



August 19, 2024

To,  
The Manager,  
**National Stock Exchange of India Limited ('NSE'),**  
Exchange Plaza, Plot no. C/1, G Block,  
Bandra-Kurla Complex, Bandra (E),  
Mumbai - 400 051.

Dear Sir/Madam,

**Sub: Submission of Annual Report under Regulation 53(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to Regulation 53(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the Annual Report of the Company for the Financial Year 2023-24.

You are requested to kindly take the above on record.

Thanking you,

Yours Sincerely,

**For Toyota Financial Services India Limited**

PALA  
BUSHANAM  
VENUGOPAL  
VENUGOPAL

Digitally signed by  
PALA BUSHANAM  
VENUGOPAL  
Date: 2024.08.19  
22:07:25 +05'30'

**P B Venugopal**  
**Managing Director & Chief Executive Officer**  
**DIN: 10387035**

Enclosed: As above

**TOYOTA FINANCIAL SERVICES INDIA LIMITED**

Registered Office: No. 21, Centropolis, First Floor, 5<sup>th</sup> Cross, Langford Road, Shanti Nagar, Bangalore – 560 025  
P: +91 80 4344 2800 | F: +91 80 4344 2930 | [cs@tfsin.co.in](mailto:cs@tfsin.co.in) | [www.toyotafinance.co.in](http://www.toyotafinance.co.in) | CIN: U74900KA2011FLC058752



# **THIRTEENTH ANNUAL REPORT 2023-24**



**CORPORATE INFORMATION:**

CIN: U74900KA2011FLC058752

**REGISTERED OFFICE ADDRESS:**

Toyota Financial Services India Limited  
No. 21, 1st Floor, 5th Cross, Centropolis,  
Langford Road, Shanthi Nagar,  
Bangalore – 560025.

**STATUTORY AUDITORS:**

M/s MSKA & Associates  
(ICAI firm registration number - 105047W)  
Level 9, North West Wing, The Ruby, 29,  
Senapati Bapat Marg, Dadar West, Mumbai,  
Maharashtra 400028

**CHIEF FINANCIAL OFFICER:**

Mr Anupam Vasdani

**SECRETARIAL AUDITORS:**

M/s V Sreedharan and Associates  
Practicing Company Secretaries,  
No. 293, 3<sup>rd</sup> Floor, 10<sup>th</sup> Main Road, 3<sup>rd</sup> Block,  
Jayanagar, Bangalore – 560 011

**COMPANY SECRETARY & COMPLIANCE OFFICER:**

Mr Ganesh Chandrasekharan

**INTERNAL AUDITORS:**

Mr A P Alagarsamy  
Internal Auditor (In house)

**DEBENTURE TRUSTEE:**

M/s Vistra ITCL (India) Limited  
IL & FS Financial Centre,  
Plot No C – 22, G Block Bandra  
Kurla Complex,  
Bandra (East) Mumbai – 400 051

**REGISTRAR & TRANSFER AGENT:  
(For Non-Convertible Securities)**

M/s KFin Technologies Limited  
(Formerly known as M/s. KFin  
Technologies Private Limited),  
Karvy Selenium Tower B, Plot 31-32,  
Gachibowli, Financial District,  
Nanakramguda, Hyderabad - 500 032

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## **BOARD'S REPORT**

**Dear Shareholders,**

Your Directors are pleased to present the performance and affairs of your Company for the Financial Year Ended March 31, 2024.

**Report on the Performance and Financial Position:**

The summary of financial results of your Company for the Financial Year Ended March 31, 2024, is hereunder:

*(Amount in INR Million)*

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Total Income	10,610.72	7,406.67
Total Expenditure (excluding depreciation)	9,629.97	5,484.35
Profit / (Loss) Before Depreciation & Tax	980.75	1,922.32
Less: Depreciation	230.36	272.18
Profit / (Loss) before tax	750.39	1,650.14
Less: Tax Expense	203.52	410.36
Profit / (Loss) after tax	546.87	1,239.78
Other comprehensive (Loss)/income (net of tax)	-1.60	0.44
Total comprehensive income after tax	545.27	1,240.23
Appropriations from profit after tax	-	-
Transfer to Special Reserve under section 45-IC of the Reserve Bank of India Act, 1934	109.37	247.96
Balance carried forward to Balance Sheet	435.90	992.27

The summary of financial and operational performance of your Company is reported in detail in the Management Discussion and Analysis (MDA) Report and the same is enclosed as **Annexure 1**.

