lease Liabilities		503.68	563.51
Provisions	19	270.18	231.26
Deferred tax liabilities (Net)	20	196.46	208.37
Other non current liabilities		31.50	37.14
		<b>13,631.14</b>	<b>10,104.36</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
i. Borrowings	21	12,657.30	12,562.15
ii. Lease Liabilities		215.40	185.84
iii. Trade payables	22		
a. Total outstanding dues of micro and small enterprises		62.38	75.83
b. Total outstanding dues of other than (iii) (a) above		6,575.84	5,020.84
iv. Other financial liabilities	23	459.58	355.60
Provisions	19	166.64	115.74
Current tax liabilities		34.58	16.05
Other current liabilities	24	906.49	886.65
		<b>21,078.21</b>	<b>19,218.70</b>
<b>Total liabilities</b>		<b>34,709.35</b>	<b>29,323.06</b>
<b>Total equity and liabilities</b>		<b>42,220.46</b>	<b>35,232.91</b>
Material accounting policies	1		

See the accompanying notes to the financial statements

**PROF. SIR RALF DIETER SPETH**

Chairman  
DIN: 03318908

**SUDARSHAN VENU**

Managing Director  
DIN: 03601690

**K.N. RADHAKRISHNAN**

Director & Chief Executive Officer  
DIN: 02599393

As per our report annexed  
For **Sundaram & Srinivasan**  
Chartered Accountants  
Firm Regn. No.0042075

**S USHA**

Partner

Membership No.:211785

Place: Chennai

Date: 8<sup>th</sup> May 2024

**K. GOPALA DESIKAN**

Chief Financial Officer

**K.S.SRINIVASAN**

Company Secretary



# Statement of Profit and Loss

for the year ended 31<sup>st</sup> March 2024

Rupees in crores

	Notes	Year Ended 31-03-2024	Year Ended 31-03-2023
I Revenue from operations	25	39,144.74	31,973.99
II Other income	26	105.82	138.00
<b>III Total Income (I +II)</b>		<b>39,250.56</b>	<b>32,111.99</b>
IV Expenses:			
Cost of material consumed	27	23,717.91	20,096.24
Purchase of stock in trade	27	1,011.69	890.95
Changes in inventories of finished goods, Stock-in-trade and work-in-progress	27	(324.35)	(140.93)
Employee benefits expense	28	3,385.19	2,890.25
Finance costs	29	1,927.72	1,367.89
Depreciation and amortisation expense	30	975.12	858.86
Other expenses	31	5,810.89	4,170.10
<b>Total expenses</b>		<b>36,504.17</b>	<b>30,133.36</b>
<b>V Profit before exceptional items, share of net profit/(loss) from associates and tax (III - IV)</b>		<b>2,746.39</b>	<b>1,978.63</b>
VI Share of net profit / (loss) from associates using equity method		(43.47)	(40.73)
<b>VII Profit before exceptional items and tax (V + VI)</b>		<b>2,702.92</b>	<b>1,937.90</b>
VIII Exceptional items		-	(1.87)
<b>IX Profit before tax (VII + VIII)</b>		<b>2,702.92</b>	1,936.03
X Tax expense	32		
i) Current tax		1,012.63	703.46
ii) Deferred tax		(88.25)	(76.89)
<b>Total Tax expense (i+ii)</b>		<b>924.38</b>	<b>626.57</b>
<b>XI Profit for the year (IX - X)</b>		<b>1,778.54</b>	<b>1,309.46</b>
XII (Profit) / Loss attributable to non-controlling Interest		(92.17)	19.21
<b>XIII Profit for the year attributable to owners (XI + XII)</b>		<b>1,686.37</b>	<b>1,328.67</b>
XIV Other comprehensive income			
A. Items that will not be reclassified to profit or loss:			
Remeasurements of post employment benefit obligations		(28.42)	(27.62)
Change in fair value of equity instruments		0.32	(13.49)
Share of other comprehensive income of an associate		0.01	(0.03)
Income tax relating to the above items		3.93	10.38
B. Items that will be reclassified to profit or loss:			
Fair value changes on cash flow hedges		(27.47)	16.85
Foreign currency translation adjustments		(8.08)	78.17
Income tax relating to the above items		6.24	(4.98)
<b>Other comprehensive income for the year, net of tax (XIV)</b>		<b>(53.47)</b>	<b>59.28</b>
XV Other comprehensive income attributable to non-controlling interest		(5.93)	23.29
<b>XVI Other comprehensive income attributable to owners (XIV - XV)</b>		<b>(47.54)</b>	<b>35.99</b>
<b>XVII Total comprehensive income attributable to owners (XIII +XVI)</b>		<b>1,638.83</b>	<b>1,364.66</b>
XVIII Earnings per equity share (Face value of ₹ 1/- each)			
Basic & Diluted earnings per share (in rupees)	41	35.50	27.97
Material accounting policies	1		

See the accompanying notes to the financial statements

**PROF. SIR RALF DIETER SPETH**

Chairman  
DIN: 03318908

**SUDARSHAN VENU**

Managing Director  
DIN: 03601690

**K.N. RADHAKRISHNAN**

Director & Chief Executive Officer  
DIN: 02599393

As per our report annexed  
For **Sundaram & Srinivasan**  
Chartered Accountants  
Firm Regn. No.0042075

Place: Chennai

Date: 8<sup>th</sup> May 2024

**K. GOPALA DESIKAN**

Chief Financial Officer

**K.S.SRINIVASAN**

Company Secretary

**S USHA**

Partner  
Membership No.:211785

# Statement of Changes in Equity

## a Equity Share Capital

	Rupees in crores
<b>As at 01-04-2022</b>	47.51
Changes in Equity Share capital due to prior period errors	-
Restated balance as at 01-04-2022	<b>47.51</b>
Changes in equity share capital during the year	-
<b>As at 31-03-2023</b>	<b>47.51</b>
Changes in Equity Share capital due to prior period errors	-
Restated balance as at 01-04-2023	47.51
Changes in equity share capital during the year	-
<b>As at 31-03-2024</b>	<b>47.51</b>

## b Other Equity

Particulars	Rupees in crores								
	Reserves & Surplus				Other Reserves			Non Controlling Interest	Total
	General reserve	Capital reserve	Statutory Reserve	Retained earnings	Equity Instruments Fair Valued through Other Comprehensive Income	Foreign currency translation reserve	Hedging reserve		
<b>Balance as at 31-03-2022</b>	876.24	6.51	116.66	3,284.51	12.71	52.33	2.98	653.56	5,005.50
Add: Profit for the year 2022-23	-	-	-	1,328.67	-	-	-	(19.21)	1,309.46
Add: Other comprehensive income for the year 2022-23	-	-	-	(19.88)	(10.76)	55.70	-	24.20	49.26
Add: Share of OCI from associates, net of tax	-	-	-	(0.03)	-	-	-	-	(0.03)
Less: Reclassification to profit or loss, net of tax	-	-	-	-	-	-	6.02	-	6.02
Less: Reclassification to retained earnings, net of tax	-	-	-	(0.41)	-	-	0.41	-	-
Less: Change in fair value of hedging instruments, net of tax	-	-	-	-	-	-	(16.98)	0.91	(16.07)
Add: Transfer from Retained earnings to Statutory reserve	-	-	77.73	(77.73)	-	-	-	-	-
Less: Non-controlling interests on sale of subsidiary	-	-	-	(65.48)	-	47.78	-	325.01	307.31
Add: Non-controlling interests on acquisition of subsidiary	-	-	-	-	-	-	-	(1.33)	(1.33)
<b>Transaction in capacity of owners</b>									
Add: Transactions with non-controlling interest	-	-	(10.80)	(28.47)	-	-	-	73.55	34.28
Less: Distribution to shareholders: 2022-23 Interim dividend paid	-	-	-	237.54	-	-	-	-	237.54
<b>Balance as at 31-03-2023</b>	<b>876.24</b>	<b>6.51</b>	<b>183.59</b>	<b>4,315.42</b>	<b>1.95</b>	<b>60.25</b>	<b>13.53</b>	<b>404.85</b>	<b>5,862.34</b>
Add: Profit for the year 2023-24	-	-	-	1,686.37	-	-	-	92.17	1,778.54
Add: Other comprehensive income for the year 2023-24	-	-	-	(22.98)	0.19	(6.09)	-	(5.93)	(34.81)
Add: Share of OCI of an associate, net of tax	-	-	-	0.01	-	-	-	-	0.01
Less: Reclassification to profit or loss, net of tax	-	-	-	-	-	-	1.35	-	1.35
Less: Issue expense taken to reserve	-	-	-	18.94	-	-	-	4.45	23.39
Less: Change in fair value of hedging instruments, net of tax	-	-	-	-	-	-	17.32	-	17.32
Add: Transfer from Retained earnings to Statutory reserve	-	-	114.37	(114.37)	-	-	-	-	-



Rupees in crores

Particulars	Reserves & Surplus				Other Reserves			Non Controlling Interest	Total
	General reserve	Capital reserve	Statutory Reserve	Retained earnings	Equity Instruments Fair Valued through Other Comprehensive Income	Foreign currency translation reserve	Hedging reserve		
<b>Transaction in capacity of owners</b>									
Add: Transactions with non-controlling interest	-	-	-	63.92	(9.11)	(17.97)	1.85	240.96	279.65
Less: Distribution to shareholders:									
2023-24 Interim dividend paid	-	-	-	380.07	-	-	-	-	380.07
<b>Balance as at 31-03-2024</b>	<b>876.24</b>	<b>6.51</b>	<b>297.96</b>	<b>5,529.37</b>	<b>(6.97)</b>	<b>36.19</b>	<b>(3.29)</b>	<b>727.60</b>	<b>7,463.60</b>

### Nature and purpose of Other Reserves

1. General reserve is available for distribution to share holders.
2. Capital reserve

	Rupees in crores
i. On shares forfeited (₹55,200)	-
ii. On surplus arising out of amalgamation	6.51
	<b>6.51</b>

3. Statutory Reserve has been created pursuant to section 45 - IC of the RBI Act,1934. Owners portion of Statutory Reserve created in subsidiary shown above after becoming subsidiary.
4. Hedging Reserve - Refer Note No. 35(D)  
It represents the effective portion of the fair value of forward/option contracts designated as cashflow hedge
5. FVTOCI reserve

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI reserve within equity.

See the accompanying notes to the financial statements

<b>PROF. SIR RALF DIETER SPETH</b> Chairman DIN: 03318908	<b>SUDARSHAN VENU</b> Managing Director DIN: 03601690	<b>K.N. RADHAKRISHNAN</b> Director & Chief Executive Officer DIN: 02599393	As per our report annexed For <b>Sundaram &amp; Srinivasan</b> Chartered Accountants Firm Regn. No.004207S
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Place: Chennai Date: 8 <sup>th</sup> May 2024	<b>K. GOPALA DESIKAN</b> Chief Financial Officer	<b>K.S.SRINIVASAN</b> Company Secretary	<b>S USHA</b> Partner Membership No.:211785
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# Cash Flow Statement

for the year ended 31<sup>st</sup> March 2024

Rupees in crores

	Year ended 31-03-2024	Year ended 31-03-2023
<b>A. Cash flow from operating activities:</b>		
Net profit before tax	2,702.92	1,936.03
Add:		
Depreciation and amortisation for the year	975.12	858.86
(Profit) on sale of property, plant and equipment (Net)	(3.38)	(2.65)
Loss / (Gain) on valuation of investment (Net)	26.93	(61.84)
(Profit) on sale of investments (Net)	(89.47)	(45.56)
(Gain) on lease preclosure	(4.75)	(0.01)
Unrealised exchange (gain) / loss	10.82	0.63
Net (profit)/ loss from associates using equity method	43.47	40.73
Dividend income	(0.65)	(0.02)
Interest income	(22.10)	(10.99)
Finance cost [excluding relatable to financial enterprise]	274.08	199.61
Provisions	61.40	15.74
	1,271.47	994.50
Operating profit before working capital changes	<b>3,974.39</b>	<b>2,930.53</b>
Adjustments for:		
Loans given by a financial enterprise (Net)	(4,925.23)	(6,530.88)
Trade receivables	(590.00)	(95.16)
Inventories	(326.89)	(313.99)
Other current assets	104.88	(334.61)
Other financial assets	15.54	(155.08)
Trade payables	1,537.73	517.35
Other financial liabilities	49.00	(11.55)
Other current liabilities	36.88	161.07
Other non - current assets	(169.55)	35.38
	(4,267.64)	(6,727.47)
Cash generated from operations	<b>(293.25)</b>	<b>(3,796.94)</b>
Direct taxes paid	(959.42)	(607.87)
<b>Net cash from operating activities</b>	(A) <b>(1,252.67)</b>	<b>(4,404.81)</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of property, plant and equipment, intangible assets, capital work-in-progress, intangibles under development, net of capital advances	(1,145.17)	(1,340.77)
Sale of fixed assets	34.63	21.94
Purchase of investments	(223.25)	(265.58)
Purchase of Investments in associates/Subsidiaries	(387.59)	(87.17)
Sale of Investments in subsidiaries/Associates	168.59	-
Sale / redemption of investments	47.82	-
Loss of control	-	317.01
Contribution from non-controlling Interest	480.00	68.80
Consideration paid towards business combination	-	(34.63)
Interest received	23.61	12.64
	(1,001.36)	(1,307.76)
<b>Net cash from / (used in) investing activities</b>	(B) <b>(1,001.36)</b>	<b>(1,307.76)</b>

Rupees in crores

	Year ended 31-03-2024	Year ended 31-03-2023
<b>C. Cash flow from financing activities:</b>		
Borrowings:		
Non-current borrowings availed / (repaid)	3,844.07	5,467.90
Current borrowings availed / (repaid)	(182.03)	1,119.78
Other bank balances	(43.96)	62.27
Finance cost paid	(283.67)	(112.08)
Lease liabilities paid	(195.70)	(127.98)
Dividend paid	(380.07)	(291.81)
	2,758.64	6,118.08
<b>Net cash from / (used in) financing activities</b>	(C) <b>2,758.64</b>	<b>6,118.08</b>
<b>Total (A)+(B)+(C)</b>	<b>504.61</b>	<b>405.51</b>
Cash and cash equivalents at the beginning of the year	1,851.19	1,445.68
Cash and cash equivalents at the end of the year	2,355.80	1,851.19
<b>D. Net increase/(decrease) in cash and cash equivalents</b>	<b>504.61</b>	<b>405.51</b>

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

### Change in liability arising from financing activities

Particulars	As at 31-03-2023	Cash flow	Foreign exchange movement	As at 31-03-2024
Non-current borrowings	16,816.86	3,844.07	(3.25)	20,657.68
Current borrowings (Excluding overdraft utilisation)	4,809.37	(182.03)	1.60	4,628.94

### Non-cash financing and investing activities

Particulars	2023-24	2022-23
Acquisition of right-of-use assets	160.55	328.48
Acquisition of investment	-	45.00

**PROF. SIR RALF DIETER SPETH**

Chairman  
DIN: 03318908

**SUDARSHAN VENU**

Managing Director  
DIN: 03601690

**K.N. RADHAKRISHNAN**

Director & Chief Executive Officer  
DIN: 02599393

As per our report annexed  
For **Sundaram & Srinivasan**  
Chartered Accountants  
Firm Regn. No.004207S

Place: Chennai

Date: 8<sup>th</sup> May 2024

**K. GOPALA DESIKAN**

Chief Financial Officer

**K.S.SRINIVASAN**

Company Secretary

**S USHA**

Partner  
Membership No.:211785

# Notes to the Consolidated Financial Statements

## 1 Material Accounting Policies

The accounting policies mentioned herein are relating to the consolidated financial statements of TVS Motor Company Limited and its subsidiaries and associates.

### a) Brief description of the Group

TVS Motor Company Limited (the Company) is a public limited company, incorporated and domiciled in India whose shares are publicly traded. The registered office is located at "Chaitanya", No. 12, Khader Nawaz Khan Road, Nungambakkam, Chennai - 600006, Tamil Nadu, India. The Company together with its subsidiaries and associates (collectively referred to as the "Group") operate in a wide range of activities such as manufacturing of automotive vehicles, automotive components, spare parts & accessories thereof, housing development and financial services.

### b) Basis of preparation

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

The financial statement has been prepared on the historical cost convention under accrual basis of accounting except for certain assets and liabilities (as per the accounting policy below), which have been measured at fair value. These financial statements for the year ended 31<sup>st</sup> March 2024 have been approved and authorised for issue by the Board of Directors at its meeting held on 8<sup>th</sup> May 2024.

### Principles of Consolidation

#### Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and

unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests (if any) in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

#### Associates

Associates are all entities over which the group has significant influence but not control or joint control. (This is generally the case where the group holds between 20% and 50% of the voting rights). Investments in associates are accounted for using the equity method of accounting after initially being recognised at cost.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an investment accounted under equity method equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of investees accounted under equity method have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of investments accounted under equity method are tested for impairment in accordance with the policy described in note 1(k) below.

## Notes to the Consolidated Financial Statements (Contd.)

The subsidiary companies and associates considered in consolidated financial statements are:

Sl. No.	Name of the Company	Country of incorporation	Proportion of ownership (interest/voting power -%)		Reporting date
			2023-24	2022-23	
<b>1</b>	<b>Subsidiary Companies:</b>				
a.	Sundaram Auto Components Limited, Chennai	India	100	100	31-03-2024
b.	TVS Motor Company (Europe) B.V. Amsterdam	Netherlands	100	100	31-03-2024
c.	PT. TVS Motor Company Indonesia, Jakarta	Indonesia	51.20% direct holding, 31.71% by (d) and 17.09% by (b)	51.20% direct holding, 31.71% by (d) and 17.09% by (b)	31-03-2024
d.	TVS Motor (Singapore) Pte. Limited, Singapore	Singapore	100	100	31-03-2024
e.	TVS Digital Limited (Formerly known as TVS Housing Limited)	India	100	100	31-03-2024
f.	TVS Motor Services Limited, Chennai	India	100	100	31-03-2024
g.	TVS Credit Services Limited, Chennai	India	80.53 % direct holding and 0.44% by (f)	85.63 % direct holding and 0.48% by (f)	31-03-2024
h.	Harita ARC Services Private Limited, Chennai	India	100% by (g)	100% by (g)	31-03-2024
i.	Harita Two Wheeler Mall Private Limited, Chennai	India	100% by (g)	100% by (g)	31-03-2024
j.	TVS Housing Finance Private Limited, Chennai	India	100% by (g)	100% by (g)	31-03-2024
k.	The Norton Motorcycle Co. Limited, London	United Kingdom	100% by (d)	100% by (d)	31-03-2024
l.	TVS Digital Pte Limited, Singapore	Singapore	100% by (d)	100% by (d)	31-03-2024
m.	The GO Corporation, Switzerland (GO AG)	Switzerland	87.82% by (d)	81.90% by (d)	31-03-2024
n.	EGO Movement Stuttgart, GmbH	Germany	100% by (m)	100% by (m)	31-03-2024
o.	TVS Electric Mobility Ltd., Chennai	India	100	100	31-03-2024
p.	Swiss E-Mobility Group (Holding) AG	Switzerland	100% by (d)	75% by (d)	31-03-2024
q.	Swiss E-Mobility Group (Schweiz) AG	Switzerland	100% by (p)	100% by (p)	31-03-2024
r.	Colag E-Mobility GmbH, Germany	Germany	100% by (p)	100% by (p)	31-03-2024
s.	Alexand'Ro Edouard'O Passion Vélo Sàrl ("Passion Vélo"), Neuchatel, Switzerland	Switzerland	100% by (p)	100% by (p)	31-03-2024
t.	EBCO Limited, Warwickshire, England	United Kingdom	70% by (d)	70% by (d)	31-03-2024
u.	Celerity Motor GmbH, Germany	Germany	100% by (d)	100% by (d)	31-03-2024
<b>2.</b>	<b>Associate Companies:</b>				
aa.	Emerald Haven Realty Limited, Chennai	India	-	43.54	31-03-2024
ab.	Ultraviolette Automotive Private Limited, Bengaluru	India	30.83	28.66	31-03-2024
ac.	Tagbox Solutions Private Limited, Bengaluru	India	-	23.5	31-03-2024
ad.	Tagbox Pte Ltd., Singapore	Singapore	24.32% by (l)	24.32% by (l)	31-03-2024
ae.	Predictronics Corp, USA	USA	23.49% by (l)	23.49% by (l)	31-03-2024
af.	Scienaptic Systems Inc., USA	USA	21.03% by (l)	21.72% by (l)	31-03-2024
ag.	Altizon Inc, USA	USA	20.0% by (l)	20.0% by (l)	31-03-2024
ah.	DriveX Mobility private Limited, Coimbatore (Formerly known as Nkars Mobility Millennial Solutions Private Limited)	India	48.27	48.27	31-03-2024
ai.	Indian foundation for Quality Management	India	28.57	-	31-03-2024
aj.	Kilwatt GmbH	Germany	49.00 by (d)	-	31-03-2024
ak.	ION Mobility Pte Ltd.	Singapore	25.64 by (d)	-	31-03-2024

## Notes to the Consolidated Financial Statements (Contd.)

### c) Use of estimates

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

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

### d) Significant Estimates and judgements

The areas involving critical estimates or judgements are:

- i) Estimation of useful life of Property, Plant and Equipment - Refer Note 1(f) and 1(g).
- ii) Estimation of fair value of unlisted securities - (Refer Note 33).
- iii) Estimation of impairment of goodwill. (Refer Note 37)
- iv) Defined benefit obligation - (Refer Note 38).
- v) Estimation of provision (Refer Note 42).
- vi) Estimation and evaluation of provisions and contingencies relating to tax litigations (Refer Note 43(a))

### e) Revenue recognition

Sale of automotive vehicles, parts and automotive components

Revenue is recognised when the performance obligations are satisfied and the control of the goods is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time, the Group has a right to payment for the goods, customer has possession and legal title to the goods, customer bears significant risk and rewards of ownership and the customer has accepted the goods or the Group has objective evidence that all criteria for acceptance have been satisfied.

Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period

is generally short term, thus there is no significant financing component.

The Group's contracts with customers does not provide for any right to returns, refunds or similar obligations. The Group's obligation to repair or replace faulty products under standard warranty terms is recognised as a provision (Refer Note 42).

#### Sale of services

The Group also earns revenue from providing Technical/IT services and Royalty on usage of Group's technical knowhow. In respect of Technical/IT service, the revenue is recognised on a time proportion basis as the customer simultaneously receives and consumes the benefits as the obligations are performed. Payment for the services provided are received as per the credit terms agreed with the customers. The credit period is generally short term, and thus there is no significant financing component.

In respect of Royalty, the performance obligation is, to provide the right-to-use the Group's technical knowhow by the customers, for which usage-based royalty is charged. Payment for the services provided is received as per the credit terms as agreed with the customers. The credit period is generally short term, and thus there is no significant financing component.

#### Revenue from financing

Interest income for loans [other than Purchase of Originally Credit Impaired (POCI)] is recognised using the Effective Interest Rate (EIR) method.

For financial assets that are not "POCI" but have subsequently become credit-impaired (or 'stage-3'), for which interest revenue is calculated by applying the effective interest rate to their amortised cost (i.e. net of the expected credit loss provision).

Income in the nature of overdue interest, and bounce charges are recognized on realization, due to uncertainty of collection.

#### Warranty Obligations:

The Company provides warranties for products sold as per terms of the contract with ultimate customers. These warranties are considered as assurance type warranties and are accounted for under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets.

#### Significant judgements

There are no significant judgements made by the Group in determining the timing of satisfaction of performance obligation. It is determined as per the terms of the contract. In case of multiple performance obligations, the Group uses the adjusted market

## Notes to the Consolidated Financial Statements (Contd.)

assessment approach to allocate the transaction price between multiple performance obligations. If a discount is granted, the same is adjusted against the transaction price of the contract.

### f) Property, Plant and Equipment

Property, plant and equipment (including land, building, furniture, fixtures, vehicles, etc.) are held for use in the production or supply of goods or services, or for administrative purposes. Freehold Land is carried at historical cost. All other items of Property, Plant and Equipment are stated at cost of acquisition or construction less accumulated depreciation / amortisation and impairment, if any. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for its intended use. Cost includes purchase price, taxes and duties, labour cost and directly attributable overheads incurred upto the date the asset is ready for its intended use. However, cost excludes Goods and Services Tax to the extent credit of the duty or tax is availed of.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised as profit or loss with in other income /expenses.

### g) Depreciation and amortisation

- i) Depreciation on property, plant and equipment is charged over the estimated useful life of the asset or part of the asset (after considering double/triple shift) as evaluated by a Chartered Engineer, on straight line method, in accordance with Part A of Schedule II to the Companies Act, 2013.
- ii) Keeping in mind the rigorous and periodic maintenance programme followed by the Group, the estimated useful life of the property, plant and

equipment as assessed by the Chartered Engineer and followed by the Group is given below:

Description	Years
Factory building and other buildings	5 to 61
Plant and machinery	4 to 29
Electrical equipment	15
Furniture and fixtures	4 to 10
Computers and information systems	3 to 4
Material handling equipment	5
Mobile phone	2
Vehicles	3 to 6

- iii) Tools and dies are generally depreciated based on quantity of components manufactured, subject to a maximum of 5 years. Tools and dies used for low volume models are depreciated over a period of 9 years
- iv) Residual values and useful lives are reviewed, and adjusted, if appropriate, for each reporting period.
- v) On property, plant and equipment added / disposed of during the year, depreciation is charged on pro-rata basis from the date of addition / till the date of disposal.
- vi) Depreciation in respect of property, plant and equipment costing less than ₹ 5,000/- is provided at 100%.

### h) Investment properties

Property that is held for long term rental yields or for capital appreciation or both, and that is not occupied by the group is classified as investment property. Investment Property is measured initially at its cost including related transaction cost where applicable, borrowing cost. Subsequent expenditure is capitalised to the assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item is measured reliably.

### i) Intangible assets

#### Goodwill

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



## Notes to the Consolidated Financial Statements (Contd.)

Goodwill is allocated to the cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or group of cash generating units that are expected to benefit from the business combination in which the goodwill arose. The units or group of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the cash generating units.

### Other intangible assets

#### *Intangible assets acquired separately:*

Intangible assets with finite useful lives that are acquired separately and the estimated useful life is more than one year, is capitalised and carried at cost less accumulated amortisation and accumulated impairment losses.

#### *Internally-generated intangible assets - research and development expenditure:*

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from development phase of internal project is recognised, if and only if, the conditions under the Ind AS 38 – Intangible Asset, are fulfilled. If the conditions are not fulfilled the same is recognised in profit and loss in the period in which it is incurred.

The intangible assets are amortised on straight line basis over its useful life, viz., 2 years in the case of software, 8 years in case of acquired brand and trademark and 6 to 10 years in the case of Design, Development and Technical knowhow.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised as profit or loss with in other income /expenses.

### j) Loans (receivable from financing activity)

The Loans (receivable from financing activity) are stated at the contract value plus transaction costs less origination income that are directly attributable to the acquisition of the loan. Interest income is recognised using the Effective Interest Rate (EIR) method. Loans are stated at carrying value less impairment loss.

### k) Impairment of Non-financial Assets

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

is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## l) Foreign currency translation

### (i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are prepared in INR and all values are rounded off to nearest crore.

### (ii) Transactions and balances

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

- i) Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.
- ii) Non-monetary items denominated in foreign currency such as investments, Property, Plant and Equipment, etc., are valued at the exchange rate prevailing on the date of transaction. Non-monetary investments measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on account of such translation is recognized in OCI or Profit and Loss in line with the designation of the respective item.
- iii) Exchange differences arising on settlement of transactions and translation of monetary items are recognised as income or expense in the year in which they arise.



## Notes to the Consolidated Financial Statements (Contd.)

### (iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency in the following manner:

- a) assets and liabilities are translated at the closing rate at the date of that balance sheet;
- b) income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- c) all resulting exchange differences are recognised in other comprehensive income.

### m) Hedge accounting

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

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

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 33. Movements in the hedging reserve in shareholders' equity are shown in Note 34. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of

the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

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

When forward contracts are used to hedge forecasted transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income in cash flow hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit and loss in the periods when the hedged item affects profit and loss (for example, when the forecast sale that is hedged takes place).

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

### n) Inventories

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

- i) Cost of raw materials, components, stores and spares are ascertained on a moving average basis.
- ii) Cost of finished goods and work-in-progress comprise of direct materials, direct labour and an appropriate proportion of variable and fixed overhead, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of

## Notes to the Consolidated Financial Statements (Contd.)

weighted average costs. Costs of purchased inventory includes cost of purchase and other cost incurred in bringing the inventories to the current location after deducting rebates and discounts. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Materials and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost. Slow and non-moving material, obsolescence, defective inventories are duly provided for.

iii) Provision for slow and Obsolete inventory:

The company has a policy for identifying slow/non-moving inventory. Based on the policy value inventory is provided for obsolescence based on ageing.

iv) Land held for development / sale by the real estate subsidiary is valued at the lower of cost and net realisable value. Cost includes cost of acquisition and all related costs.

### o) Employee benefits

i) **Short term obligations:**

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

ii) **Other long term obligations:**

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

comprehensive income. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii) **Post-employment obligation:**

The Group operates the following post-employment schemes:

- a) Defined benefit plans such as gratuity for its eligible employees, pension plan for its eligible senior managers; and
- b) Defined contribution plans such as provident fund.

**Pension and gratuity obligation:**

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually at the end of each reporting period by Actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income (net-off deferred tax). They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit and loss as past service cost.

**Provident fund:**

The eligible employees of the Group are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees

## Notes to the Consolidated Financial Statements (Contd.)

and the Group make monthly contributions at a specified percentage of the covered employees' salary. The provident fund contributions are made to an irrevocable trust set up by the Company or to the Regional Provident Fund Commissioner. Where irrevocable trust exists, the Group is generally liable for contributions and any shortfall in the fund assets based on the Government specified minimum rates of return. The Group recognises such contributions and shortfall, if any, as an expense in the year in which it is incurred.

### (iv) Bonus plans:

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

### p) Taxes on income

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred Tax liabilities are recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to Income Taxes levied by the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

Where the Group is entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (the Research and Development or other investment allowances), the Group accounts for such allowances as tax credits, which means that the allowances reduce income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward.

### q) Government Grants

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

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

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit

## Notes to the Consolidated Financial Statements (Contd.)

and loss on a straight-line basis over the expected lives of the related assets.

The benefit of a government loan at a below market-rate of interest is treated as government grant and is measured as the difference between proceeds received and fair value of the loan.

In case of waiver of duty under EPCG licence, such grant is considered as revenue grant and recognized in statement of profit and loss on based on positive evidence of completion of export obligation as approved by Regulatory Authorities.

### r) Dividends

Dividends are recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be reliably measured.

### s) Provisions and contingent liabilities

#### i) Provision:

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

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

#### ii) Contingent liabilities:

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

cause notices are not considered as Contingent Liabilities unless converted into demand.

#### iii) Warranty:

Provision is made for estimated warranty claims in respect of vehicles sold which are still under warranty at the end of the reporting period. These claims are expected to be settled from the next financial year. Management estimates the provision based on historical warranty claim information; and any recent trends that may suggest future claims could differ from historic and the dues which are payable within 12 Months is classified as current and others are non-current.

### t) Segment reporting

The Group has identified the operating segments on the basis of individual companies operations as reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

The Group has identified the following business segments as reportable segments viz., (1) Automotive vehicles and parts, (2) Automotive components, (3) Financial services and (4) Others.

### u) Leases

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

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

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

## Notes to the Consolidated Financial Statements (Contd.)

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

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

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

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The carrying amount of lease liability is reduced by net lease payments (i.e., lease payments net off finance cost).

Variable lease payments are recognised in profit and loss in the period in which the condition that triggers those payments occurs.

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

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain

to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

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

### v) Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### w) Trade receivables

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

### x) Contract liabilities

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

### y) Investments and Other financial assets

#### i) Classification

The Group classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value [either through Fair Value Through Other Comprehensive Income (FVTOCI), or Fair Value Through Profit and Loss (FVTPL)], and
- Those measured at amortized cost.

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



## Notes to the Consolidated Financial Statements (Contd.)

### ii) Measurement

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

#### Debt Instruments:

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

- *Amortised Cost:*  
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- *Fair value through other comprehensive income:*  
Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit and loss.
- *Fair Value through profit or loss:*  
Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit or loss and presented in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

#### Equity instruments:

The Group subsequently measures all its investments in equity at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit and loss.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately.

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

### iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been significant increase in credit risk. Note no. 34 and Note no. 35 details how the Group determines whether there has been a significant increase in credit risk.

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

For loans given by financial enterprise the impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 35 details how the Group determines whether there has been a significant increase in credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

### iv) Derecognition of financial assets

A financial asset is derecognised only when:

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

Where the entity has transferred an asset, the Group evaluates whether it has transferred

## Notes to the Consolidated Financial Statements (Contd.)

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

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

### v) Income recognition

#### Interest Income:

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

#### Dividends:

Dividends are recognised in profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of dividend can be reliably measured.

### z) Financial Liabilities

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included under 'Finance costs'.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral

part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability.

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired.

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

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

### aa) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.

### ab) Current and Non-current classification

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

Cash or cash equivalent is treated as current, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. In respect of other assets, it is treated as current when it is:

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

All other assets are classified as non-current.

A liability is treated as current when:

- it is expected to be settled in the normal operating cycle



# Notes to the Consolidated Financial Statements (Contd.)

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

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle for all entities within the group other than real estate. The normal operating cycle in respect of operation relating to real estate project depends on signing of agreement, size of the project, phasing of the project, type of development, project complexities, approvals needed and realisation of project into cash and cash equivalents and range from 3 to 7 years. Accordingly, assets and liabilities have been classified into current and non-current based on operating cycle.

### ac) Earnings Per Share (EPS):

Basic earnings per share is computed by dividing the profit after tax (attributable to the owners) by the weighted average number of equity shares outstanding during the year / period.

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

### ad) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

# Notes to the Consolidated Financial Statements (Contd.)

## 2 Property, Plant & Equipment and Intangible Assets

Rupees in crores

Description	Property, Plant & Equipment								Other Intangible			
	Land	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Right of Use	Total	Software	Design Development	Trade Mark	Total
	1	2	3	4	5	6	7	8	9	10	11	12
<b>Cost of assets</b>												
Gross carrying value as at 01-04-2023	511.73	1,158.94	5,410.93	170.71	99.15	311.42	1,026.23	8,689.11	217.56	681.14	497.24	1,395.94
Acquired in business combination	-	-	-	-	-	-	-	-	-	-	-	-
Additions	56.21	109.43	437.24	67.72	31.61	62.64	177.96	942.80	73.13	179.35	2.41	254.89
Foreign exchange translation reserve adjustments	(5.02)	(0.27)	(3.74)	0.71	0.54	0.02	-	(7.76)	0.50	(2.90)	12.63	10.23
<b>Sub-total</b>	<b>562.92</b>	<b>1,268.10</b>	<b>5,844.43</b>	<b>239.14</b>	<b>131.30</b>	<b>374.08</b>	<b>1,204.19</b>	<b>9,624.15</b>	<b>291.19</b>	<b>857.59</b>	<b>512.28</b>	<b>1,661.06</b>
Sales / deletion	-	3.90	161.79	0.97	10.60	14.97	40.12	232.36	-	26.79	-	26.79
<b>Total</b>	<b>562.92</b>	<b>1,264.20</b>	<b>5,682.63</b>	<b>238.17</b>	<b>120.69</b>	<b>359.11</b>	<b>1,164.07</b>	<b>9,391.79</b>	<b>291.19</b>	<b>830.80</b>	<b>512.28</b>	<b>1,634.27</b>
<b>Depreciation / Amortisation</b>												
Upto 31-03-2023	-	386.52	3,443.74	110.28	58.35	217.60	295.22	4,511.71	166.80	335.49	57.77	560.06
For the year	-	51.91	384.75	30.44	15.51	52.95	217.84	753.40	53.05	104.59	64.08	221.72
Foreign exchange translation reserve adjustments	-	(0.74)	(3.86)	0.35	0.14	(0.11)	(8.12)	(12.34)	(7.90)	(0.09)	(1.47)	(9.45)
<b>Sub-total</b>	<b>-</b>	<b>437.69</b>	<b>3,824.63</b>	<b>141.07</b>	<b>74.00</b>	<b>270.44</b>	<b>504.94</b>	<b>5,252.77</b>	<b>211.95</b>	<b>440.00</b>	<b>120.38</b>	<b>772.33</b>
Withdrawn on assets sold / deleted	-	2.93	108.02	1.09	5.62	14.92	22.52	155.10	0.01	-	-	0.01
<b>Total</b>	<b>-</b>	<b>434.76</b>	<b>3,716.61</b>	<b>139.98</b>	<b>68.38</b>	<b>255.52</b>	<b>482.42</b>	<b>5,097.67</b>	<b>211.94</b>	<b>440.00</b>	<b>120.38</b>	<b>772.32</b>
<b>Carrying value</b>												
As at 31-03-2024	562.92	829.44	1,966.02	98.19	52.31	103.59	681.65	4,294.12	79.25	390.80	391.90	861.95

- Cost of buildings includes ₹ 11.42 crores pertaining to buildings constructed on leasehold lands.
- Land includes lease hold land of ₹ 0.51 Crores, whose ownership is transferrable at the end of the lease term.
- Borrowing cost capitalised during the year - ₹1.78 crores.