**Share Capital:**

During the reporting period, changes in Equity Share Capital is as under:

*(Amount in INR Million)*

S No.	Type of Equity Share Capital	Equity Share Capital as on March 31, 2023	Increase during the year	Equity Share Capital as on March 31, 2024
1	Authorized Share Capital	13,079.73	501.74	13,581.47
2	Issued, Subscribed and Paid-Up Share Capital	11,101.47	2,480.00	13,581.47

Note: The Company has only one class of shares i.e., Equity Shares (Face Value of INR 10 Each).



**Amount carried to Reserves:**

Statutory Reserve represents the reserve fund created under Section 45-IC of the Reserve Bank of India Act, 1934. Under Section 45-IC, the Company is required to transfer a sum of not less than twenty percent of its net profits every year. The Statutory Reserve can be utilized for the purposes as specified by the Reserve Bank of India (RBI) from time to time.

For FY'24 INR 109.42 Million has been transferred from surplus of profits towards Statutory Reserve fund in terms of Section 45-IC of the Reserve Bank of India Act, 1934.

**Dividends:**

Your Board of Directors do not recommend any dividend this year in pursuit of expanding the business.

**Transfer of Unclaimed Dividend to Investor Education and Protection Fund:**

As there is no unpaid/unclaimed dividend, the Company was not required to transfer any amount to Investor Education and Protection Fund.

**Material changes affecting the financial position:**

There have been no material changes and commitments affecting the financial position of your Company which occurred between the Financial Year Ended March 31, 2024, and as on the date of this Report.

**Change in nature of the Business (if any):**

Your Company has continued the business of vehicle financing, dealer financing and vehicle leasing during the reporting period and hence there was no change in the nature of the business carried out.

**Details of Board / Committee(s) composition, meeting etc.:**

For details of the Meetings of the Board / Committees, including the details of Directors or Key Managerial Personnel who were appointed or have resigned during the year, please refer to the Corporate Governance Report, which forms part of this Board's Report and is enclosed as **Annexure 2**.

Further a statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the year is included in the Corporate Governance Report, which forms part of this Board's Report and the same is enclosed as **Annexure 2**.

**Directors' Responsibility Statement as per Section 134(3)(C):**

In compliance with Section 134(3)(c) of the Companies Act, 2013, your Directors confirm, and state as follows:

- a. that in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b. that your Directors have selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the period under review.



- c. that your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d. that the annual financial statements have been prepared on a going concern basis.
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. that your Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such a system was adequate and operating effectively.

**Details of Appointment of Women Director:**

As per Section 149(1) of the Companies Act, 2013, Ms Sunita Rajiv Handa continues to be the Independent Women Director on the Board of the Company.

**Details of appointment of Independent Director(s) and Declaration given by Independent Director(s), Meeting of the Independent Directors and Familiarization Program:**

The same forms part of the Corporate Governance Report, which forms part of this Annual Report and the same is enclosed as **Annexure 2**.

**Company's Policy on Director's Appointment and Remuneration:**

In compliance with the provision of Section 178(3), the Company has a policy on Director's appointment, re-appointment and evaluation that provides the criteria to be followed for appointment of Director. The policy also provides for performance evaluation of every Director and of the Board as a whole. Some of the major criteria for appointment / continuing to hold appointment as a Director on the Board under this policy are:

- Director must be 'Fit and Proper' for appointment as a Director on the Board of Toyota Financial Services India Limited.
- In order to conduct such due diligence to ascertain if the Director is 'Fit and Proper', the incumbent Director must provide a declaration in the format specified by the Reserve Bank of India ('RBI') initially at the time of appointment and thereafter annually and also whenever there is a change in the information already provided by them in the previous declaration.
- The Nomination and Remuneration Committee may demand any more information as it may deem necessary to conduct due diligence.
- Director must have relevant qualification and/ or expertise and/ or track record in Finance/ Law/ Management/ Sales/ Marketing/ Administration/ Research/ Corporate Governance/ Technical Operations or the other disciplines related to the Company's business.
- Director should possess highest personal and professional ethics, integrity and values.
- Director must be willing to devote sufficient time and energy in carrying out their duties and responsibilities.
- The appointed Director must enter into a deed of covenant with the Company as per the format provided by RBI from time to time.