### Capital work-in-progress (at cost) as at 31-03-2024

Rupees in crores

(a) Building	60.45
(b) Plant & equipment	277.56
<b>Total</b>	<b>338.01</b>

#### (i) Ageing of Capital work-in-progress as at 31-03-2024:

Particulars	Amount in Capital work-in-progress for a period of				
	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	220.96	34.22	61.97	20.86	338.01

#### (ii) Ageing of Intangible assets under development as at 31-03-2024:

Particulars	Amount in Intangible assets under development for a period of				
	<1 Yr.	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	439.91	168.61	64.86	21.56	694.94

## Notes to the Consolidated Financial Statements (Contd.)

Rupees in crores

Description	Property, Plant & Equipment								Other Intangible			
	Land	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Right of Use	Total	Software	Design Development	Trade Mark	Total
	1	2	3	4	5	6	7	8	9	10	11	12
Cost of assets												
Gross carrying value as at 01-04-2022	358.12	1,356.43	5,541.84	151.34	85.18	284.15	698.60	8,475.66	211.83	583.61	490.38	1,285.82
Acquired in business combination	-	-	0.09	-	0.04	0.05	-	0.18	-	-	0.39	0.39
Additions	171.39	102.04	443.99	23.75	38.21	45.10	328.48	1,152.96	46.31	98.99	1.23	146.53
Foreign exchange translation reserve adjustments	4.46	2.87	4.94	0.50	0.41	(3.50)	-	9.68	-	-	5.24	5.24
Sub-total	533.97	1,461.34	5,990.86	175.59	123.84	325.80	1,027.08	9,638.48	258.14	682.60	497.24	1,437.98
Sales / deletion	22.24	302.40	579.93	4.88	24.69	14.38	0.85	949.37	40.58	1.46	-	42.04
<b>Total</b>	<b>511.73</b>	<b>1,158.94</b>	<b>5,410.93</b>	<b>170.71</b>	<b>99.15</b>	<b>311.42</b>	<b>1,026.23</b>	<b>8,689.11</b>	<b>217.56</b>	<b>681.14</b>	<b>497.24</b>	<b>1,395.94</b>
Depreciation / Amortisation												
Upto 31-03-2022	-	343.29	3,215.01	94.31	57.93	194.89	192.25	4,097.68	146.70	237.49	12.14	396.33
For the year	-	50.88	393.13	18.77	26.48	31.26	137.77	658.29	50.07	99.47	51.03	200.57
Foreign exchange translation reserve adjustments	-	1.54	3.19	(0.35)	0.36	(0.16)	(34.80)	(30.22)	(5.87)	(0.01)	(5.40)	(11.28)
<b>Sub-total</b>	<b>-</b>	<b>395.71</b>	<b>3,611.33</b>	<b>112.73</b>	<b>84.77</b>	<b>225.99</b>	<b>295.22</b>	<b>4,725.75</b>	<b>190.90</b>	<b>336.95</b>	<b>57.77</b>	<b>585.62</b>
Withdrawn on assets sold / deleted	-	9.19	167.59	2.45	26.42	8.39	-	214.04	24.10	1.46	-	25.56
<b>Total</b>	<b>-</b>	<b>386.52</b>	<b>3,443.74</b>	<b>110.28</b>	<b>58.35</b>	<b>217.60</b>	<b>295.22</b>	<b>4,511.71</b>	<b>166.80</b>	<b>335.49</b>	<b>57.77</b>	<b>560.06</b>
Carrying value												
As at 31-03-2023	511.73	772.42	1,967.19	60.43	40.80	93.82	731.01	4,177.40	50.76	345.65	439.47	835.88

- a) Cost of buildings includes ₹ 35.11 crores pertaining to buildings constructed on leasehold lands.
- b) Land includes lease hold land of ₹ 0.51 Crores, whose ownership is transferrable at the end of the lease term.
- c) Borrowing cost capitalised during the year - Nil.

### Capital work-in-progress (at cost) as at 31-03-2023

Rupees in crores

(a) Building	63.42
(b) Plant & equipment	223.32
(c) Pre-operative expenses	29.07
<b>Total</b>	<b>315.81</b>

#### (i) Ageing of Capital work-in-progress as at 31-03-2023:

Particulars	Amount in Capital work-in-progress for a period of				
	<1 Year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	189.05	83.82	20.58	22.36	315.81

#### (ii) Ageing of Intangible assets under development as at 31-03-2023:

Particulars	Amount in Intangible assets under development for a period of				
	<1 Year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	290.71	109.39	22.93	4.61	427.64

# Notes to the Consolidated Financial Statements (Contd.)

## 3 Investment Properties

Particulars	Rupees in crores	
	As at 31-03-2024	As at 31-03-2023
Gross carrying amount	137.70	137.70
Additions	-	-
Deletions	-	-
<b>Closing gross carrying amount (A)</b>	<b>137.70</b>	<b>137.70</b>
Opening accumulated depreciation	-	-
Additions	-	-
Deletions	-	-
<b>Closing accumulated depreciation (B)</b>	<b>-</b>	<b>-</b>
<b>Total investment properties (A)-(B)</b>	<b>137.70</b>	<b>137.70</b>

## 4 Investments

### A. Non Current Investments

Sl. No.	Particulars	No. of shares / units		Face Value	Currency	Rupees in crores	
		As at 31-03-2024	As at 31-03-2023			As at 31-03-2024	As at 31-03-2023
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>(a)</b>	<b>Investment in Equity Instruments:</b>						
	<b>Fair valued through OCI:</b>						
	<b>Quoted:</b>						
(i)	Ucal Fuel Systems Limited, Chennai	91,760	91,760	10.00	INR	1.33	1.00
	<b>Unquoted:</b>						
(ii)	Green Infra BTV Limited, New Delhi	32,50,000	32,50,000	10.00	INR	1.89	1.75
(iii)	TVS Lanka (Private) Limited, Colombo	50,00,000	50,00,000	10.00	LKR	4.48	4.38
(iv)	Green Infra Wind Power Projects Limited, New Delhi	1,11,600	1,11,600	10.00	INR	0.08	0.08
(v)	Green Infra Wind Energy Theni Limited, New Delhi	34,34,477	34,34,477	10.00	INR	2.14	1.86
(vi)	Green Infra Wind Power Generation Limited, New Delhi	2,16,000	2,16,000	10.00	INR	0.18	0.17
(vii)	Condivision Solutions Pvt. Limited, Bengaluru	6,760	6,760	10.00	INR	-	-
(viii)	Mulanur Renewable Energy Pvt. Limited, Chennai	15,000	15,000	10.00	INR	0.02	0.02
(ix)	PHI Research Pvt. Limited, Chennai	3,50,000	3,50,000	10.00	INR	3.36	3.36
(x)	Atria Wind Power Bijapur 1 Limited, Bengaluru	85,788	85,788	10.00	INR	2.00	2.00
(xi)	Atria wind power (Chitradurga) P Ltd., Bengaluru	80,948	80,948	100.00	INR	0.51	0.47
(xii)	Altizon Systems Private Limited, Pune	10	10	10.00	INR	0.01	0.01
(xiii)	Roppen Transportation Services Private Limited, Hyderabad	10	10	1.00	INR	0.05	0.05
(xiv)	Roppen Transportation Services Private Limited, Hyderabad\$	23,985	23,985	10.00	INR	119.73	113.93
(xv)	Green Infra Wind Energy Generation Limited, Gurugram	28,45,000	23,45,000	10.00	INR	2.85	2.35
(xvi)	Eight Innovate Fund	40,000	-	1,000.00	INR	4.00	-
(xvii)	ARC Ride Limited. UK	575	575	0.01	GBP	8.46	8.47
(xviii)	ION Mobility Pte Limited, Singapore	-	31,44,198		USD	-	76.58
	<b>Total value of Equity Instruments (a)</b>					<b>151.09</b>	<b>216.48</b>

## Notes to the Consolidated Financial Statements (Contd.)

Sl. No.	Particulars	No. of shares / units		Face Value	Currency	Rupees in crores	
		As at 31-03-2024	As at 31-03-2023			As at 31-03-2024	As at 31-03-2023
<b>(b)</b>	<b>Investments in Preference Shares:</b>						
	<b>Unquoted:</b>						
	<b>Fair valued through OCI:</b>						
(i)	Mottu Holdings Ltd., USA	2,19,514	70,344	0.001	USD	73.63	16.33
(ii)	Quadrant Esports Ltd.	12,547	-	0.001	Euro	1.04	-
(iii)	Pinnacle Engines Inc., USA (face value 0.01 cent)	24,09,638	24,09,638	0.0001	USD	-	-
(iv)	Axiom Research Labs Private Limited, Delhi	82	82	10.00	INR	-	-
	<b>Total value of Preference shares (b)</b>					<b>74.67</b>	<b>16.33</b>
<b>(C)</b>	<b>Investment in Debt Instruments (unquoted):</b>						
	<b>Valued at Amortised Cost:</b>						
(i)	Fabric IOT Private Limited, Bengaluru				INR	17.79	16.28
	<b>Pension Funds / Government Securities:</b>						
(ii)	ICICI Prudential Life Insurance Group Superannuation Fund, Mumbai				INR	6.63	6.39
(iii)	Life Insurance Corporation Pension Policy, Mumbai				INR	20.82	19.43
(iv)	Investment in Government Securities				INR	93.46	-
(v)	Hyper Grocers Private Limited	25	-	1,00,000.00	INR	0.25	-
(vi)	TVS CO. PHILIPPINE				USD	0.07	-
	<b>Fair valued through Profit and Loss:</b>						
(viii)	Fabric IOT Private Limited, Bengaluru				INR	45.00	45.00
(ix)	Investment in 6% Non Cumulative Redeemable Preference shares				INR	-	-
(x)	DAT Bike, Singapore				USD	4.16	4.12
(xi)	Zapata Group B.V, Singapore				USD	36.02	-
	<b>Total value of Debt instruments (c)</b>					<b>224.20</b>	<b>91.22</b>
<b>(d)</b>	<b>Other non-current Investments (Unquoted):</b>						
	<b>Fair valued through OCI:</b>						
(i)	Autotech Fund I L.P., USA				USD	32.79	40.07
	<b>Total value of other non-current investments (d)</b>					<b>32.79</b>	<b>40.07</b>
	<b>Total (a) + (b) + (c) + (d)</b>					<b>482.75</b>	<b>364.10</b>
	Aggregate amount of quoted investments and market value thereof					1.33	1.00
	Aggregate amount of unquoted investments					481.42	363.10
	<b>Total</b>					<b>482.75</b>	<b>364.10</b>

All Investments are fully paid up.

\$ Preference shares in the nature of equity instruments

# Notes to the Consolidated Financial Statements (Contd.)

## 4B Current Investments

Sl. No.	Particulars	No. of shares / units		Face Value	Currency	Rupees in crores	
		As at 31-03-2024	As at 31-03-2023			As at 31-03-2024	As at 31-03-2023
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>(a)</b>	<b>Investment in Equity Instruments Fair valued through Profit or Loss:</b>						
	<b>Quoted:</b>						
(i)	TVS Supply Chain Solutions Limited, Chennai	1,05,62,200	1,06,62,200	1.00	INR	163.19	191.92
	<b>Total</b>					<b>163.19</b>	<b>191.92</b>
	Aggregate amount of quoted investments					163.19	191.92
	<b>Total</b>					<b>163.19</b>	<b>191.92</b>

All investments are fully paid up.

## 5 Loans (Receivable from Financing Activity)

Particulars	Rupees in Crores			
	As at 31-03-2024		As at 31-03-2023	
	Current	Non-current	Current	Non-current
<b>Secured:</b>				
Automobile financing				
Considered good	10,438.49	9,801.72	7,034.93	8,398.18
Considered doubtful	423.30	233.50	290.57	170.75
Less: Loss allowance	-	-	-	-
Provision for expected credit loss (Refer Note 35)	(331.45)	(347.99)	(255.21)	(225.68)
<b>Unsecured:</b>				
Financing (Others)				
Considered good	2,757.32	2,447.16	2,955.17	2,024.62
Considered doubtful	59.54	21.71	57.67	40.57
Less: Loss allowance	-	-	-	-
Provision for expected credit loss (Refer Note 35)	(147.43)	(103.12)	(124.70)	(88.52)
<b>Unsecured</b>				
Trade advance and term loan				
Considered good	218.81	1.57	268.54	1.50
Considered doubtful	4.75	-	14.15	-
Provision for expected credit loss (Refer Note 35)	(6.07)	-	(15.96)	-
	<b>13,417.26</b>	<b>12,054.55</b>	<b>10,225.16</b>	<b>10,321.42</b>

## 6 Non-Current Assets - Other Financial Assets

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Deposits	68.89	62.47
Loans given to employees	4.46	3.09
Claim receivable	31.50	37.13
Share application money pending allotment	-	1.34
Hedge asset	90.67	88.90
	<b>195.52</b>	<b>192.93</b>

## Notes to the Consolidated Financial Statements (Contd.)

### 7 Investments Accounted Using Equity Method

	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Emerald Haven Realty Limited, Chennai	-	89.63
[Nil (last year - 11,12,19,512) Equity shares]		
Ultraviolette Automotive Private Limited, Bengaluru	7.29	7.29
[14,850 (last year - 14,850) Equity shares]		
Ultraviolette Automotive Private Limited, Bengaluru	91.65	110.00
[12,316 (last year - 12,316) Preference shares]		
Predictronics Corp, USA	17.85	18.89
[24,827 (last year - 24,827) Equity shares]		
Tagbox Solutions Private Limited, Bengaluru	-	0.42
[Nil (last year - 45,710) Equity shares]		
Tagbox Solutions Private Limited, Bengaluru	-	9.99
[Nil (last year - 3,83,983) Preference shares]		
Tagbox Pte Limited, Singapore	0.98	14.22
2,43,243 (last year - 2,43,243 ) Preference shares]		
Scienaptic Systems Inc., USA	54.07	53.83
[28,05,357 (last year - 28,05,357) Equity shares]		
Altizon Inc., USA	23.27	23.35
[8,06,429 (last year - 8,06,429) Equity shares]		
DriveX Mobility Private Limited, Coimbatore	68.65	83.61
[9,766 (last year - Nil) Equity shares]		
ION Mobility Pte Ltd, Singapore	121.81	-
[49,64,524 (last year - Nil) Preference shares]		
Killwatt GmbH, Germany	66.68	-
[24,500 (last year - Nil) Equity shares]		
Indian Foundation for Quality Management, Bengaluru	25.00	-
[2,50,00,000 (last year - Nil) Equity shares]		
	<b>477.25</b>	<b>411.23</b>

### 8 Deferred Tax Assets

	Rupees in Crores	
Particulars	As at 31-03-2024	As at 31-03-2023
The balance comprises temporary differences attributable to:		
Deferred tax asset consists of:		
- Depreciation	4.88	4.84
- tax on employee benefit expenses	20.96	16.71
- tax on expected credit losses provision	228.12	180.02
- tax on investment property	14.72	14.72
- tax on carried forward loss	42.28	75.35
- tax on others	99.35	32.45
<b>Total deferred tax assets (A)</b>	<b>410.31</b>	<b>324.09</b>
<b>Deferred tax liability on other item (B)</b>	<b>16.03</b>	<b>18.36</b>
<b>Net deferred tax asset (A)-(B)</b>	<b>394.28</b>	<b>305.73</b>



# Notes to the Consolidated Financial Statements (Contd.)

## Movement in deferred tax:

Particulars	Rupees in Crores		
	Depreciation	Others	Total
<b>As at 31-03-2022</b>			217.88
<b>Charged/(credited):</b>			
- to profit or loss	0.40	85.15	85.55
- on sale of subsidiary		(0.98)	(0.98)
- to foreign currency translation		5.73	5.73
- to other comprehensive income	-	(2.45)	(2.45)
<b>As at 31-03-2023</b>			305.73
<b>Charged/(credited):</b>			
- to profit or loss	(0.04)	83.13	83.09
- to foreign currency translation	-	1.52	1.52
- to other comprehensive income	-	(3.94)	3.94
<b>As at 31-03-2024</b>			<b>394.28</b>

## 9 Other Non-Current Assets

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Capital advances	126.39	71.56
Advances other than capital advances:		
Prepaid expenses	4.05	3.70
Deposits made	18.34	17.29
Employee benefit assets (Refer Note 38)	-	1.59
	<b>148.78</b>	<b>94.14</b>

## 10 Inventories

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Raw materials and components	990.02	925.40
Goods-in-transit - Raw materials and components	48.16	107.85
Work-in-progress	64.23	62.48
Finished goods	532.60	295.35
Stock-in-trade	555.72	470.37
Stores and spares	57.67	60.06
	<b>2,248.40</b>	<b>1,921.51</b>

## 11 Trade Receivables

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Secured, considered good	14.13	11.53
Unsecured, considered good *	1,825.29	1,244.89
Receivables which have significant increase in credit risk	48.34	49.49
	<b>1,887.76</b>	<b>1,305.91</b>
Less: Loss allowance	48.34	49.49
	<b>1,839.42</b>	<b>1,256.42</b>

\* Include balance with related parties [Refer Note 39(c)(i)].

## Notes to the Consolidated Financial Statements (Contd.)

### (i) Ageing for trade receivable as on 31.03.2024

Rupees in Crores

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	160.57	1,045.97	548.07	65.16	4.24	12.16	1,836.17
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	3.25	-	-	-	-	3.25
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	20.00	1.17	1.39	25.78	48.34
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>160.57</b>	<b>1,049.22</b>	<b>568.07</b>	<b>66.33</b>	<b>5.63</b>	<b>37.94</b>	<b>1,887.76</b>

### (ii) Ageing for trade receivable as on 31.03.2023

Rupees in Crores

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	160.57	1,045.97	548.07	65.16	4.24	12.16	1,836.17
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	3.25	-	-	-	-	3.25
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	20.00	1.17	1.39	25.78	48.34
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>160.57</b>	<b>1,049.22</b>	<b>568.07</b>	<b>66.33</b>	<b>5.63</b>	<b>37.94</b>	<b>1,887.76</b>

## 12 Cash and Cash Equivalents

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Balances with banks	2,099.94	1,846.52
Cash on hand	5.86	4.67
Cash equivalents		
Deposits with maturity of less than three month from the date of deposit.	250.00	-
	<b>2,355.80</b>	<b>1,851.19</b>
<b>Cash and cash equivalents for the purpose of cash flow statement</b>	<b>2,355.80</b>	<b>1,851.19</b>

## 13 Bank Balances Other than Cash and Cash Equivalents

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Earmarked balances with banks (for unpaid dividend)	45.02	7.51
Fixed deposits (maturing between 3 to 12 months)	24.91	20.41
	<b>69.93</b>	<b>27.92</b>

# Notes to the Consolidated Financial Statements (Contd.)

## 14 Other Financial Assets - (Current)

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Unsecured, considered good:		
- Employee advances	18.65	15.50
- Bank deposit	2.09	0.14
- Security deposits	39.47	28.10
- Claims receivable	34.42	27.65
- Loans and advances - Non Related Parties	41.60	16.44
- Interest accrued on Fixed deposit	-	-
- Receivable towards sale of fixed assets	66.43	65.55
- Hedge asset	-	87.88
	<b>202.66</b>	<b>241.26</b>

## 15 Other Current Assets

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Balances with tax authorities	523.46	504.61
Prepaid expense	138.20	104.05
Vendor advance*	298.67	190.35
Trade deposits	70.71	22.86
Incentive receivable from Government^	182.63	472.11
Employee benefit assets (Refer Note 38)	4.77	8.24
Others	3.96	4.95
	<b>1,222.40</b>	<b>1,307.17</b>
<b>Less: loss allowance</b>	<b>22.94</b>	<b>2.83</b>
	<b>1,199.46</b>	<b>1,304.34</b>

\* Balances include balance with related parties [Refer Note 39(c)(i)].