Your Company's policy provides additional criteria for appointment of Independent Directors to ensure an Independent Director meet all criteria of independence specified in Section 149(7) of the Companies Act, 2013, and rules made thereunder.

The manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors is provided in the Corporate Governance Report, which forms part of this Board's Report and the same is enclosed as **Annexure 2**.

**Compensation Policy:**

In Compliance with the Reserve Bank of India circular, the Company has in place Board approved Compensation Policy that provides Compensation to be paid to the Key Managerial Personnel (KMP) and Senior Management (SM) to ensure compensation paid to the KMPs and SMs is aligned with the risk profile of the organization and overall performance of the employees.

**Details of Remuneration of the Directors and KMPs:**

Details of Remuneration of the Directors for FY'24, please refer to the Corporate Governance Report, which forms part of this Annual Report and the same is enclosed as **Annexure 2**.

**Code of Conduct:**

Your Company has framed and adopted a Code of Conduct for the Board of Directors and SM, which is approved by the Board. The Code is applicable to all Directors and SM personnel of the Company. This Code has been posted on the Company's website at <https://www.toyotafinance.co.in/downloads/code-of-conduct-for-directors-and-sr-management.pdf>

All the Directors and SM personnel have affirmed compliance with the Code of Conduct as approved and adopted by the Board and have also affirmed that they have not entered into any material, financial and commercial transactions having potential conflict of interest with the Company. A declaration to this effect signed by the Managing Director and Chief Executive Officer (MD & CEO) is enclosed as **Annexure 3**.

**Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification:**

As required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (SEBI Listing Regulations), the CEO and CFO certification is enclosed to the Report as **Annexure 4**.

**Subsidiary Companies:**

Your Company does not have any subsidiary companies, joint ventures or associate companies.

**Deposits:**

Your Company being a Non-Deposit Accepting Non-Banking Financial Company, the provisions of Chapter V of the Companies Act, 2013, on disclosure of deposits taken are not applicable.



**Particulars of Loans, Guarantees or Investments under Section 186 of the Companies Act, 2013:**

Pursuant to Section 186(11)(a) of the Companies Act, 2013, read with Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014, the loan made, guarantee given or security provided in the ordinary course of business by a Non-Banking Financial Company (NBFC) registered with the RBI are exempt from the applicability of provisions of Section 186 of the Companies Act, 2013. As such, the particulars of loans and guarantee have not been disclosed in this Report.

**Related Party Transactions:**

The particulars of contracts or arrangements with related parties referred to in Section 188 (1) of the Companies Act, 2013, are provided in Form AOC 2 and the same is enclosed as **Annexure 5**.

Moreover, the details of Related Party Transactions are provided in the Annual Audited Financial Statements which forms part of the Annual Report.

The Company continues to place all Related Party Transactions before the Audit Committee for approval as per the Policy on Related Party Transaction approved by your Board of Directors. Details of all Related Party Transactions are provided along with the financials of the reporting year. Also, the Policy adopted on Related Party Transactions has been placed on the website of the Company and the same may be accessed at [https://www.toyotafinance.co.in/downloads/policy-on-related-party-transactions\\_last-updated-on-november-10-2023.pdf](https://www.toyotafinance.co.in/downloads/policy-on-related-party-transactions_last-updated-on-november-10-2023.pdf)

There is no transaction or pecuniary relationship with the Non-Executive Directors apart from that which is stated in this Report.

**Annual Return:**

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, and Regulation 62(1)(k) of the SEBI Listing Regulations, the copy of the Annual Return as on March 31, 2024, will be placed on the website of the Company at <https://www.toyotafinance.co.in/investors/disclosure-under-regulation-62-of-the-lodr.html#Annual-Return>

**Particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo:**

**A) Conservation of energy and Technology absorption:**

Since the Company is not in an energy intensive industry and does not own a manufacturing facility, the particulars as prescribed under Rules 8 (3) of the Companies (Accounts) Rules, 2014 are not set out in the report. Nevertheless, the Company continues to take adequate steps to conserve energy.

The Company continues to evaluate new technologies and techniques to make the infrastructure more energy efficient.



**B) Foreign Exchange Earnings and Outgo:**

(Amount in INR Million)

Foreign Exchange Earnings	Foreign Exchange Outgo (Expenditure in foreign currency)
NIL	254.31

**Details of Risk Management Policy as per Section 134 (3) (n) of the Companies Act, 2013:**

Risk Management is an integral part of your Company's business strategy. Risk Management is detailed in the MDA Report forming part of this Report appended hereto as **Annexure 1**.

**Corporate Social Responsibility (CSR):**

Your Company continues to have in place duly constituted CSR Committee as per the provisions of Section 135(1) of the Companies Act, 2013. The Members of the CSR Committee at present are Mr P B Venugopal, Ms Sunita Rajiv Handa and Mr Venkatraman Prakash. The Company has framed a CSR Policy in compliance with the guidelines of Companies Act, 2013.

The amount of INR 22.44 Million was budgeted towards CSR activities in terms of the legal requirement. The Company has spent INR 22.44 Million against the activities reported here in **Annexure 6**.

**Details of Significant and Material Orders passed by the Regulators or Courts or Tribunals:**

There are no Significant and Material Orders passed by the Regulators / Courts / Tribunal that impact the going concern status of your Company and its future operations.

**Disclosure under the Sexual Harassment of the Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Your Company has in place Policy on Prevention of Workplace Harassment in line with the requirements of the Sexual Harassment of the Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. For details of cases of sexual harassment, please refer to the Corporate Governance Report, which forms part of this Annual Report and is enclosed as **Annexure 2**.

**Details of Vigil Mechanism:**

Your Company has framed and implemented a Whistle Blower Policy and Anti Bribery Policy. Your Company continues to conduct regular workshops and training sessions to inform and educate the employees about these policies. During FY'24 no incident was reported under these Policies. The Whistle Blower Policy can be assessed at <https://www.toyotafinance.co.in/downloads/whistle-blower-policy-last-updated-on-august.11.2023.pdf>

**Statutory Auditors:**

M/s M S K A & Associates, Chartered Accountants (Firm Registration No. 105047W), were appointed as Statutory Auditors of the Company for a period of 3 (Three) years at the 10<sup>th</sup> Annual General Meeting of the Company held on September 28, 2021. The Statutory Auditors will be completing their tenure in the ensuing Annual General Meeting of the Company and the Company shall be appointing a new Statutory Auditors in the place of existing Statutory Auditors.





**Statutory Auditors Report & Audit Observation:**

The Statutory Auditor's Report is self-explanatory and there are no qualifications or adverse remarks in the Statutory Auditor's Report. The Company confirms that its financial statements for the financial year 23-24 have unmodified audit opinion. The internal financial controls of the Company with reference to the Financial Statements are adequate.

**Appointment of Secretarial Auditor and their Report:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/s V Sreedharan and Associates, Practicing Company Secretaries to undertake the Secretarial Audit.

The Secretarial Auditors have conducted the Secretarial Audit for FY'24 and have provided their report in Form MR- 3, which is enclosed with the Report as **Annexure 7**. There are no adverse remarks in the Secretarial Audit Report.

**Cost Records:**

The provisions of section 148 of the Companies Act, 2013, relating to maintenance of cost records and cost audit are not applicable to your Company.

**RBI Guidelines:**

Your Company is registered with Reserve Bank of India (RBI), as a non-deposit accepting NBFC under Section 45-IA of Reserve Bank of India Act, 1934. As per Non-Banking Finance Companies RBI Directions, 1998, the Directors hereby report that your Company did not accept any public deposits during the year and did not have any public deposits outstanding at the end of the year.

Further your Company has been categorized as NBFC - Middle Layer under Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023.

**Credit Rating:**

Your Company's credit rating continues to remain at AAA (Stable) for the long-term instruments and A1+ for the short-term instruments as rated by both CRISIL Limited and ICRA Limited.

**General Disclosures:**

Your Directors state that no transaction of below mentioned items took place during the FY'24:

- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of sweat equity shares.
- Disclosures required under Section 67 of the Companies Act, 2013.