^ Includes EV subsidy receivable of ₹148.62 crores (Previous Year ₹ 448.40 crores)

## 16 Equity Share Capital

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

Particulars	As at 31-03-2024		As at 31-03-2023	
	Number	Rupees in crores	Number	Rupees in crores
<b>Authorised:</b>				
Equity shares of ₹ 1/- each	50,00,00,000	50.00	50,00,00,000	50.00
Issued, subscribed and fully paid up:				
Equity shares of ₹ 1/- each	47,50,87,114	47.51	47,50,87,114	47.51
	<b>47,50,87,114</b>	<b>47.51</b>	<b>47,50,87,114</b>	<b>47.51</b>

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

Particulars	As at 31-03-2024		As at 31-03-2023	
	Number	Rupees in crores	Number	Rupees in crores
Shares outstanding at the beginning of the year	47,50,87,114	47.51	47,50,87,114	47.51
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	47,50,87,114	47.51	47,50,87,114	47.51

## Notes to the Consolidated Financial Statements (Contd.)

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

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

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

(d) Shares held by holding company at the end of the year

Name of shareholder	Class of share	As at 31-03-2024		As at 31-03-2023	
		No. of shares held	% of holding	No. of shares held	% of holding
TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited) (Holding Company)	Equity	23,87,82,786	50.26	23,87,82,786	50.26

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

Name of shareholder	Class of share	As at 31-03-2024		As at 31-03-2023	
		No. of shares held	% of holding	No. of shares held	% of holding
ICICI Prudential Mutual Fund	Equity	3,75,37,940	7.90	4,67,41,798	9.35

(f) Shares held by Promoters at the end of the year 31.03.2024

Promoter name	Class of share	As at 31-03-2024		As at 31-03-2023		
		No. of shares held	% of holding	No. of shares held	% of holding	% change during the year
TVS Holdings Limited, Chennai (Formerly known as Sundaram-Clayton Limited) (Holding Company)	Equity	23,87,82,786	50.26	23,87,82,786	50.26	-

Shares held by Promoters at the end of the year 31.03.2023

Promoter name	Class of share	As at 31-03-2023		As at 31-03-2022		
		No. of shares held	% of holding	No. of shares held	% of holding	% change during the year
Sundaram-Clayton Limited	Equity	23,87,82,786	50.26	23,87,82,786	50.26	-

## 17 Other Equity

Rupees in Crores

	As at 31-03-2024	As at 31-03-2023
General reserve	876.24	876.24
Capital reserve	6.51	6.51
Statutory reserve	297.96	183.59
Retained earnings	5,529.37	4,315.42
Other Reserves	25.93	75.73
	<b>6,736.00</b>	<b>5,457.49</b>

# Notes to the Consolidated Financial Statements (Contd.)

## 18. Non Current Liabilities - Financial Liabilities - Borrowings

Rupees in Crores

Nature	Lenders	As at 31-03-2024	As at 31-03-2023	Status as at 31-03-2024			
				Interest Rate	Frequency	No. of Instalments Due	Maturity
<b>Secured Borrowings:</b>							
ECB Loan 1	Bank	-	410.43	-	-	-	-
ECB Loan 2	Bank	-	385.94	-	-	-	-
ECB Loan 3	Bank	833.00	818.90	6.9%	Bullet	1	Dec-2024
Term Loan 1	Bank	-	4.58	-	-	-	-
Term Loan 2	Bank	-	1.25	-	-	-	-
Term Loan 3	Bank	-	9.38	-	-	-	-
Term Loan 4	Bank	47.56	41.92	8.5%	Quarterly	12	Nov-2027
Term Loan 5	Bank	249.44	197.20	SOFR + 2.60% p.a	Quarterly	8	Dec-2027
Term Loan 6	Bank	175.58	337.77	5.60%	Monthly	13	Apr-2025
Term Loan 7	Bank	62.49	187.47	6.30%	Quarterly	2	Sep-2024
Term Loan 8	Bank	125.00	250.00	6.30%	Quarterly	4	Feb-2025
Term Loan 9	Bank	324.30	567.53	6.35%	Monthly	16	Jul-2025
Term Loan 10	Bank	200.00	200.00	7.00%	Bullet	1	Oct-2024
Term Loan 11	Bank	299.95	499.92	7.00%	Quarterly	6	Jul-2025
Term Loan 12	Bank	-	180.00	-	-	-	-
Term Loan 13	Bank	291.18	457.58	7.25%	Quarterly	7	Feb-2026
Term Loan 14	Bank	249.45	374.18	7.25%	Quarterly	8	Apr-2026
Term Loan 15	Bank	-	24.99	-	-	-	-
Term Loan 16	Bank	-	300.00	-	-	-	-
Term Loan 17	Bank	83.34	250.00	7.50%	Monthly	6	Sep-2024
Term Loan 18	Bank	-	499.82	-	-	-	-
Term Loan 19	Bank	-	249.95	-	-	-	-
Term Loan 20	Bank	489.08	698.56	7.59%	Quarterly	7	Oct-2025
Term Loan 21	Bank	-	249.86	-	-	-	-
Term Loan 22	Bank	-	250.00	-	-	-	-
Term Loan 23	Bank	59.33	91.74	7.60%	Monthly	22	Jan-2026
Term Loan 24	Bank	-	499.91	-	-	-	-
Term Loan 25	Bank	-	416.63	-	-	-	-
Term Loan 26	Bank	41.67	208.31	7.75%	Monthly	15	Jun-2024
Term Loan 27	Bank	40.00	60.00	7.75%	Quarterly	12	Mar-2026
Term Loan 28	Bank	58.38	87.57	7.75%	Monthly	36	Mar-2026
Term Loan 29	Bank	-	100.00	-	-	-	-
Term Loan 30	Bank	-	399.91	-	-	-	-
Term Loan 31	Bank	-	249.84	-	-	-	-
Term Loan 32	Bank	-	149.98	-	-	-	-
Term Loan 33	Bank	-	149.91	-	-	-	-
Term Loan 34	Bank	-	166.53	-	-	-	-
Term Loan 35	Bank	-	199.97	-	-	-	-
Term Loan 36	Bank	-	199.91	-	-	-	-
Term Loan 37	Bank	329.95	300.00	8.03%	Quarterly	7	Oct-2025
Term Loan 38	Bank	-	499.90	-	-	-	-
Term Loan 39	Bank	62.53	145.80	8.37%	Monthly	9	Dec-2024
Term Loan 40	Bank	-	74.99	-	-	-	-
Term Loan 41	Bank	-	41.67	-	-	-	-
Term Loan 42	Bank	-	33.32	-	-	-	-

## Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

Nature	Lenders	As at 31-03-2024	As at 31-03-2023	Status as at 31-03-2024			
				Interest Rate	Frequency	No. of Instalments Due	Maturity
Term Loan 43	Bank	-	120.00	-	-	-	-
Term Loan 44	Bank	-	120.00	-	-	-	-
Term Loan 45	Bank	-	50.00	-	-	-	-
Term Loan 46	Bank	-	99.98	-	-	-	-
Term Loan 47	Bank	-	50.00	-	-	-	-
Term Loan 48	Bank	-	150.00	-	-	-	-
Term Loan 49	Bank	456.44	-	7.10%	Quarterly	13	Jun-2027
Term Loan 50	Bank	151.61	-	7.10%	Quarterly	13	Jun-2027
Term Loan 51	Bank	335.70	-	7.10%	Quarterly	14	Sep-2027
Term Loan 52	Bank	749.18	-	7.10%	Monthly	39	Jun-2027
Term Loan 53	Bank	100.00	-	7.10%	Quarterly	13	Jun-2027
Term Loan 54	Bank	374.60	-	7.15%	Quarterly	12	Feb-2027
Term Loan 55	Bank	93.65	-	7.15%	Quarterly	12	Mar-2027
Term Loan 56	Bank	100.00	-	7.28%	Quarterly	5	Apr-2025
Term Loan 57	Bank	100.63	-	7.54%	Quarterly	14	Sep-2027
Term Loan 58	Bank	99.22	-	7.70%	Monthly	39	Sep-2027
Term Loan 59	Bank	249.98	-	8.08%	Quarterly	10	Jul-2026
Term Loan 60	Bank	400.00	-	8.10%	Bullet	1	May-2026
Term Loan 61	Bank	300.00	-	8.10%	Quarterly	8	Dec-2026
Term Loan 62	Bank	249.98	-	8.20%	Quarterly	10	Oct-2026
Term Loan 63	Bank	499.95	-	8.25%	Quarterly	11	Apr-2027
Term Loan 64	Bank	249.97	-	8.25%	Bullet	1	Sep-2025
Term Loan 65	Bank	249.92	-	8.25%	Bullet	1	Jun-2026
Term Loan 66	Bank	999.73	-	8.25%	Quarterly	11	Feb-2027
Term Loan 67	Bank	299.73	-	8.25%	Bullet	1	Feb-2025
Term Loan 68	Bank	124.97	-	8.26%	Half Yearly	5	Aug-2025
Term Loan 69	Bank	281.22	-	8.30%	Quarterly	15	Dec-2027
Term Loan 70	Bank	124.99	-	8.30%	Quarterly	2	Aug-2024
Term Loan 71	Bank	49.96	-	8.30%	Quarterly	12	Mar-2027
Term Loan 72	Bank	746.10	-	8.34%	Quarterly	14	Sep-2027
Term Loan 73	Bank	299.90	-	8.35%	Quarterly	14	Nov-2027
Term Loan 74	Bank	919.84	-	8.35%	Quarterly	8	Jul-2026
Term Loan 75	Bank	458.23	-	8.35%	Quarterly	11	Nov-2026
Term Loan 76	Bank	124.93	-	8.40%	Quarterly	4	Mar-2025
Term Loan 77	Bank	156.25	-	8.40%	Quarterly	5	Apr-2025
Term Loan 78	Bank	333.20	-	8.40%	Quarterly	8	Feb-2026
Term Loan 79	Bank	299.95	-	8.50%	Quarterly	6	Sep-2025
Term Loan 80	Bank	299.95	-	8.50%	Quarterly	6	Oct-2025
Term Loan 81	Bank	349.94	-	8.65%	Quarterly	7	Dec-2025
Soft Loan	State owned corporation - I	3.33	3.08	0.1%	Bullet	1	Apr-2029
Soft Loan	State owned corporation -II	9.68	84.68	0.1%	Specific period	2	Apr-2030
Debentures	8.15% Secured Non Convertible Debenture	425.00	425.00	8.3%	Bullet	1	Oct-2024
Debentures	8.30% Secured Non Convertible Debenture	800.00	800.00	8.3%	Bullet	1	Sep-2025

# Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

Nature	Lenders	As at 31-03-2024	As at 31-03-2023	Status as at 31-03-2024			
				Interest Rate	Frequency	No. of Instalments Due	Maturity
Debentures	8.40% Secured Non Convertible Debenture	225.00	-	8.4%	Bullet	1	Jun-2026
Unsecured Borrowings:							
Debentures	Non Convertible Debenture - I	-	499.93	-	-	-	-
Debentures	Non Convertible Debentures - II	124.87	124.81	Repo Rate plus Margin	End of Tenure	1	Mar-2026
ECB Loan	Bank	-	27.39	-	-	-	-
Term Loan	Bank	429.96	479.93	6.3%	Quarterly	12	Mar-2027
Term Loan	Bank	17.49	17.02	2.2%	Yearly	5	Dec-2029
Term Loan	Bank	20.35	3.13	SONIA + Margin	Bullet	1	Apr-2024
Term Loan	Others	14.73	16.12	0.8%	Annual	8	Nov-2031
Term Loan	Others	299.94	-	8.0%	Monthly	43	Dec-2027
Term Loan	Others	499.84	-	8,25%	Quarterly	12	Mar-2027
Term Loan	Others	40.00	200.00	7.6%	Quarterly	1	Jun-2024
Sub Debt	Bank	-	50.00	-	-	-	-
Sub Debt	Bank	-	50.00	-	-	-	-
Sub Debt	Others	99.90	99.60	10.9%	Bullet	1	Aug-2024
Sub Debt	Others	64.38	64.20	9.4%	Bullet	1	Jun-2026
Sub Debt	Others	34.67	34.60	9.4%	Bullet	1	Jun-2026
Sub Debt	Others	19.85	19.76	9.4%	Bullet	1	Jun-2026
Sub Debt	Others	49.52	49.39	9.4%	Bullet	1	Jun-2026
Sub Debt	Others	129.02	128.40	9.4%	Bullet	1	Aug-2026
Sub Debt	Others	99.00	99.00	8.9%	Bullet	1	Jun-2027
Sub Debt	Others	35.00	35.00	8.9%	Bullet	1	Jun-2027
Sub Debt	Others	35.00	35.00	8.9%	Bullet	1	Jun-2027
Sub Debt	Others	30.00	30.00	8.9%	Bullet	1	Jun-2027
Sub Debt	Others	200.00	200.00	8.9%	Bullet	1	Jun-2027
Sub Debt	Others	50.00	50.00	8.9%	Bullet	1	Jun-2027
Sub Debt	Others	100.00	100.00	10.0%	Bullet	1	Jul-2026
Sub Debt	Others	95.00	95.00	9.5%	Bullet	1	Jan-2028
Sub Debt	Others	80.00	80.00	9.5%	Bullet	1	Jan-2028
Sub Debt	Others	115.00	115.00	9.5%	Bullet	1	Jan-2028
Sub Debt	Others	110.00	110.00	9.5%	Bullet	1	Jan-2028
Sub Debt	Others	50.00	50.00	9.4%	Bullet	1	Aug-2028
Sub Debt	Others	50.00	50.00	9.4%	Bullet	1	Aug-2028
Sub Debt	Others	50.00	50.00	9.4%	Bullet	1	Aug-2028
Sub Debt	Others	50.00	50.00	9.4%	Bullet	1	Aug-2028
Sub Debt	Others	25.02	-	9.3%	Bullet	1	Jun-2029
Sub Debt	Others	100.08	-	9.3%	Bullet	1	Jun-2029
Sub Debt	Others	175.13	-	9.3%	Bullet	1	Jun-2029
Sub Debt	Others	200.15	-	9.3%	Bullet	1	Jun-2029
Perpetual Debt	Others	99.91	99.88	11.5%	Bullet	1	Nov-2027
Term loan	Bank	199.56	199.20	8.3%	Quarterly	8	Mar-2026
Term loan	Bank	187.38	-	Repo Rate plus Margin	Quarterly	10	Jul-2026
Term loan	Bank	499.08	-	Repo Rate plus Margin	Quarterly	8	May-2026



## Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

Nature	Lenders	As at 31-03-2024	As at 31-03-2023	Status as at 31-03-2024			
				Interest Rate	Frequency	No. of Instalments Due	Maturity
Sales Tax Deferral	Others	62.91	78.64	Nil	Yearly	4	Jun-2027
Total non current borrowings		20,657.68	16,816.86				
Less: Current Maturities of non current borrowings		8,028.36	7,752.78				
<b>Total non current financial liabilities (borrowings)</b>		<b>12,629.32</b>	<b>9,064.08</b>				

Details of securities created:

- ECB Loan 1-3 hypothecation of receivables under the financing activity of the company.
- Term loan 1-4 received from bank of ₹ 47.56 crores ( Previous year ₹ 57.13 crores) - charge created on land and building and paripasu charge on plant and machinery.
- Term Loan 5 received from bank of ₹ 249.44 Crores is to be secured by a charge over the subsidiary's plant and machinery. At 31<sup>st</sup> March 2024, the subsidiary is in the process of creating this charge against the security
- Term Loans received from Banks of ₹ 13,521.95 crores (Previous Year: ₹10,243.50 Crores) is secured against hypothecation of receivables under the financing activity of the Group.
- Loan from State owned corporation - I viz., SIPCOT - First charge on the specific plant and equipment.
- Loan from State owned corporation - II viz., SIPCOT - First charge on the specific plant and equipment and also secured by equitable mortgage created by way of deposit of title deeds of land.
- Debentures of ₹1,450.00 crores (Previous Year: ₹1,225 crores) secured against hypothecation of receivables under the financing activity of the group.