**Investors Complaint:**

Mr Ganesh Chandrasekaran, Company Secretary of the Company, is the Compliance Officer of your Company for the purpose of the SEBI Listing Regulations.

Mr R Nithya Prabhu the Company Secretary of the Company was the Compliance Officer of your Company for the purpose of the SEBI Listing Regulations until December 29, 2023 (end of business



hours). Effective February 14, 2024, Mr Ganesh Chandrasekaran, was appointed as the Company Secretary and Compliance Officer of your Company for the purpose of the SEBI Listing Regulations.

There was no investor complaints lodged during FY'24.

**Nodal Officer under the Companies (Management and Administration) Second Amendment Rules, 2023:**

Under Rule 9(4) of the Companies (Management and Administration) Second Amendment Rules, 2023, Mr Ganesh Chandrasekaran, the Company Secretary of the Company, has been designated as Designated Officer of the of your Company for furnishing, and extending co-operation for providing, information to the Registrar or any other authorized officer with respect to beneficial interest in shares of the Company.

**Secretarial Standards:**

Your Company has complied with the applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries of India.

**Reporting of fraud by Auditors of the Company under section 143(12) of the Companies Act, 2013:**

No frauds have been reported by the Auditors of your Company to the Audit Committee or the Board under section 143(12) of the Companies Act, 2013.

**Penalties / Punishment/ Compounding of Offences under the Companies Act 2013:**

There were no penalties, punishment or compounding of offences during FY'24.

**Breach of covenant:**

Your Company has not received any notice from any of lenders/investors for breach of covenants of loan or debt securities issued during the Financial Year Ended March 31, 2024.

**Corporate Governance Report:**

The Corporate Governance Report forming part of this Board's Report is enclosed herewith as **Annexure 2**.

**Insolvency and Bankruptcy Code, 2016:**

There are no proceedings initiated/pending against your Company under the Insolvency and Bankruptcy Code, 2016 which materially impacts the business of your Company.

**Valuation Requirements for one time settlement or loans:**

There were no instances where your Company required the valuation for one time settlement or while taking the loan from the Banks or Financial institutions.

**Acknowledgement:**

Your Directors place on record their sincere thanks to the Reserve Bank of India, Central and State Governments, Bankers, Business Associates, Consultants, and various Government Authorities for their continued support extended to your Company during the financial year. Your Directors also acknowledges gratefully the Shareholders and other Stakeholders for the continued support and confidence reposed on your Company.

**For Toyota Financial Services India Limited****Sd/-**

**Sunita Rajiv Handa**  
**Chairman & Independent Director**  
**DIN: 08215176**

**Date: May 23, 2024****Place: Delhi, India****For Toyota Financial Services India Limited****Sd/-**

**P B Venugopal**  
**Managing Director & Chief Executive Officer**  
**DIN: 10387035**

**Date: May 23, 2024****Place: Bangalore, India**

## MANAGEMENT DISCUSSION AND ANALYSIS

### **State of Company:**

Your Company is a Systemically Important, Non-Deposit taking Non-Banking Financial Company (NBFC) (classified as Investment and Credit Company) regulated by the Reserve Bank of India (RBI). Your Company is categorized under the middle layer of RBI Scale Based Regulations. It is a Captive Finance company of Toyota Group, mainly engaged in providing financing products and solutions to Toyota dealers and customers, along with providing retail auto finance loans to Maruti Suzuki India Limited (MSIL) customers. Your Company is also engaged in leasing business for vehicles.

In order to provide convenience of repayment to the customers, your Company offers a wide range of auto loan products such as Smart Finance (small monthly payment followed by large instalment at the end of loan), Flexi Finance (small monthly payment followed by large annual instalment), Easy Finance (monthly payment grows annually) etc., along with Classic Finance (traditional loan with equal monthly payment). Your Company also supports dealers to sell value-added products such as Toyota Genuine Accessories, First Year Insurance, Extended Warranty and Motor Insurance by bundling these products along with car loan and offering the customers, a convenience of car purchase.