### 19 Provisions

Rupees in Crores

Particulars	As at 31-03-2024		As at 31-03-2023	
	Current	Non-current	Current	Non-current
Provision for employee benefits:				
(a) Pension	67.05	126.60	49.47	118.52
(b) Leave salary	32.37	120.64	24.94	96.30
(c) Gratuity	0.17	0.86	-	2.66
Others:				
(a) Warranty	67.05	22.08	41.33	13.78
	<b>166.64</b>	<b>270.18</b>	<b>115.74</b>	<b>231.26</b>

### 20 Deferred Tax Liabilities (Net)

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
The balance comprises temporary differences attributable to:		
- Depreciation	351.61	316.51
- others	19.49	33.81
<b>Total deferred tax liability (A)</b>	<b>371.10</b>	<b>350.32</b>
Deferred tax asset consists of:		
- tax on employee benefits expense	54.46	48.35
- tax on warranty provision	23.95	15.59
- tax on others	96.23	78.01
<b>Total deferred tax assets (B)</b>	<b>174.64</b>	<b>141.95</b>
<b>Net deferred tax liability (B)-(A)</b>	<b>196.46</b>	<b>208.37</b>

## Notes to the Consolidated Financial Statements (Contd.)

### Movement in deferred tax:

Particulars	Depreciation	Others	Total
<b>As at 31-03-2022</b>			207.56
<b>Charged/(credited):</b>			
- to profit or loss	(3.08)	11.74	8.66
- to other comprehensive income	-	(7.85)	(7.85)
<b>As at 31-03-2023</b>			<b>208.37</b>
<b>Charged/(credited):</b>			
- to profit or loss	35.10	(40.80)	(5.70)
- to other comprehensive income	-	(6.21)	(6.21)
<b>As at 31-03-2024</b>			<b>196.46</b>

### 21 Financial Liabilities - Borrowings (Current)

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Borrowings repayable on demand from banks		
Secured	3,618.07	2,450.43
Unsecured	486.18	738.60
Short term loans:		
From banks:		
Secured	524.69	238.30
Unsecured	-	1,382.04
From others (unsecured)		
Current Maturities of long term borrowings	8,028.36	7,752.78
	<b>12,657.30</b>	<b>12,562.15</b>

Secured short term borrowings from banks are related to subsidiaries and details of securities created are as follows:

- A loan of ₹31.78 crores in USD obtained from a bank, secured by a letter of credit issued by a bank in India.
- A loan of ₹8.25 crores in USD and ₹8.21 crores in IDR obtained from a bank, partly secured (80%) by a credit guarantee issued by the EXIM bank of Indonesia
- Working capital loan and cash credit of ₹3,372.08 crores obtained are secured by hypothecation of receivables under the financing activity of the Subsidiary.
- Cash credit and working capital loan of ₹197.75 crores obtained are secured by hypothecation of receivables and inventories of the Subsidiary, both present and future

### 22 Trade Payables

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Dues to Micro and Small Enterprises **	62.38	75.83
Dues to enterprises other than Micro and Small Enterprises #	6,575.84	5,020.84
	<b>6,638.22</b>	<b>5,096.67</b>

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information received by the management. The entire closing balance represents the principal amount payable to these enterprises and there is no principal and interest, due thereon and remaining unpaid as at end of the year"

# Balances include balances due to related parties [Refer Note 40(c)(ii)].

## Notes to the Consolidated Financial Statements (Contd.)

### (i) Ageing for trade payable as on 31.03.2024

Rupees in Crores

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	<1 Yr.	1-2 years	2-3 years	More than 3 years	
(i) Micro and Small Enterprises (MSME)	62.38	-	-	-	-	62.38
(ii) Others	3,258.68	1,703.42	29.87	19.53	22.31	5,033.82
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
<b>Total (i) to (iv)</b>	<b>3,321.06</b>	<b>1,703.42</b>	<b>29.87</b>	<b>19.53</b>	<b>22.31</b>	<b>5,096.20</b>
Accrued expenses						1,542.02
<b>Total</b>						<b>6,638.22</b>

### (ii) Ageing for trade payable as on 31.03.2023

Rupees in Crores

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	<1 Yr.	1-2 years	2-3 years	More than 3 years	
(i) Micro and Small Enterprises (MSME)	75.83	-	-	-	-	75.83
(ii) Others	2,772.32	1,348.33	19.67	9.96	24.37	4,174.65
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
<b>Total (i) to (iv)</b>	<b>2,848.15</b>	<b>1,348.33</b>	<b>19.67</b>	<b>9.96</b>	<b>24.37</b>	<b>4,250.49</b>
Accrued expenses						846.18
<b>Total</b>						<b>5,096.67</b>

## 23 Other Financial Liabilities

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Interest accrued but not due on loans	186.76	196.07
Interest accrued and due on loans *	0.44	0.72
Trade deposits received	170.71	98.57
Unclaimed dividends (Not due for transfer to Investor Education and Protection Fund)	4.07	3.88
Payables against capital goods	80.91	47.06
Hedge liability	15.29	5.94
Others	1.40	3.36
	<b>459.58</b>	<b>355.60</b>

\* Subsidiary has made funds available with the banks and the same has been appropriated subsequently

## 24 Other Current Liabilities

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Statutory dues	275.01	191.01
Employee related	343.31	310.71
Advance received from customers	258.28	338.00
Deferred income	29.89	46.93
	<b>906.49</b>	<b>886.65</b>

# Notes to the Consolidated Financial Statements (Contd.)

## 25 Revenue from Operations

Particulars	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Sale of products	32,956.91	27,354.05
Sale of services	77.47	79.63
Interest income of financial enterprise	5,111.07	3,755.51
Other operating revenue <sup>#</sup>	999.29	784.80
	<b>39,144.74</b>	<b>31,973.99</b>

# Includes Government Grants of ₹237.77 crores (Last year ₹ 280.87 crores)

## 26 Other Income

Particulars	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Dividend income - from other investments designated as Fair Valued through OCI	0.65	0.02
Interest income	22.10	10.99
(Loss)/Gain on valuation of investments Fair Valued through profit and loss (Net)	(26.93)	61.84
Profit on sale of fixed assets (Net)	3.38	2.65
Profit on sale of investment (Net)	89.47	45.56
Other non-operating income	17.15	16.94
	<b>105.82</b>	<b>138.00</b>

## 27 Material Cost:

Particulars	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Cost of materials consumed		
Opening stock of raw materials and components	925.40	874.87
Add: Purchases	23,759.70	20,146.77
	<b>24,685.10</b>	<b>21,021.64</b>
Less: Closing stock of raw materials and components	967.19	925.40
	<b>23,717.91</b>	<b>20,096.24</b>
Purchases of stock-in-trade	<b>1,011.69</b>	<b>890.95</b>
Changes in inventories of finished goods, work-in-progress and stock-in-trade:		
Opening stock:		
Work-in-progress	62.48	65.17
Stock-in-trade	295.35	345.32
Finished goods	470.37	276.78
	<b>(A) 828.20</b>	<b>687.27</b>
Closing stock:		
Work-in-progress	64.23	62.48
Stock-in-trade	555.72	295.35
Finished goods	532.60	470.37
	<b>(B) 1,152.55</b>	<b>828.20</b>
	<b>(A)-(B) (324.35)</b>	<b>(140.93)</b>

## Notes to the Consolidated Financial Statements (Contd.)

### 28 Employee Benefits Expense

Particulars	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Salaries, wages and bonus	2,904.67	2,516.73
Contribution to provident and other funds	219.37	177.53
Staff welfare expenses	261.15	195.99
	<b>3,385.19</b>	<b>2,890.25</b>

### 29 Finance Costs

Particulars	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Interest	1,855.88	1,311.74
Other borrowing cost	11.60	11.80
Interest on lease liabilities	60.75	44.11
Exchange differences	(0.51)	0.24
	<b>1,927.72</b>	<b>1,367.89</b>

### 30 Depreciation and Amortisation Expense

Particulars	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Depreciation on property plant and equipment	535.56	523.37
Amortisation on right of use asset	217.84	137.77
Amortisation on intangible assets	221.72	197.72
	<b>975.12</b>	<b>858.86</b>

### 31 OTHER EXPENSES

Particulars	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
(a) Consumption of stores, spares and tools	59.35	59.40
(b) Power and fuel	129.98	133.47
(c) Repairs - buildings	39.52	26.66
(d) Repairs - plant and equipment	160.31	123.44
(e) Insurance	49.20	39.58
(f) Rates and taxes (excluding taxes on income)	17.17	17.68
(g) Audit fees	3.31	2.71
(h) Cost audit fees	0.08	0.08
(i) Packing and freight charges	571.20	550.20
(j) Advertisement and publicity	596.37	384.75
(k) Other marketing expenses	590.95	358.75
(m) Foreign exchange loss (Net)	8.06	-
(n) Loss allowance for expected credit losses relating to loans	1127.04	629.14
(o) Corporate social responsibility expenditure	40.15	19.00
(p) Contributions to electoral trust	40.00	5.00
(q) Miscellaneous expenses (under this head there is no expenditure which is in excess of 1% of revenue from operations or ₹10 lakh, whichever is higher)	2378.20	1820.24
	<b>5,810.89</b>	<b>4170.10</b>

# Notes to the Consolidated Financial Statements (Contd.)

## 32 Tax Expense and Reconciliation

(a) Tax expense

Particulars	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
Current tax:		
Current tax on profits for the year	1,012.63	704.65
Adjustments for current tax of prior periods	-	(1.19)
<b>(A)</b>	<b>1,012.63</b>	<b>703.46</b>
Deferred tax:		
Decrease / (increase) in deferred tax assets	(107.50)	(79.45)
(Decrease) / increase in deferred tax liabilities	19.25	2.56
<b>(B)</b>	<b>(88.25)</b>	<b>(76.89)</b>
<b>(A + B)</b>	<b>924.38</b>	<b>626.57</b>

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	Rupees in Crores	
	Year Ended 31-03-2024	Year Ended 31-03-2023
<b>Profit before income tax expense</b>	<b>2702.92</b>	<b>1,936.03</b>
Tax expense at 25.168% (Previous year 25.168%)	680.27	487.26
Add/(Less): Taxes impact on		
Capital receipts	-	(1.63)
Tax on income chargeable at lower rates	(39.40)	-
Expenses not admissible for deduction	34.64	4.85
Timing and Tax rate difference on subsidiaries losses	234.49	125.34
Tax relating to earlier years		(1.19)
Others	14.39	11.94
	<b>924.38</b>	<b>626.57</b>

## 33 Fair Value Measurements

Particulars	Rupees in Crores					
	As at 31-03-2024			As at 31-03-2023		
	FVTPL*	FVOCI *	Amortised cost	FVTPL*	FVOCI *	Amortised cost
Financial assets						
Investments						
- Equity instruments	163.19	151.09	-	191.92	216.48	-
- Preference shares	-	74.67	-	-	16.33	-
- Other non current investments	-	32.79	-	-	40.07	-
- Debt Instruments	85.18	-	139.02	49.12	-	42.10
Trade receivables	-	-	1,839.42	-	-	1,256.42
Loans (receivable from financing activity)	-	-	25,471.81	-	-	20,546.58
Fixed deposit with banks	-	-	27.00	-	-	20.55
Cash and cash equivalents	-	-	2,355.80	-	-	1,851.19
Earmarked balances with banks	-	-	45.02	-	-	7.51
Derivative financial asset	-	90.67	-	-	176.78	-
Other financial assets	-	-	305.42	-	-	238.88
<b>Total financial assets</b>	<b>248.37</b>	<b>349.22</b>	<b>30,183.49</b>	<b>241.04</b>	<b>449.66</b>	<b>23,963.23</b>

## Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

Particulars	As at 31-03-2024			As at 31-03-2023		
	FVTPL*	FVOCI *	Amortised cost	FVTPL*	FVOCI *	Amortised cost
Financial liabilities						
Borrowings	-	-	25,286.62	-	-	21,626.23
Trade payables	-	-	6,638.22	-	-	5,096.67
Derivative financial liability	-	15.29	-	-	5.94	-
Lease liability	-	-	719.08	-	-	749.35
Other financial liability	-	-	444.29	-	-	349.66
<b>Total financial liabilities</b>	<b>-</b>	<b>15.29</b>	<b>33,088.21</b>	<b>-</b>	<b>5.94</b>	<b>27,821.91</b>

\* FVTPL - Fair Valued Through Profit and Loss FVOCI - Fair Valued Through Other Comprehensive Income

(i) Fair value hierarchy

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

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

Rupees in Crores

As at 31-03-2024	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL	5	163.19	-	85.18	248.37
Financial Investments at FVOCI	5	1.33	32.79	224.43	258.55
Derivatives	16	-	90.67	-	90.67
		<b>164.52</b>	<b>123.46</b>	<b>309.61</b>	<b>597.59</b>
Financial liabilities					
Derivatives	23	-	15.29	-	15.29
		<b>-</b>	<b>15.29</b>	<b>-</b>	<b>15.29</b>

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

Rupees in Crores

As at 31-03-2024	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Investments					
Debt instruments	5	-	-	139.02	139.02
		<b>-</b>	<b>-</b>	<b>139.02</b>	<b>139.02</b>
Borrowings	18,21	-	-	25,286.62	25,286.62
		<b>-</b>	<b>-</b>	<b>25,286.62</b>	<b>25,286.62</b>

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

Rupees in Crores

As at 31-03-2023	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Financial Investments at FVTPL	4	-	-	241.04	241.04
Financial Investments at FVOCI	4	1.00	40.07	231.81	272.88
Derivatives	6,14	-	176.78	-	176.78
		<b>1.00</b>	<b>216.85</b>	<b>472.85</b>	<b>690.70</b>
Financial liabilities					
Derivatives	23	-	5.94	-	5.94
		<b>-</b>	<b>5.94</b>	<b>-</b>	<b>5.94</b>



## Notes to the Consolidated Financial Statements (Contd.)

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

					Rupees in Crores	
As at 31-03-2023	Notes	Level 1	Level 2	Level 3	Total	
Financial assets						
Investments						
Debt instruments	4	-	-	42.10	42.10	
		-	-	<b>42.10</b>	<b>42.10</b>	
Financial liabilities						
Borrowings	18,21	-	-	21,626.23	21,626.23	
				<b>21,626.23</b>	<b>21,626.23</b>	

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

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

Level 3: If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, preference shares and other non current investments included in level 3.

There are no transfers among three levels.

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

(ii) Valuation technique used to determine fair value (Level 2)

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of interest rate swaps is calculated as the present value of estimated cash flows based on observable yield curves.
- the fair value of forward exchange contract and principal only swap is determined using forward exchange rate at the balance sheet date.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

(iii) Fair value measurements using significant unobservable inputs (level 3)

					Rupees in Crores	
Particulars	Unlisted Equity Shares	Preference shares	Debt instruments	Total		
As at 31-03-2022	145.39	14.79	-	160.18		
Additions / (deletions)	201.46	-	49.12	250.58		
Gains/(losses) recognised in profit or loss	61.69	-	-	61.69		
Gains/(losses) recognised in other comprehensive income	(1.14)	1.54	-	0.40		
<b>As at 31-03-2023</b>	<b>407.40</b>	<b>16.33</b>	<b>49.12</b>	<b>472.85</b>		
Additions / (deletions)	4.50	94.36	-	98.86		
Investment in associate - accounted using equity method	(76.58)	-	-	(76.58)		
Reclassified from level 3 to Level 1	(191.92)	-	-	(191.92)		
Gains/(losses) recognised in other comprehensive income	6.40	-	-	6.40		
<b>As at 31-03-2024</b>	<b>149.80</b>	<b>110.69</b>	<b>49.12</b>	<b>309.61</b>		

## Notes to the Consolidated Financial Statements (Contd.)

(iv) Valuation inputs and relationships to fair value

Rupees in Crores

Particulars	Fair value as at		Significant unobservable input	Probability weighted range for the year ended	
	31-03-2024	31-03-2023		31-03-2024	31-03-2023
Preference Shares	74.67	16.33	a) Earnings growth rate	1-3%	1-3%
			b) Risk adjusted discount rate	8%	8%
Debt Instruments	85.18	49.12	a) Earnings growth rate	1-3%	1-3%
			b) Risk adjusted discount rate	8%	8%
Unquoted Equity shares*	312.95	407.40	a) Earnings growth rate	1-3%	1-3%
			b) Risk adjusted discount rate	8%	8%

\* Sensitivity is not significant.

(v) Valuation processes

Discount rates are determined using a capital asset pricing model to calculate a pretax rate that reflects current market assessments of the time value of money and the risk specific to the asset. Earnings growth factor of preference shares are based on cash flow projections of future earnings of the Company and unlisted equity securities are estimated based on market information for similar types of companies. Risk adjustments have been derived based on the market risk premium adjusted for companies relevant financial data.

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

Rupees in Crores

Particulars	As at 31-03-2024		As at 31-03-2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investments				
Preference shares	-	-	-	-
Debt instruments	139.02	139.02	42.10	42.10
	<b>139.02</b>	<b>139.02</b>	<b>42.10</b>	<b>42.10</b>
Financial liabilities				
Borrowings	25,286.62	25,286.62	21,626.23	21,626.23
	<b>25,286.62</b>	<b>25,286.62</b>	<b>21,626.23</b>	<b>21,626.23</b>

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other current financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for preference shares and other debt instruments were calculated based on cash flows discounted using a current lending rate, which approximates the carrying value. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs, including counterparty credit risk

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate, which approximates the carrying value. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

# Notes to the Consolidated Financial Statements (Contd.)

## 34 Financial Risk Management

The Group's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Risk Parameters and Mitigation
Credit risk	Cash, Cash equivalents and Trade receivables	Credit risk primarily arises from cash and cash equivalents, trade receivables and investments carried at amortised cost. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available, reasonable and supportive forward-looking information (more specifically described below). In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments within 60 days, when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.
	a. Cash and Cash Equivalents	Surplus cash is deposited only with banks / financial institutions with a high external credit rating.
	b. Domestic Trade Receivables	Domestic sales to the Dealers are based on advance payments received through banking channels or through inventory funding facilities availed by them from the banks. The Company extends limited credit to the dealers and such extension of credit is based on dealers' credit worthiness, ability to repay and past track record. The Company has extensive reporting and review system to constantly monitor the outstandings.
	c. Export Trade Receivables	The Company's export business is mostly based on Letters of credit. Export receivables are also covered through Insurance with ECGC Limited.
Liquidity risk	INR denominated borrowings [other than soft loans given by Govt. Authorities]	The company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. The Company works out a detailed annual operating plans to assess the fund requirements - both short term and long term. Detailed month wise cash flow forecast is also carried out along with required sensitivities. Based on these factors adequate working capital credit limits are organised in advance. Company has pre-approved credit lines with various banks and these are constantly reviewed and approved by the Board. For long term fund requirements, Company targets various options such as rupee term loan, external commercial borrowing, debentures etc. The Company obtains a credit rating for the various borrowing facilities on annual basis. Company constantly monitors the free cash flow from operations to ensure that the borrowing is minimized.
Market risk	(i) Foreign exchange	The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The Company has a forex management policy which is duly approved by the Board. The objective of the hedges when taken is to minimise the volatility of the INR cash flows of highly probable forecast transactions.
	a. Export trade receivables and Import Payables	The company has a forex management policy duly approved by the Board. The Company's policy is to hedge most of its net currency exposure. Company reviews the forex exposure on a regular basis and also reports its adherence to the Board on a quarterly basis. The recording and reporting requirements are strictly adhered.
	b. Foreign currency denominated borrowings	The Company has hedged its borrowings by covering the principal repayments.
	(ii) Interest rate Foreign currency denominated borrowings	The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. Company's policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

## Notes to the Consolidated Financial Statements (Contd.)

### (A) Credit risk (except Loans from financing activity covered under Note: 35)

Basis of recognition of expected credit loss provision

Rating	Category	Description of category	Investments	Loans and deposits	Trade receivables
1	High Quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.			
2	Quality assets, low credit risk	Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past	12 month expected credit losses	12 month expected credit losses	
3	Standard Assets, moderate credit risk	Assets where the probability of default is considered moderate and where the counter-party's capacity to meet the obligations is not strong.			Life time expected credit losses (simplified approach)
4	Substandard Assets, relatively high credit risk	Assets where there has been a significant increase in credit risk since initial recognition.			
5	Low quality assets, very high credit risk	Assets where there is a high probability of default. Also includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 180 days past due.	Life time expected credit losses		
6	Doubtful assets, credit impaired	Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.		Asset is written off	

#### As at 31-03-2024

#### a) Expected credit loss for investments, loans and other financial assets

Rupees in Crores

Particulars	Internal rating	Assets/Asset group	Gross carrying amount	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	2	Investments at amortised cost	139.02	0%	-	139.02
	1	Other financial assets	305.42	0%	-	305.42

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

Rupees in Crores

Particulars	0 to 180 days past due	More than 180 days past due	Total
Gross carrying amount	1,243.54	644.22	1,887.76
Expected loss rate	-	8%	
Expected credit losses	-	48.34	48.34
Carrying amount of trade receivables	1,243.54	595.88	1,839.42

# Notes to the Consolidated Financial Statements (Contd.)

## As at 31-03-2023

### a) Expected credit loss for investments, loans and other financial assets

Rupees in Crores						
Particulars	Internal rating	Assets/Asset group	Gross carrying amount	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	2	Investments at amortised cost	42.10	0%	-	42.10
	1	Other financial assets	238.88	0%	-	238.88

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

Rupees in Crores			
Particulars	0 to 180 days past due	More than 180 days past due	Total
Gross carrying amount	781.93	523.98	1,305.91
Expected loss rate	-	9%	
Expected credit losses	-	49.49	49.49
Carrying amount of trade receivables	781.93	474.49	1,256.42

#### Reconciliation of loss allowance provision - Trade receivables

Loss allowance 01-04-2022	52.63
Changes in loss allowance	(3.14)
Loss allowance 31-03-2023	49.49
Changes in loss allowance	(1.15)
Loss allowance 31-03-2024	48.34

## (B) Liquidity risk

### (i) Financing arrangements

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

Rupees in Crores		
Particulars	As at 31-03-2024	As at 31-03-2023
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	6016.41	4,370.28
- Expiring beyond one year (bank loans)	43.63	-

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR except for one subsidiary in USD and have an average maturity ranging from 30 to 180 days.