### **New Segments:**

Your Company's strong fundamentals driven by strong credit processes, product variants and new segments like used car financing, provide a strong platform for growth. Your Company's financial products are offered by well-trained employees present at Toyota dealerships, who assist customers to complete the entire loan process faster and easier. There has been a continuous endeavor to offer services in new markets and target new customer segments. Your Company has increased its sales footprint by adding 13 new locations in FY'24. Moreover, new finance programs were launched to target customers in rural and semi-urban markets. Your Company continues to invest in digitization initiatives and process automation to reduce the Turn Around Time (TAT) in customer acquisition and credit appraisal process. Your Company believes that a faster and easier process is a key factor for quality of customer service, which enables the Company to acquire and retain more customers successfully. Your Company has undertaken projects towards digitization of loan sourcing, loan processing and customer service processes to build a robust customer-centric organization.

Your Company is steadily expanding its Leasing & Mobility solution services under the brand name Kinto. Kinto India has its exclusive website where customers can choose their favorite Toyota car and get the leasing approval seamlessly through digital journey.

Your Company continued its focus on enhancing the geographic coverage and its digital presence by developing Fintech solutions to deliver enhanced Toyota experience to a wider customer base. As of March 2024, your Company is present across 262 outlets which accounts for around 92% of overall Toyota sales in India. Your Company disbursed 38,961 contracts for Toyota new cars in FY'24, which constitutes 16.1% of Toyota sales on a pan India basis. As of March 2024, your Company maintains close to 150,984 live contracts in auto loan portfolio. Your Company also provides used car finance to customers through Toyota U Trust channel present across 112 dealer outlets. Your Company strived to harness growth opportunities in the Used Car business space by expanding the distribution and products.



Your Company under its Lexus Financial Services brand offers best-in-class financial products and services to Lexus customers in India. To enhance customized offerings for Lexus customers, 'assured buy-back' based finance product has been introduced in the market.

Your Company also offers Inventory funding and term loan to Toyota dealers for supporting their finance requirements. In addition to loan facilities to purchase new cars, used cars and spare parts, your Company also finances dealers for dealership facility expansion. Toyota Kirloskar Motor Private Limited (TKM) is poised to drive higher sales with the launch of new technology models in HYBRID Vehicles and expand its footprint by enhancing the dealership network. This offers both opportunities and challenges in the inventory finance business. So balancing profitability and risk management would be the key to profitable growth of inventory finance portfolio.

Outlook for retail business remains strong as various efforts in process-digitization, man-power productivity enhancement, locations expansion and collaboration with TKM would help to increase your Company's penetration.

#### **Results of Operations:**

The outstanding loans and advances as of March 2024 were INR 135,873 Million vis-à-vis INR 89,505 Million in the previous year, an increase of approximately 52% from the previous year. The revenue from operations, of which the main streams are interest income and fee income, was INR 10,460 Million vis-à-vis INR 7,371 Million in the previous year, while finance cost was at INR 6,684 Million vis-à-vis INR 3,953 Million in the previous year. Net Interest Income has expanded by INR 358 Million over the previous year. Operational expenses including provision for impairment of assets and write off/ loss on sale of bad debts (employee benefits, depreciation and amortization, and others) were at INR 3,177 Million vis-à-vis INR 1,803 Million in the previous year. Profit after taxes decreased from INR 1,240 Million to INR 547 Million due to reduction of net interest margin and increase of credit cost.

#### **Portfolio quality:**

Your Company's gross NPA decreased to 3.00% as of March 2024 as compared to 4.14% of March 2023. With focused efforts towards collections and delinquency management, your Company was able to bring down its delinquencies. After netting off with credit loss provisions, Net NPA ratio was 1.34% for FY'24 vis-à-vis 1.90% in the previous year.

Your Company regularly monitors repayment from delinquent customers and takes optimal/appropriate approach to customers through call center or multiple field collection agencies tied up across India. It tries to enhance its collection capability by expanding collection reach and smoothing loan recovery process.

Your Company has complied with the requirements of Indian Accounting Standards (Ind AS 109) - Financial Instruments, in making provision for impairment allowances on loan assets outstanding as per Expected Credit Loss (ECL) method. Any application guidance/clarifications/directions issued by the RBI are implemented as and when they are issued/ to the extent they are applicable.