## Notes to the Consolidated Financial Statements (Contd.)

### (ii) Maturities of financial liabilities

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

- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

#### As at 31-03-2024

Rupees in Crores

Contractual Maturities of Financial Liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	2563.72	2,402.25	7,691.33	1,2094.42	536.61	25,288.33
Lease Liabilities	54.93	54.25	106.22	545.25	58.95	819.60
Trade payables	6,198.42	252.94	185.68	1.18	-	6,638.22
Other financial liabilities	444.29	-	-	-	-	444.29
Derivatives	15.29	-	-	-	-	15.29

#### As at 31-03-2023

Rupees in Crores

Contractual Maturities of Financial Liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	3,709.49	1,732.78	7,119.88	8,861.09	208.45	21,631.69
Lease Liabilities	48.80	46.42	90.62	596.77	75.28	857.89
Trade payables	4,514.69	290.86	291.12	-	-	5,096.67
Other financial liabilities	349.66	-	-	-	-	349.66
Derivatives	5.94	-	-	-	-	5.94

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

### (C) Market risk

#### i) Foreign exchange risk

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

Rupees in Crores

	31-03-2024		31-03-2023	
	USD	EUR	USD	EUR
Exposure in foreign currency				
<b>Financial assets</b>				
Trade receivables	1,544.44	87.45	1,275.23	66.88
Investments	146.67	8.46	137.10	8.47
Derivative assets				
Foreign exchange forward contracts				
Sell foreign currency	(888.20)	(87.45)	(847.89)	(62.75)
<b>Financial liabilities</b>				
Foreign currency loan	1123.61	-	2931.78	-
Trade payables	135.70	15.25	560.91	7.54
Derivative liabilities				
Foreign exchange forward contracts				
Buy foreign currency	8.46	-	4.14	-
Principal swap				
Buy foreign currency	(833)	-	(2669.98)	-

## Notes to the Consolidated Financial Statements (Contd.)

### Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

Rupees in Crores

	Impact on profit after tax*		Impact on other components of equity*	
	As at 31-03-2024	As at 31-03-2023	As at 31-03-2024	As at 31-03-2023
<b>USD sensitivity</b>				
INR/USD increases by 10%	60.04	37.87	(56.84)	(54.92)
INR/USD decreases by 10%	(60.04)	(37.87)	56.84	54.92
SGD/USD increases by 10%	11.72	3.40	4.85	6.28
SGD/USD decreases by 10%	(11.72)	(3.40)	(4.85)	(6.28)
IDR/USD increases by 10%	13.54	(10.38)	-	-
IDR/USD decreases by 10%	(13.54)	10.38	-	-
<b>EURO sensitivity</b>				
INR/EURO increases by 10%	4.95	4.01	(5.76)	(4.25)
INR/EURO decreases by 10%	(4.95)	(4.01)	5.76	4.25
SGD/EURO increases by 10%	-	-	0.56	0.57
SGD/EURO decreases by 10%	-	-	(0.56)	(0.57)

\*Holding all other variables constant

### ii) Interest Rate risk

Domestic INR borrowings are based on fixed rate of interest. Normally for short term borrowings the marginal cost of lending rate of the bank is followed. Whenever, Company resorts to short term borrowing through Commercial Paper the rate of interest is fixed in advance. In respect of foreign currency borrowings for longer period the interest rates are covered through interest rate swaps (IRS).

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Variable rate borrowings	15,522.78	9,772.10
Fixed rate borrowings	9,765.53	11,859.68

Rupees in Crores

Sensitivity	Impact on profit after tax	
	As at 31-03-2024	As at 31-03-2023
Increase in interest rates by 100 bps	(102.14)	(66.10)
Decrease in interest rates by 100 bps	102.14	66.10

### iii) Price risk

The company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss. To manage its price risk from investments in equity securities, the Company diversifies its portfolio. The impact of the changes in price risk is not material.



## Notes to the Consolidated Financial Statements (Contd.)

### (D) Impact of hedging activities

#### i) Disclosure of effects of hedge accounting on financial position

##### a) Disclosure of effects of hedge accounting on financial position as at 31-03-2024

Rupees in Crores

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Changes in fair value of hedging instrument	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities			
Cash flow hedge							
Foreign exchange forward contracts, PCFC	975.65	8.46	-	15.29	Apr'24 to Dec'24	(15.29)	15.29
Foreign currency loan							-
Principal swap	-	833.00	90.67	-	Jun'24 to Dec'24	90.67	(90.67)
Interest rate swap	-	833.00	-	-		-	-

##### b) Disclosure of effects of hedge accounting on financial position as at 31-03-2023

Rupees in Crores

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Changes in fair value of hedging instrument	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities			
Cash flow hedge:							
Foreign exchange forward contracts, PCFC	910.64	(4.14)	4.45		Apr'23 to June'23	4.45	(4.45)
Foreign currency loan							
Principal swap	-	2669.98	167.84	-	Jun'23 to Dec'27	167.84	(167.84)
Interest rate swap	-	2669.98	0.26	-		0.26	(0.26)

#### ii) Disclosure of effects of hedge accounting on financial performance:

##### a) for the year ended 31-03-2024

Rupees in Crores

Type of hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit and loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge:				Revenue and Borrowing cost
Foreign exchange risk/ POS/ IRS	(17.32)	-	(1.35)	

## Notes to the Consolidated Financial Statements (Contd.)

### b) for the year ended 31-03-2023

				Rupees in Crores
Type of hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit and loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge:				Revenue and
Foreign exchange risk/ POS/ IRS	(6.02)	-	(16.98)	Borrowing cost

## 35 Financial Risk Management Relating to Loan Receivable from Financing Activity

### (A) Credit Risk

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored to determine significant increase in credit risk. The Group monitors the credit assessment on a portfolio basis, assesses all credit exposures in excess of designated limits. The Group does a risk grading based upon the credit worthiness of the borrowers. All these factors are taken into consideration for computation of Expected Credit Loss (ECL).

#### Loans

The following table sets out information about credit quality of retail loan assets measured at amortised cost based on Number of Days past due information. The amount represents gross carrying amount.

Particulars	Rupees in Crores	
	March 31, 2024	March 31, 2023
Gross Carrying value of Loans		
Stage-1 (Less than 30 Days)	24,359.13	19,694.90
Stage-2 (30-90 Days)#	1305.94	989.54
Stage-3 (More than 90 Days)*	742.80	573.71
<b>Total Gross Carrying value on Reporting Date</b>	<b>26,407.87</b>	<b>21,258.15</b>

#Includes restructured contracts under one time resolution framework vide RBI circular dated August 6, 2020 and RBI/2 021- 22/31/DOR. STR.REC.11 /21.04.048/2021-22 dated 5<sup>th</sup> May 2021 even though days past due is less than and equal to 30 days on the reporting date.

\*Includes restructured contracts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP. BC.45/21.04.048/2018-19 dated 7<sup>th</sup> June 2019 irrespective of days past due on the reporting date.

#### Other financial assets

Credit risk with respect to other financial assets are extremely low except 'Other Financial Assets - Non Related Parties'. Based on the credit assessment, the historical trend of low default is expected to continue. No provision for ECL has been created for Other financial Assets except full provision on "Other Financial Assets - Non Related Parties".

#### Credit Quality

The Company has a comprehensive framework for monitoring credit quality of its retail and other loans based on days past due monitoring. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery is taken through follow ups and legal recourse.

#### Inputs considered in the ECL model

In assessing the impairment of loans assets under ECL model, the loan assets have been segmented into three stages.

The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages relate to the recognition of expected credit losses and the calculation and presentation of interest revenue.

# Notes to the Consolidated Financial Statements (Contd.)

The Company categorises loan assets into stages based on the Days Past Due status:

- Stage 1: 30 Days Past Due
- Stage 2: 31-90 Days Past Due
- Stage 3: More than 90 Days Past Due

### Assumptions considered in the ECL model

The financial services business has made the following assumptions in the ECL Model:

- "Loss given default" (LGD) is common for all three stages and is based on loss in past portfolio. Actual cash flows are discounted with average rate for arriving loss rate. EIR has been taken as discount rate for all loans

### Estimation Technique

The financial services business has applied the following estimation technique in its ECL model:

- "Probability of default" (PD) is applied on Stage 1 and Stage 2 on portfolio basis and for Stage 3 PD is 100%.
- Probability of default for Stage 1 loan assets is calculated as average of historical trend from Stage 1 to Stage 3 in next 12 months.
- Probability of default for Stage 2 loan assets is calculated based on the lifetime PD as average of historical trend from Stage 2 to Stage 3 for the remaining tenor.
- Loss given default is calculated based on discounted actual cash flow on past portfolio in default along with reversals. There is no change in estimation techniques or significant assumptions during the reporting period.

The Group considers a broad range of forward looking information with reference to external forecasts of economic parameters such as GDP growth, government borrowing, private consumption expenditure, policy interest rates, etc., as considered relevant so as to determine the impact of macroeconomic factors on the Company's ECL estimates. The internal estimates of PD, LGD rates used in the ECL model may not always capture all the characteristics of the market / external environment as at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

### Assessment of significant increase in credit risk

When determining whether the risk of default has increased significantly since initial recognition, the financial services business considers both quantitative and qualitative information and analysis based on the business historical experience, including forward-looking information. The financial services business considers reasonable and supportable information that is relevant and available without undue cost and effort.

The financial services business uses the number of days past due to classify a financial instrument in low credit risk category and to determine significant increase in credit risk in retail. As a backstop, the financial services business considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due.

In accordance with the board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020 and April 17, 2020 relating to 'COVID-19 – Regulatory Package', the Group has offered moratorium upto six months on the payment of installments falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers. The Group has extended One-Time Resolution framework as for COVID-19-related Stress to eligible customers as per applicable RBI guidelines and as per the policy of the Company. The Group has classified all restructured accounts done under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7<sup>th</sup> June 2019 in Stage 3 and with regard to restructured contracts done under one time resolution framework vide RBI circular dated August 6, 2020 and RBI/2 021- 22/31/DOR.STR. REC.11 /21.04.048/2021-22 dated 5 May 2021 in Stage 2 irrespective of days past due status on the reporting date.

Group's assessments of impairment loss allowance on its loans are subject to a number of management judgements and estimates. Since the Group's impairment loss allowance estimates are inherently uncertain, actual results may differ from these estimates.

### Definition of default

The Company considers a financial instrument is in defaulted when the borrower becomes 90 days past due on its contractual payments. The financial services business considers Loans under default as 'credit impaired' and classified as Stage-3 except for restructured contracts as disclosed above.

## Notes to the Consolidated Financial Statements (Contd.)

### Impairment loss

The expected credit loss allowance provision is determined as follows:

Rupees in Crores				
Particulars	Stage 1	Stage 2	Stage 3	Grand Total
Gross Balance as at March 31, 2024	24,359.13	1,305.94	742.80	26,407.87
Expected Credit Loss	289.49	253.53	393.04	936.06
Expected Credit Loss Rate	1.19%	19.41%	52.91%	3.54%
Net of Impairment Provision	24,069.64	1,052.41	349.76	25,471.81

Rupees in Crores				
Particulars	Stage 1	Stage 2	Stage 3	Grand Total
Gross Balance as at March 31, 2023	19,693.40	989.54	573.71	21,256.65
Expected Credit Loss	264.75	138.78	306.54	710.07
Expected Credit Loss Rate	1.34%	14.02%	53.43%	3.34%
Net of Impairment Provision	19,428.65	850.76	267.17	20,546.58

### Reconciliation of Expected Credit Loss

Rupees in Crores				
Particulars	Stage 1	Stage 2	Stage 3	Grand Total
<b>Balance as at April 01, 2022</b>	<b>87.82</b>	<b>33.25</b>	<b>267.61</b>	<b>388.68</b>
Transfer from Stage 1	(6.38)	3.96	2.42	-
Transfer from Stage 2	2.16	(8.41)	6.25	-
Transfer from Stage 3	11.64	2.96	(14.60)	-
Loans that have derecognised during the period	(22.10)	(9.86)	(141.35)	(173.31)
New Loans originated during the year	118.95	46.44	48.07	213.46
Net Remeasurement of Loss Allowance	72.66	70.44	138.14	281.24
<b>Balance as at March 31, 2023</b>	<b>264.75</b>	<b>138.78</b>	<b>306.54</b>	<b>710.07</b>
Transfer from Stage 1	(15.17)	8.74	18.25	11.82
Transfer from Stage 2	13.19	(55.32)	41.91	(0.22)
Transfer from Stage 3	8.78	4.45	(13.17)	0.06
Loan that have derecognised during the period	(39.36)	(48.01)	(113.34)	(200.71)
New Loans originated during the year	114.54	59.15	49.21	222.90
Net Remeasurement of Loss Allowance	(57.24)	145.74	103.64	192.14
<b>Balance as at March 31, 2024</b>	<b>289.49</b>	<b>253.53</b>	<b>393.04</b>	<b>936.06</b>

### Concentration of Credit Risk

The business manages concentration of risk primarily by geographical region. The following details show the geographical concentrations of the loans at the year end:

Rupees in Crores		
Particulars	Year Ended 31-03-2024	Year Ended 31-03-2023
Carrying value		
Concentration by geographical region in India		
South	10,637.99	8,472.49
West	7,256.11	5,917.79
East	4,252.84	3,307.58
North	4,260.93	3,558.79
<b>Total Loans as at reporting period</b>	<b>26,407.87</b>	<b>21,256.65</b>

## Notes to the Consolidated Financial Statements (Contd.)

### 36 Capital management

#### (a) Risk management

The Company's objectives when managing capital are to

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

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

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by Total 'equity' (as shown in the balance sheet).

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

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
Net debt	22,930.82	19,775.04
Total equity	6,783.51	5,505.00
<b>Net debt to equity ratio</b>	<b>3.4</b>	<b>3.6</b>

The company also monitors Interest coverage ratio:

Company's earnings before interest and taxes (EBIT) divided by Interest

The Company's strategy is to maintain an optimum interest coverage ratio. The Interest coverage ratio are as follows:

	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
EBIT (before exceptional item)	2,211.35	1,628.52
Interest	210.00	155.50
<b>Interest coverage ratio (times)</b>	<b>10.5</b>	<b>10.5</b>

#### (b) Dividends

Particulars	Rupees in Crores	
	As at 31-03-2024	As at 31-03-2023
(i) Equity shares		
Interim dividends for the year ended 31-03-2024 of ₹8.00 (31-03-2023 of ₹5.00) per fully paid share	380.07	237.54
(iii) Dividends not recognised at the end of the reporting period	-	-

### 37 Business Combination

On 1<sup>st</sup> October 2015, our Subsidiary Sundaram Auto Components Limited (SACL) acquired an automobile seat manufacturing business at Nalagarh, Himachal Pradesh to expand its business"

On 7<sup>th</sup> September 2017, the Company acquired 16,20,000 (81%) equity shares of M/s. TVS Motor Services Limited, Chennai. This would further strengthen the retail financing for the customers of the Company through its subsidiaries.

During the year ended March 31, 2022, our subsidiary TVS Motor (Singapore) Pte. Ltd. acquired majority stake in two E-Mobility companies in Europe to establish its presence in e-personal mobility space.

On 16<sup>th</sup> September 2021, 91,20,858 (80%) equity shares of The GO Corporation (The GO AG) and on 27<sup>th</sup> January 2022, 1,14,658 (75%) equity shares of Swiss E-Mobility Group (Holding) AG (SEMG) were acquired.

During the year ended March 31, 2023, our subsidiary TVS Motor (Singapore) Pte. Ltd. acquired majority stake in two E-Mobility companies in Europe to further strengthen its presence in e-personal mobility space.

## Notes to the Consolidated Financial Statements (Contd.)

On 1<sup>st</sup> April 2022, 70 (70%) equity shares of EBCO Limited, UK were acquired. Further on 12<sup>th</sup> April 2022, (100%) equity shares of Alexand'Ro Edouard'O Passion Vélo Sàrl ("Passion Vélo"), Germany were acquired through its subsidiary Swiss E-Mobility Group (Holding) AG (SEMG).

Details of the purchase consideration and goodwill are follows:

Particulars	Rupees in Crores					
	Business acquired by SACL	TVS Motor Services	GO AG	SEMG	EBCO	Passion Velo
Consideration transferred	9.00	1.62	131.46	488.60	11.64	23.96
Non-controlling interest in the acquired entity	-	136.05	(1.12)	55.52	(1.32)	-
Acquisition date fair value of previously held equity interest	-	0.38	-	-	-	-
Less: Net identifiable assets acquired	6.80	(48.06)	71.23	222.07	(4.40)	11.10
<b>Goodwill on consolidation</b>	<b>2.20</b>	<b>186.11</b>	<b>59.11</b>	<b>322.05</b>	<b>14.72</b>	<b>12.86</b>
<b>Total goodwill recognised in books</b>						<b>597.05</b>

The goodwill is attributable to the expected synergies on acquisition of the financial services business and e-personal mobility business.

"Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business is allocated to the Group's cash generating units (CGU) or groups of CGUs expected to benefit from the synergies arising from the business combination.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rate on the basis of carrying amount of each asset in CGU. An impairment loss on goodwill is recognized in net profit in the Consolidated Statement of Profit and Loss and is not reversed in the subsequent period."

Company assessed impairment of goodwill based on the expected earnings growth of the acquired business.