### **Global Economic Outlook:**

At the global level, economic growth has rebounded, seeing an upside, with pandemic fears fading away. Although geopolitical concerns remain, there is considerable growth in the manufacturing and service sectors. Japan's economic growth has seen a tremendous rebound, with US and UK maintaining a growth momentum. However, the economy of China and Euro area has seen a subdued growth in their economic activities.

The Global Economy remains resilient, amid the effects of tight monetary policies, restrictive financial conditions, and weak global trade growth.

In 2022, inflation was rocketing high, leading to tightening of the monetary policies. Recession was projected in 2023 for many advanced economies, however most of the economies avoided recession, and economic activities continued to expand. Though inflation has continued to decline from 2022 peak, it remains above Central Bank's target in several advanced economies, leading to long policy rate pauses by Central Banks across the globe in 2023. Long-term yields on advanced-economy government bonds were volatile in 2023, reflecting shifting expectations about the path of future interest rates.

The banking system proved largely resilient, and major emerging market economies fared well despite tight monetary policy actions. The financial conditions of emerging markets improved. Capital flows to most emerging market economies excluding China have been buoyant.

The recent conflict in the Middle East has so far had only a muted impact on commodity prices. In 2023, most commodity prices weakened to varying degrees; however, they remain above pre-pandemic levels.

According to World Bank's projection, global growth is expected to marginally reduce to 2.4% in 2024 due to low productivity growth, geo-economic fragmentation, fiscal policy procyclicality and volatility and high borrowing costs.

### **Indian Economy:**

According to the Monthly Economic Review as of March 2024, by the Department of Economic Affairs, the Indian economy had been resilient enough, exhibiting strong domestic and rural demand, prudent investments and maintaining a stable manufacturing momentum. Despite challenges in the global market, such as geo-political related frictions, India continues to display robust growth at the stock markets as well as its service sectors, focusing on a balanced domestic landscape. FY'24 saw substantial capital inflows in the country with Forex reserves shielding 100% of external debt and 11 months projected imports.

According to the Financial Stability Report published by the RBI, the capital to risk-weighted assets ratio (CRAR) and the common equity tier 1 (CET1) for Scheduled Commercial Banks were 16.8% and 13.7% respectively, as of September 2023. The gross non-performing assets (GNPA) ratio and net non-performing assets (NNPA) ratio fell to 0.8% from 3.2%, with provisioning coverage ratio (PCR) rising up to 75.3%. CRAR of Non-Banking Finance Companies was at 27.6%. Banks and NBFCs have seen consistent growth in retail loans, specifically in unsecured lending, with a CAGR of 25.5%, with Banks lending to top-rated NBFCs (80.0% to AA-rating) instigating this growth. Thus, Banks and NBFCs, bolstered by improved balance sheets, are catalyzing economic growth, and meeting the productive needs of the economy.

On the one hand, raising lending rates has benefitted banks due to high demands on the credit front, whilst on the other, tighter liquidity conditions and funding requirements have persuaded banks to increase the deposit rates. However, RBI Monetary Policy Committee (MPC) has maintained the repo rate at 6.5%.

Although there is a decline in the global trade, India's current account deficit (CAD) had been improving. According to the Monthly Economic Review as of March 2024, the increase in remittances and net service receipts along with the increase in merchandise exports and imports, CAD has narrowed. The 87<sup>th</sup> round of RBI's survey of Professional Forecasters on Macroeconomic Indicators projects CAD to GDP ratio for FY-25 and FY-26 at 1.2% and 1.1% respectively.

In spite of Global Foreign Direct Investment (FDI) flows remaining weak, India fared well when compared to its Asian counterparts. Per Monthly Economic Review as of March 2024, the external debt to GDP ratio decreased slightly from 18.8% to 18.7% at the end of September 2023 and December 2023 respectively. Overall, domestic macro financial risks have declined, and proactive, prudent policies have improved macroeconomic resilience.

Headline inflation largely remained within RBI's upper threshold of 6% except in the months of July and August 2023. Volatility in inflation is mainly caused due to food prices and adverse base effects. RBI has reiterated its intention of bringing inflation to 4.0 % on durable basis and projected CPI inflation for FY'25 at 4.5%. RBI continued with stance of 'withdrawal of accommodation' and pause on policy rates during FY'24.