### 38 Employee Benefit Obligations

Defined benefit plans as per actuarial valuation

Particulars	Funded Plan			Unfunded Plans
	Gratuity			Pension
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation
	Rupees in Crores			
<b>As at 01-04-2022</b>	<b>194.92</b>	<b>(191.47)</b>	<b>3.45</b>	<b>158.49</b>
Balance from Incumbent subsidiary:	-	-	-	-
Current service cost	34.70	-	34.70	-
Interest expense/(income)	14.88	(14.10)	0.74	10.01
<b>Total amount recognised in profit or loss</b>	<b>49.58</b>	<b>(14.10)</b>	<b>35.48</b>	<b>10.01</b>
<b>Remeasurements</b>				
Return on plan assets, excluding amounts included in interest expense/(income)	-	3.17	3.17	-
(Gain)/loss from change in financial assumptions	3.66	-	3.66	(20.49)
Sale of subsidiary	(0.62)	-	(0.62)	-
Experience (gains)/losses	3.42	-	3.42	12.32
<b>Total amount recognised in other comprehensive income</b>	<b>6.46</b>	<b>3.17</b>	<b>9.63</b>	<b>(8.17)</b>

## Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

Particulars	Funded Plan			Unfunded Plans
	Gratuity			Pension
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation
Employer contributions	-	(53.15)	(53.15)	-
Benefit payments	(23.48)	21.04	(2.44)	(4.01)
<b>As at 31-03-2023</b>	<b>227.44</b>	<b>(234.51)</b>	<b>(7.07)</b>	<b>156.32</b>
Current service cost	42.30	-	42.30	-
Interest expense/(income)	17.53	(17.04)	0.49	11.87
<b>Total amount recognised in profit or loss</b>	<b>59.82</b>	<b>(17.04)</b>	<b>42.79</b>	<b>11.87</b>
<b>Remeasurements</b>				
Return on plan assets, excluding amounts included in interest expense/(income)	-	6.84	6.84	-
(Gain)/loss from change in financial/ demographic assumptions	4.61	-	4.61	1.34
Experience (gains)/losses	(0.41)	-	(0.41)	16.63
<b>Total amount recognised in other comprehensive income</b>	<b>4.20</b>	<b>6.84</b>	<b>11.04</b>	<b>17.97</b>
Employer contributions	-	(50.48)	(50.48)	-
Benefit payments	(18.62)	18.62	-	(4.72)
<b>As at 31-03-2024</b>	<b>272.84</b>	<b>(276.57)</b>	<b>(3.73)</b>	<b>181.44</b>

Certain Companies in the group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees and have created an Employees' Group Gratuity Fund which has taken a Group Gratuity Assurance Scheme with the Life Insurance Corporation of India. Company's contributions are based on actuarial valuation arrived at the end of each year and charged to Statement of Profit and Loss.

The significant actuarial assumptions were as follows:

Rupees in Crores

Particulars	As at 31-03-2024	As at 31-03-2023
Discount rate (Gratuity)	6.95% to 7.0%	5.3% to 7.3%
Discount rate (Pension)	6.95% to 7.0%	5.7% to 6.1%
Salary growth rate	5.5% to 6%	5.5% to 10%
Pre-retirement Mortality rate	IALM (2006-08) Ultimate	
Post-retirement Mortality rate	LIC Ann (1996-98)	

Assumptions regarding future mortality for pension are set based on actuarial advice in accordance with published statistics and experience. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 58.

### (i) Sensitivity analysis

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

Rupees in Crores

Particulars	Impact on defined benefit obligation - Gratuity					
	Change in assumption		Increase in assumption		Decrease in assumption	
	Year ended					
	31-03-2024	31-03-2023	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Discount rate	0.50%	0.50%	262.44	218.66	283.24	236.10
Salary growth rate	0.50%	0.50%	283.33	236.19	262.27	218.50
Mortality	5.00%	5.00%	272.51	227.11	272.42	227.03



# Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

Particulars	Impact on defined benefit obligation - Pension					
	Change in assumption		Increase in assumption		Decrease in assumption	
	Year ended					
	31-03-2024	31-03-2023	31-03-2024	31-03-2023	31-03-2024	31-03-2023
Discount rate	1.00%	1.00%	164.38	141.38	201.63	174.82
Salary growth rate	1.00%	1.00%	202.73	175.80	163.27	140.40
Mortality	5.00%	5.00%	179.95	155.42	183.02	157.98

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

## (ii) Risk exposure

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

**Asset volatility:** The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit.

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

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

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

## (iii) Defined contribution plans:

The Company's contribution to defined contribution plan i.e., provident fund of ₹ 86.15 crores (previous year ₹68.79 crores) has been recognised in the Statement of Profit and Loss.

## 39 Related Party Disclosure

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

#### Holding company:

TVS Holdings Limited, Chennai ( Formerly known as Sundaram-Clayton Limited, Chennai)

#### Subsidiaries:

Sundaram Auto Components Limited, Chennai

TVS Digital Limited, Chennai (Formerly known as TVS Housing Limited, Chennai)

TVS Motor Services Limited, Chennai

TVS Credit Services Limited, Chennai

TVS Electric Mobility Ltd., Chennai

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

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

PT TVS Motor Company Indonesia, Jakarta

Harita ARC Services Private Limited, Chennai

## Notes to the Consolidated Financial Statements (Contd.)

Harita Two Wheeler Mall Private Limited, Chennai (Formerly known as TVS Two Wheeler Mall Private Limited, Chennai)

TVS Housing Finance Private Limited, Chennai

The GO Corporation, Switzerland (GO AG),

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

The Norton Motorcycle Co. Limited, UK

TVS Digital Pte Ltd., Singapore

EBCO Limited, UK

Celerity Motor GmbH, Germany

EGO Movement Stuttgart, GmbH, Germany (Subsidiary of GO AG)

Swiss E-Mobility Group (Schweiz) AG, Switzerland

Colag E-Mobility GmbH, Germany

Alexand'Ro Edouard'O Passion Vélo Sàrl, Switzerland

**Associate company:**

Ultraviolette Automotive Private Limited, Bengaluru

Tagbox Solutions Private Limited, Bengaluru [upto 30<sup>th</sup> March 2024]

DriveX Mobility Private Limited, Coimbatore

Indian Foundation for Quality Management, Bengaluru [From 15<sup>th</sup> Feb 2024]

Emerald Haven Realty Ltd., Chennai (Upto 14<sup>th</sup> June 2023)

**(ii) Other related parties and their relationship where transaction exists**

**Associate / Joint venture of holding / subsidiary / fellow subsidiary company:**

Predictronics Corp, USA

Emerald Haven Realty Ltd., Chennai (from 16<sup>th</sup> June 2023)

Emerald Haven Development Limited, Chennai

ION Mobility Pte. Ltd., Singapore [From 14.03.2024]

**(iii) Enterprises under Common control**

Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)

**Enterprises in which directors are interested:**

Dua Associates, Delhi

Dua Consulting Private Limited, Delhi

McCann-Erickson (India) Private Limited, Delhi

Trichur Sundaram Santhanam & Family Private Limited, Chennai

T.V Sundram Iyengar & Sons Private Limited, Madurai

Lakshmi Energy and Environment Design Private Limited, Coimbatore

TVS Organics Private Limited, Chennai

Adwaith Lakshmi Industries Private Limited, Coimbatore (From 01<sup>st</sup> April 2023)

## Notes to the Consolidated Financial Statements (Contd.)

### Key Management personnel

#### Executive Directors:

Mr. Venu Srinivasan, Chairman Emeritus & Managing Director

Mr Sudarshan Venu, Managing Director

Mr K N Radhakrishnan, Director & Chief Executive Officer

#### Non-Executive Directors:-

##### *Independent Directors:*

Mr. C R Dua

Mr. R Gopalan (upto 2<sup>nd</sup> Mar 2024)

Dr. Deepali Pant Joshi (from 11<sup>th</sup> September 2023)

Mrs. Lalita D Gupte (upto 22<sup>nd</sup> October 2023)

Mr. T Kannan (upto 23<sup>rd</sup> May 2023)

Mr. Kuok Meng Xiong

Mr. Vijay Sankar (from 20<sup>th</sup> March 2024)

Mr. Hemant Krishan Singh

Mr. B Sriram

##### *Non-Independent Directors:*

Sir Ralf Dieter Speth

Dr. Lakshmi Venu

##### *Chief Financial Officer*

K. Gopala Desikan

##### *Company Secretary*

K.S. Srinivasan

##### *Post Employment benefit plans:*

TVS Motor Company Employees' Gratuity Fund

TVS Motor Company Employees' Provident Fund

## Notes to the Consolidated Financial Statements (Contd.)

### (b) Transactions with related parties: (Transactions from the date of becoming/ upto the date of ceasing to be related party)

		Rupees in Crores	
Particulars	As at / Year ended 31-03-2024	As at / Year Ended 31-03-2023	
<b>(i) Purchase of goods (Including sales reversal)</b>			
<b>Holding company</b>			
TVS Holdings Limited, Chennai - (Formerly known as Sundaram-Clayton Limited, Chennai)	126.75	412.62	
<b>- Associate / joint venture</b>			
Tagbox Solutions Private Limited, Bengaluru	0.73	1.43	
Ultraviolette Automotive Private Limited, Bengaluru	0.67	-	
<b>- Enterprises under Common control</b>			
Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	255.24	-	
<b>- Enterprises in which directors are interested</b>			
TV Sundram Iyengar & Sons Private Limited, Madurai	-	0.23	
TVS Organics Private Limited, Chennai	0.69	0.19	
Adwaith Lakshmi Industries Private Limited, Coimbatore	0.01	-	
<b>(ii) Sale of goods</b>			
<b>Holding company</b>			
TVS Holdings Limited, Chennai - (Formerly known as Sundaram-Clayton Limited, Chennai)	471.96	439.61	
<b>Associate company</b>			
DriveX Mobility Private Limited, Coimbatore	0.06	-	
<b>- Enterprises under Common control</b>			
Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	9.60	-	
<b>(iii) Purchase of assets</b>			
<b>Holding company</b>			
TVS Holdings Limited, Chennai - (Formerly known as Sundaram-Clayton Limited, Chennai)	39.00	-	
<b>- Associate / joint venture</b>			
Ultraviolette Automotive Private Limited, Bengaluru	-	3.00	
Tagbox Solutions Private Limited, Bengaluru	0.61	-	
<b>- Associate / joint venture of holding / subsidiary / fellow subsidiary company</b>			
Predictronics Corporation, USA	-	0.07	
<b>(iv) Sale of assets</b>			
<b>- Associate / Joint venture of holding / subsidiary / fellow subsidiary company</b>			
Emerald Haven Realty Limited, Chennai	2.58	-	
<b>- Enterprises under Common control</b>			
Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	0.29	-	
<b>- Key Management personnel</b>			
	-	0.12	
<b>(v) Rendering of services</b>			
<b>Holding company</b>			
TVS Holdings Limited, Chennai - (Formerly known as Sundaram-Clayton Limited, Chennai)	2.72	8.58	
<b>- Associate / joint venture</b>			
DriveX Mobility Private Limited, Coimbatore	-	0.66	
<b>- Associate / joint venture of holding / subsidiary / fellow subsidiary company</b>			
Emerald Haven Realty Limited, Chennai	1.34	0.07	
<b>- Enterprises under Common control</b>			
Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	6.74	-	

## Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

Particulars	As at / Year ended 31-03-2024	As at / Year Ended 31-03-2023
<b>(vi) Availing of services (includes sub-contract charges paid)</b>		
<b>Holding company</b>		
TVS Holdings Limited, Chennai - (Formerly known as Sundaram-Clayton Limited, Chennai)	139.93	68.94
<b>- Associate / joint venture</b>		
Tagbox Solutions Private Limited, Bengaluru	-	0.16
<b>- Associate / joint venture of holding / subsidiary / fellow subsidiary company</b>		
Scienaptic Systems Inc., USA	-	3.03
Emerald Haven Realty Limited, Chennai	-	0.01
<b>- Enterprises under Common control</b>		
Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	4.81	-
<b>- Enterprises in which directors are interested</b>		
Dua Associates, Delhi	0.35	0.70
Dua Consulting Private Limited, Delhi	4.57	4.33
McCann-Erickson (India) Private Limited, Delhi	3.59	3.47
Lakshmi Energy and Environment Design Private Limited, Coimbatore	0.20	0.20
TV Sundram Iyengar & Sons Private Limited, Madurai	-	0.83
Trichur Sundaram Santhanam & Family Private Limited, Chennai	0.65	0.12
<b>(vii) Investments made during the year</b>		
<b>- Associate / joint venture</b>		
DriveX Mobility Private Limited, Coimbatore	-	87.17
<b>- Associate / joint venture of holding / subsidiary / fellow subsidiary company</b>		
Indian Foundation for Quality Management, Bengaluru [From 15.02.2024]	25.00	-
Killwatt GmbH, Germany [From 14.04.2023]	71.50	-
ION Mobility Ltd., Singapore [From 14.03.2024]	45.38	-
<b>(viii) Remuneration to key management personnel:</b>		
Short-term employee benefits	68.21	104.92
Post-employment benefits	0.65	1.08
<b>(ix) Contributions to post employment benefit plans:</b>		
TVS Motor Company Employees' Gratuity Fund	98.51	43.71
TVS Motor Company Employees' Provident Fund (Including Employee and Employer Contributions)	114.30	92.25
<b>(x) Loan and Advances given</b>		
<b>- Associate / joint venture of holding / subsidiary / fellow subsidiary company</b>		
Emerald Haven Realty Limited, Chennai	-	3.00
<b>(xi) Loan and Advances repaid (incl interest)</b>		
<b>- Associate / Joint venture of holding / subsidiary / fellow subsidiary company</b>		
Emerald Haven Realty Limited, Chennai	-	3.06

## Notes to the Consolidated Financial Statements (Contd.)

		Rupees in Crores	
Particulars	As at / Year ended 31-03-2024	As at / Year Ended 31-03-2023	
<b>(c) Balances with related parties: (Balances of parties as at March 31<sup>st</sup> 2024, who are ceased to be related parties are not furnished)</b>			
<b>(i) Trade receivables / Other current assets</b>			
<b>    Holding company</b>			
TVS Holdings Limited, Chennai - (Formerly known as Sundaram-Clayton Limited, Chennai)	74.23	17.36	
<b>    - Associate company</b>			
Tagbox Solutions Private Limited, Bengaluru	-	0.16	
DriveX Mobility Private Limited, Coimbatore	-	0.44	
Ultraviolette Automotive Private Limited, Bengaluru	0.18		
<b>    - Associate / joint venture of holding / subsidiary / fellow subsidiary company</b>			
Emerald Haven Realty Limited, Chennai	11.91	4.31	
<b>    - Enterprises in which directors are interested</b>			
Trichur Sundaram Santhanam & Family Private Limited, Chennai	0.52	-	
McCann-Erickson (India) Private Limited, Delhi	0.02	-	
<b>    - Enterprises under Common control</b>			
Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	1.25	-	
<b>(ii) Trade payables</b>			
<b>    Holding</b>			
TVS Holdings Limited, Chennai - (Formerly known as Sundaram-Clayton Limited, Chennai)	7.89	-	
<b>    - Associate / joint venture</b>			
Predictronics Corporation, USA	0.07	0.07	
DriveX Mobility Private Limited, Coimbatore	0.04	-	
<b>    - Associate / joint venture of holding / subsidiary / fellow subsidiary company</b>			
Scienaptic Systems Inc., USA	-	0.45	
<b>    - Enterprises under Common control</b>			
Sundaram - Clayton Limited, Chennai (Formerly known as Sundaram-Clayton DCD Limited)	0.27	-	
<b>    - Enterprises in which directors are interested</b>			
Dua Consulting Private Limited, Delhi	0.32	0.32	
McCann-Erickson (India) Private Limited, Delhi	-	0.32	
TV Sundram Iyengar & Sons Private Limited, Madurai	0.07	0.03	
Lakshmi Energy and Environment Design Private Limited, Coimbatore	-	0.06	
TVS Organics Private Limited, Chennai	0.03	-	

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and settlement occurs in cash.

# Notes to the Consolidated Financial Statements (Contd.)

## 40 Revenue From Contract With Customers

### A Disaggregated revenue

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

		Rupees in Crores	
Particulars		For the year ended 31-03-2024	For the year ended 31-03-2023
<b>A.</b>	<b>Type of goods or service</b>		
1.	Automobiles	29,493.96	24,232.76
2.	Parts and accessories	3,170.53	2,705.13
3.	Automotive components	333.89	439.45
4.	Services - IT Services	24.98	50.55
5.	Services - Royalty	13.27	8.01
6.	Others	5,108.82	3,753.29
		<b>38,145.45</b>	<b>31,189.19</b>
<b>B.</b>	<b>Geographical markets</b>		
1.	Domestic	30,329.44	23,660.58
2.	Exports	7,816.01	7,528.61
		<b>38,145.45</b>	<b>31,189.19</b>

B The Group operates in the segments of automotive vehicle and its parts, Automotive components and financial services. The information provided above is in line with the segmental information provided under Ind AS 108 in Note. 46

### C Reconciliation of contracts with customers

Movement of contract liabilities for the reporting period given below:

		Rupees in Crores	
Particulars		For the year ended 31-03-2024	For the year ended 31-03-2023
	Contract Liabilities at the beginning of the period	338.00	277.57
	Add / (Less):		
	Consideration received during the year as advance	265.58	338.00
	Revenue recognized from contract liability	(338.00)	(277.57)
	Contract Liabilities at the end of the period	265.58	338.00

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

### D Transaction price allocated to the remaining performance obligations

The Group's contracts with customers are short term (i.e., the performance obligations are expected to be met within one year or less). Therefore, taking the practical expedient, the details on transaction price allocated to the remaining performance obligations are not disclosed.

### E Reconciliation of revenue with contract price

		Rupees in Crores	
Sl. No.	Particulars	For the year ended 31-03-2024	For the year ended 31-03-2023
(i)	Contract price	39,377.56	32,052.96
(ii)	Adjustments:		
	Incentive schemes	705.62	450.97
	Transport cost	526.49	412.80
(iii)	Revenue from sale of products and services	38,145.45	31,189.19

## Notes to the Consolidated Financial Statements (Contd.)

### 41 Earnings Per Share

Particulars	Rupees in Crores	
	As at / Year ended 31-03-2024	As at / Year ended 31-03-2023
Profit after tax	1,686.37	1,328.67
Number of equity shares	47,50,87,114	47,50,87,114
Face value of the share (in rupees)	1.00	1.00
Weighted average number of equity shares	47,50,87,114	47,50,87,114
Basic and diluted earnings per share for continued operations (in rupees)	35.50	27.97
Basic and diluted earnings per share for discontinued operations (in rupees)	-	-
Basic and diluted earnings per share for continued and discontinued operations (in rupees)	35.50	27.97

### 42 Warranty Provision

Particulars	Rupees in Crores	
	As at / Year ended 31-03-2024	As at / Year ended 31-03-2023
Opening balance	55.11	41.32
Add: Provision for the year (Net)	88.32	55.11
	<b>143.43</b>	<b>96.43</b>
Less: Payments / debits (Net)	55.11	41.32
<b>Closing balance</b>	<b>88.32</b>	<b>55.11</b>

### 43 Contingent Liabilities and Commitments not Provided for

Particulars	Rupees in Crores	
	As at / Year ended 31-03-2024	As at / Year ended 31-03-2023
(a) Claims against the company not acknowledged as debts:		
(i) Excise	31.14	52.44
(ii) Service tax	8.08	8.65
(iii) Customs	-	39.67
(iv) Sales tax	2.00	2.74
(v) Income tax	517.86	73.67
(vi) GST	9.03	3.46
(vii) Legal cases filed by customers	-	4.04
(viii) Legal cases filed by borrowers against the Company	6.15	-
The future cash flows on the above items are determinable only on receipt of the decisions / judgements that are pending at various forums / authorities.		
The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.		
(b) Other money for which the company is contingently liable:		
(i) On bills discounted with banks	250.99	146.91
(c) Commitments:		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	252.41	281.43
(ii) On Investments	1.88	3.90
(iii) Undrawn loans sanctioned to customers by financial enterprises	63.47	43.58
(iv) Estimated Indemnity amount on account of tax paid due to interpretational difference in GST tax rate	15.94	-
	<b>1,158.95</b>	<b>244.72</b>



## Notes to the Consolidated Financial Statements (Contd.)

### 44 Company As A Lessee

The company has taken land, warehouses and sales offices across the country on lease for lease period ranging from 6-99 years. Company also has other assets on leases, the lease term here ranges from 2-9 Years.

Wherever the lease includes extension option and it is reasonably certain to exercise that option, the same is considered for computing the lease term. In other cases, the term is limited to initial lease period. Lease term includes non-cancellable period and expected lease period.

Payment made towards short term leases during the year is ₹121.76 Cr (Previous year: ₹95.11 Cr)

Payment made towards low value asset leases during the year is Nil (Previous year: Nil)

Payment relating to leases are disclosed in Cash flow statement

Income from sub-leasing of Right of use asset ₹ NIL (Previous year: ₹ 7.47 Cr.)

### 45 Additional Regulatory Disclosures as per Schedule III of Companies Act, 2013

- (i) As per the Group's accounting policy, Property, Plant and Equipment (including Right of Use Assets) and intangible assets are carried at historical cost (less accumulated depreciation & impairment, if any), hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable /do not apply
- (ii) The Group has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013), which are repayable on demand or without specifying any terms or period of repayments.
- (iii) No proceedings have been initiated or pending against any Company in the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (iv) The Group has sanctioned facilities from banks on the basis of security of current assets. The periodic returns filed by the Company with such banks are in agreement with the books of accounts of the Company.
- (v) All the Companies in the Group has adhered to debt repayment and interest service obligations on time. "Wilful defaulter" related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable /do not apply
- (vi) There are no transactions with the companies whose names were struck off under section 248 of The Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2024.
- (vii) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- (viii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary
- (ix) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (x) The Group has not operated in any crypto currency or Virtual Currency transactions
- (xi) During the year no Company in the Group has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.

## Notes to the Consolidated Financial Statements (Contd.)

### 46 Segment Information

#### For the Year ended 31-03-2024

Rupees in Crores

Particulars	Business Segment				Total
	Automotive vehicles & parts	Automotive components	Financial Services	Others	
Revenue					
External sales - domestic	24,958.15	365.40	5,784.40	3.85	31,111.80
- exports	8,032.94	-	-	-	8,032.94
Inter segment sales	5.55	398.39	6.10	-	410.04
Total sales	32,996.64	763.79	5,790.50	3.85	39,554.78
Less: Inter segment sales	5.55	398.39	6.10	-	410.04
Net revenue	32,991.09	365.40	5,784.40	3.85	39,144.74
Segment-wise results before interest and tax	2,221.94	40.06	758.10	0.37	3,020.47
Less: interest	259.42	11.33	3.33	-	274.08
Profit before tax	1,962.52	28.73	754.77	0.37	2,746.39
Less: Tax expenses	724.38	9.58	190.32	0.10	924.38
Profit after tax	1,238.14	19.15	564.45	0.27	1,822.01
Share of profit of Associates	(43.47)	-	-	-	(43.47)
Profit / Loss for the period	1,194.67	19.15	564.45	0.27	1,778.54
Segment assets	13,135.45	395.41	28,683.77	5.83	42,220.46
Segment liabilities	10,175.22	255.12	24,277.32	1.69	34,709.35
Segment depreciation / amortisation	925.18	22.55	27.39	-	975.12

#### For the Year ended 31-03-2023

Rupees in Crores

Particulars	Business Segment				Total
	Automotive vehicles & parts	Automotive components	Financial Services	Others	
Revenue					
External sales - domestic	19,532.65	460.09	4,150.31	3.82	24,146.88
- exports	7,825.38	1.74	-	-	7,827.11
Inter segment sales	10.28	364.38	6.04	-	380.70
Total sales	27,368.31	826.21	4,156.35	3.82	32,354.69
Less: Inter segment sales	10.28	364.38	6.04	-	380.70
Net revenue	27,358.03	461.83	4,150.31	3.82	31,973.99
Segment-wise results before interest and tax	1,617.77	(15.39)	570.69	3.30	2,176.37
Less: interest	182.37	17.21	-	0.03	199.61
Profit before tax	1,435.40	(32.60)	570.69	3.27	1,976.76
Less: Tax expenses	496.00	8.58	121.98	0.01	626.57
Profit after tax	939.40	(41.18)	448.71	3.26	1,350.19
Share of profit of Associates	(40.73)	-	-	-	(40.73)
Profit / Loss for the period	898.67	(41.18)	448.71	3.26	1,309.46
Segment assets	11,461.49	433.70	23,335.33	2.39	35,232.91
Segment liabilities	9,035.62	283.97	20,001.98	1.49	29,323.06
Segment depreciation / amortisation	793.82	43.48	21.43	0.13	858.86

The Company on standalone basis is having operations in (a) Automotive Undertaking – Automotive Vehicles & Parts and related investments and (b) Financial Undertaking - Financial Services and Investments.

Accordingly, the Company operates in three verticals viz., (a) Automotive Vehicles & Parts business and related investments, (b) Investments held in Automotive Components business and (c) Investments held in financial services.

The same is reflected in the above segmental reporting.

# Notes to the Consolidated Financial Statements (Contd.)

## 47 Additional Information on Net Assets and Share of Profits and Other Comprehensive Income for the year ended 31-03-2024

Rupees in Crores

Name of the entity	Net Assets (Total Assets - Total Liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ in crores	As % of consolidated profit or loss	Amount ₹ in crores	As % of consolidated other comprehensive income	Amount ₹ in crores	As % of consolidated total comprehensive income	Amount ₹ in crores
1	2	3	4	5	6	7	8	9
<b>Parent</b>								
TVS Motor Company Limited, Chennai	7.92%	594.56	114.00%	2,027.56	36.92%	(19.74)	116.39%	2,007.82
<b>Subsidiaries - Indian</b>								
Sundaram Auto Components Limited, Chennai	1.87%	140.29	1.08%	19.15	-0.26%	0.14	1.12%	19.29
TVS Credit Services Limited, Chennai	41.82%	3,140.88	26.07%	463.59	31.34%	(16.76)	25.90%	446.83
TVS Motor Services Limited, Chennai	4.42%	332.06	-0.03%	(0.55)	5.39%	(2.88)	-0.20%	(3.43)
TVS Digital Limited, Chennai (Formerly known as TVS Housing Limited, Chennai)	0.06%	4.14	0.02%	0.27	0.00%	-	0.02%	0.27
Intellicar Telematics private limited, Bengaluru	0.00%	-	0.00%	-	0.00%	-	0.00%	-
TVS Electric Mobility ltd, Chennai	0.01%	1.00	0.00%	-	0.00%	-	0.00%	-
<b>Subsidiaries - Foreign</b>								
TVS Motor (Singapore) Pte Limited, Singapore	5.88%	441.30	-0.52%	(9.31)	-12.51%	6.69	-0.15%	(2.62)
TVS Motor Company Europe B.V. Amsterdam	0.00%	(0.23)	-0.06%	(1.06)	0.11%	(0.06)	-0.06%	(1.12)
PT. TVS Motor Company Indonesia, Jakarta	9.21%	691.44	0.85%	15.05	18.87%	(10.09)	0.29%	4.96
Sundaram Holdings USA Inc. Delaware, USA	0.00%	-	0.00%	-	0.00%	-	0.00%	-
The Norton Motorcycle Co. Limited, UK	3.73%	280.07	-22.15%	(393.88)	-17.75%	9.49	-22.28%	(384.39)
TVS Digital Pte Limited, Singapore	-1.41%	(105.67)	-3.73%	(66.42)	0.32%	(0.17)	-3.86%	(66.59)
The GO AG, Germany	1.86%	139.64	-3.28%	(58.34)	25.12%	(13.43)	-4.16%	(71.77)
Swiss E-Mobility Group (Holding) AG, Switzerland	7.81%	586.53	-13.54%	(240.73)	-8.70%	4.65	-13.69%	(236.08)
Celerity Motor GmbH, Germany	0.40%	29.91	-0.88%	(15.57)	9.43%	(5.04)	-1.19%	(20.61)
EBCO Limited, UK	0.40%	30.34	-0.56%	(9.91)	0.65%	(0.35)	-0.59%	(10.26)
Non-controlling Interest in all subsidiaries	9.69%	727.60	5.18%	92.17	11.09%	(5.93)	5.00%	86.24

## Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

Name of the entity	Net Assets (Total Assets - Total Liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ in crores	As % of consolidated profit or loss	Amount ₹ in crores	As % of consolidated other comprehensive income	Amount ₹ in crores	As % of consolidated total comprehensive income	Amount ₹ in crores
1	2	3	4	5	6	7	8	9
<b>Associates - Indian</b>								
(Investment as per the equity method)								
Emerald Haven Realty Limited, Chennai	0.00%	0.00	-0.21%	(3.65)			-0.21%	(3.65)
Ultraviolette Automotive Private Limited, Bengaluru	1.32%	98.94	-1.03%	(18.35)			-1.06%	(18.35)
Tag Box Solutions Private Limited, Bengaluru	0.00%	0.00	-0.02%	(0.34)			-0.02%	(0.34)
Drivex Mobility Private Limited, Coimbatore	0.91%	68.65	-0.84%	(14.96)	-0.02%	0.01	-0.87%	(14.95)
Indian Foundation for Quality Management, Bengaluru	0.33%	25.00	0.00%	-			0.00%	-
<b>Associates - Foreign</b>								
Predictronics Corp, USA	0.24%	17.85	-0.06%	(1.04)			-0.06%	(1.04)
Tag Box Pte limited, Singapore	0.01%	0.98	-0.02%	(0.32)			-0.02%	(0.32)
Scienaptics Systems Inc., USA	0.72%	54.07	0.01%	0.24			0.01%	0.24
Altizon Inc, USA	0.31%	23.27	0.00%	(0.08)			0.00%	(0.08)
Killwatt GmbH	0.89%	66.68	-0.27%	(4.82)			-0.28%	(4.82)
ION Mobility	1.62%	121.81	-0.01%	(0.15)			-0.01%	(0.15)
<b>Total</b>	<b>1.00</b>	<b>7,511.11</b>	<b>1.00</b>	<b>1,778.54</b>	<b>100.00%</b>	<b>(53.47)</b>	<b>100.00%</b>	<b>1,725.07</b>

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

### 48 Previous Year's Figures have been regrouped wherever necessary to conform to The Current Year's classification.

**PROF. SIR RALF DIETER SPETH**

Chairman

DIN: 03318908

**SUDARSHAN VENU**

Managing Director

DIN: 03601690

**K.N. RADHAKRISHNAN**

Director & Chief Executive Officer

DIN: 02599393

As per our report annexed

For **Sundaram & Srinivasan**

Chartered Accountants

Firm Regn. No.004207S

**S USHA**

Partner

Membership No.:211785

Place: Chennai

Date: 8<sup>th</sup> May 2024

**K. GOPALA DESIKAN**

Chief Financial Officer

**K.S.SRINIVASAN**

Company Secretary

# Notes to the Consolidated Financial Statements (Contd.)

## Annexure

### Form AOC-I

Statement containing salient features of the financial statement of subsidiaries / associate companies.  
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### Part A - Subsidiaries

Information in respect of each subsidiary

S.No	Particulars	Indian Subsidiaries								Rupees in Crores
		Sundaram Auto Components Limited (1)	TVS Digital Limited (Formerly known as TVS Housing Limited) (2)	TVS Motor Services Limited (3)	TVS Credit Services Limited (4)	TVS Two-Wheeler Mail Private Limited (5)	Harita ARC Private Limited (6)	TVS Housing Finance Private Limited (7)	TVS Electric Mobility Ltd. (8)	
1	Date on which subsidiary was acquired	01-04-2003	21-06-2010	07-09-2017	07-09-2017	07-09-2017	07-09-2017	08-09-2017	13-12-2021	
2	Reporting period					01-04-2023 to 31-03-2024				
3	Reporting currency					Indian Rupees				
	Closing Exchange rate					Not applicable.				
4	Share capital	11.94	3.05	149.63	246.60	^	^	12.00	1.00	
5	Reserves & Surplus	133.85	1.09	19.13	3618.88	(0.02)	(0.02)	3.49	-	
6	Total assets	400.95	5.83	224.72	28,137.55	-	-	15.72	1.00	
7	Total Liabilities	255.16	1.69	55.96	24272.06	0.02	0.02	0.24	-	
8	Investments	3.12	-	30.96	109.71	-	-	-	-	
9	Turnover	764.72	3.85	3.41	5789.57	-	-	0.96	-	
10	Profit before taxation	28.83	0.37	(0.55)	761.94	-	-	0.96	-	
11	Provision for taxation	9.58	0.10	-	190.11	-	-	0.23	-	
12	Profit after taxation	19.25	0.27	(0.55)	571.83	-	-	0.73	-	
13	Proposed Dividend	-	-	-	-	-	-	-	-	
14	% of shareholding	100	100	100	80.97	80.97	80.97	80.97	100	

^ Share capital of ₹ 25,000.

# Notes to the Consolidated Financial Statements (Contd.)

Rupees in Crores

S.No	Particulars	Foreign Subsidiaries										
		TVS Motor Company (Europe) B.V.* (9)	PT TVS Motor Company Indonesia (10)	TVS Motor (Singapore) Pte. Ltd. (11)	The Norton Motorcycle Co. Limited (12)	TVS Digital Pte Limited (13)	The GO Corporation* (14)	Swiss E-Mobility Group (Holding) AG* (15)	Celerity Motor GmbH* (16)	EBCO Ltd. (17)		
1	Date on which subsidiary was acquired	21-07-2005	05-09-2005	21-10-2005	03-04-2020	24-05-2021	16-09-2021	27-01-2022	06-12-2022	01-04-2022		
2	Reporting period				01-04-2023 to 31-03-2024							
3	Reporting currency	USD	IDR	SGD	GBP	SGD	CHF	CHF	EUR	GBP		
	Closing Exchange rate	₹ 83.41/USD	₹ 0.53/IDR 100	₹ 61.74/SGD	₹ 105.03/GBP	₹ 61.74/SGD	₹ 92.04/CHF	₹ 92.04/CHF	₹ 89.88/EUR	₹ 105.03/GBP		
4	Share capital	126.52	906.08	3,689.66	1091.44	138.78	1.75	1.23	0.22	^		
5	Reserves & Surplus	(128.23)	(632.06)	(181.32)	(846.91)	(141.65)	(10.20)	(165.11)	(23.30)	(25.30)		
6	Total assets	0.08	1062.46	3861.11	648.97	138.71	105.63	886.70	29.52	33.38		
7	Total Liabilities	1.79	788.44	352.77	404.44	141.59	114.08	1050.58	52.60	58.68		
8	Investments	-	-	2,554.52	-	-	-	-	-	-		
9	Turnover	(0.01)	818.70	151.79	45.18	15.15	48.75	648.79	4.19	6.66		
10	Profit before taxation	(1.06)	26.50	(9.55)	(397.85)	(66.42)	(55.50)	(200.07)	(15.57)	(14.16)		
11	Provision for taxation	-	11.45	(0.24)	(3.97)	-	(0.01)	(24.56)	-	-		
12	Profit after taxation	(1.06)	15.05	(9.31)	(393.88)	(66.42)	(55.49)	(224.63)	(15.57)	(14.16)		
13	Proposed Dividend	-	-	-	-	-	-	-	-	-		
14	% of shareholding	100	100	100	100	100	82.82	100	100	70		

\* Unaudited financial statement.

^ Share capital of GBP 100.

1. The GO AG, Switzerland includes the consolidation of its subsidiary viz, EGO Movement Stuttgart, GmbH, Germany.
2. Swiss E-Mobility Group (Holding) AG include the consolidation of its subsidiaries viz, Swiss E-Mobility Group (Schweiz) AG, Zurich, Switzerland, Colag E-Mobility GmbH, Nuremberg, Germany and Alexand'Ro Edouard'O Passion Vélo Sàrl ("Passion Vélo"), Germany.

## Notes:

1. Subsidiaries which are yet to commence operations: (1) TVS Two Wheeler Mall Private Ltd., (2) Harita ARC Private Ltd., (3) TVS Electric Mobility Ltd.

# Notes to the Consolidated Financial Statements (Contd.)

## Part B – Associates

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

S.No	Name of Associate	Ultraviolette Automotive Private Limited*	DriveX Mobility Pvt. Ltd.	Indian foundation for Quality Management	Predictronics Corp*	Tagbox Pte Limited*	Scienaptic Systems Inc.*	Altizon Inc*	Kilwatt GmbH*	ION Mobility
1.	Latest audited Balance Sheet Date	31-03-2023	31-03-2024	NA	31-12-2022	31-03-2023	**	**	**	31-03-2022
2.	Date on which the Associate was acquired	09-08-2018	15-10-2022	15-02-2024	17-08-2019	08-05-2019	28-09-2020	01-02-2021	04-04-2023	02-02-2024
3.	Shares of Associate held by the company on the year end									
(i)	No. of shares	27,166	9,766	2,50,00,000	24,827	2,43,243	28,05,357	8,06,429	24,500	49,64,524
(ii)	Amount of investment in Associates/Joint Venture	121.00	87.17	25.00	22.36	15.42	64.81	25.34	71.50	121.96
(iii)	Extent of holding %	30.83	48.27	28.57	23.49	24.32	21.03	20.00	49.00	25.64
4.	Description of how there is significant influence.	Holding more than 20% of share capital								
5.	Reason why the associate/ joint venture is not consolidated	Not applicable								
6.	Net worth attributable to Shareholding as per latest audited Balance Sheet	106.84	20.90	25.00	1.59	2.91	(0.55)	0.87	27.56	18.89
7.	Profit / Loss for the year:									
(i)	Considered in consolidation	(18.35)	(14.96)	-	1.04	(0.32)	0.24	(0.08)	(4.82)	(0.15)
(ii)	Not considered in consolidation	Not Applicable								

\* Unaudited financial statements up to 31-03-2024 has been consolidated.

\*\* Audit of financial statements are not mandated by the regulations of the respective country in which the Company is incorporated.

### Notes:

- Associates which have been liquidated or sold during the year – Tagbox Solutions Private Limited and Emerald Haven Realty Limited

#### PROF. SIR RALF DIETER SPETH

Chairman

DIN: 03318908

#### SUDARSHAN VENU

Managing Director

DIN: 03601690

#### K.N. RADHAKRISHNAN

Director & Chief Executive Officer

DIN: 02599393

As per our report annexed

For **Sundaram & Srinivasan**

Chartered Accountants

Firm Regn. No.004207S

Place: Chennai

Date: 8<sup>th</sup> May 2024

#### K. GOPALA DESIKAN

Chief Financial Officer

#### K.S.SRINIVASAN

Company Secretary

#### S USHA

Partner

Membership No.:211785