As per the second advanced estimates (SAE), real gross domestic product (GDP) expanded at 7.6% in FY'24 on the back of buoyant domestic demand. Real GDP increased by 8.4% in Q3 FY'24, with strong investment activity and a lower drag from net external demand.

As per the MPC meeting held in April 2024, considering India's increasing private consumption, optimistic fixed investments, upturn in the government and private capital cycles, strong balance sheets from banks and corporates, real GDP growth for FY'25 is projected at 7.0%.

#### **Auto Sector:**

In FY'24, the retail sales of vehicles were up 10.3 % to 24.5 million units against 22.2 million units in FY'23. In 2024, the two-wheeler sales grew by 9 %, three wheelers by 49 %, PVs by 8.45 %, Tractors by 5 % and commercial vehicles (CVs) by 5 %.

The Passenger Vehicle segment's growth of 8.45 % to reach an all-time high was propelled by improved vehicle availability, a compelling model mix and significant contributions from the SUV segment, which now claims 50 % market share.

Another factor driving the mid and large-size segment is the introduction of successful new utility vehicles (UV) products with high aspirational value from many large auto players in India including Toyota. These products also fall in a higher price range, thus helping automakers earn higher revenue (top line) and profit (bottom line).



### **FY'25 Optimistic Outlook:**

The industry looks forward to FY'25 with optimism, focusing on new product launches, especially in EVs and leveraging economic growth, favorable government policies and expected good monsoon to fuel demand, despite facing challenges like competition and the need for strategic market engagement.

### **NBFC & Auto Finance Industry:**

Growth in Auto Finance industry is driven by rising demand for commercial vehicles (CVs), utility vehicles (UVs), and two / three wheelers, accompanied by bigger ticket financing and the government's focus on infra spending. Besides AUM growth, credit profiles of vehicle financiers have also been supported by steady improvement in asset quality since the last fiscal.

The availability of credit itself, with more banks coming in, the rise in rural sales with more NBFCs (non-banking financial companies) participating, the rise in the share of fleet sales and banks coming out with tailor made products for car buyers, all have contributed to this growth.

### **Collections:**

In retrospect, the collection overview of FY'24 of your Company revealed a blend of challenges and strategic initiatives aimed at optimizing the collection process. Despite encountering obstacles, various innovative approaches were adopted by your Company to mitigate difficulties and enhance overall effectiveness.

### **Initiatives Implemented by Your Company:**

- Enhanced Communication Channels: Strengthened communication channels through digital platforms and personalized outreach to facilitate proactive engagement with customers.
- New collection/Repo vendor empanelment: Looking at the geographical spread of the delinquent customer's location, strategically onboarded new vendors to cater to the location.
- Streamlined Payment Processes: Implemented automated payment systems through Bharat Bill Payment System (BBPS) payment option where customers can pay from any UPI application.
- Data Analytics Integration: Leveraged data analytics tools to analyze payment patterns, identify potential bottlenecks, and optimize collection strategies for improved efficiency.
- Collaborative Approach: Fostered cross-functional collaboration between sales and customer service teams to align collection efforts with customer needs and address challenges collectively.
- Compliance Enhancements: Proactively monitored regulatory changes and updated compliance protocols to ensure adherence to evolving legal requirements and minimize compliance-related risks.

### **Borrowings:**

In FY'24, your Company's borrowing grew steeply, backed by healthy disbursements. The borrowing profile continued to be diversified. Your Company has raised long-term funds through domestic Non-Convertible Debentures, long-term loans from banks, External Commercial Borrowings from Banks and Group Companies.



Your Company's borrowing portfolio as of March 2024 consists 33% of domestic Non-convertible Debentures, 2% of Commercial Papers (CPs), 47% of bank loans, 6% of External Commercial Borrowing from Group Company (Group ECB Loan), and 12% of External Commercial Borrowing (ECB Loans) on a fully hedged basis. Your Company continues to maintain appropriate mix of long-term and short-term borrowings for healthy asset liability position.

Your Company continues to maintain a conservative approach and has given foremost importance to liquidity risk management throughout FY'24. Your Company has maintained cash / cash equivalents and High-Quality Liquid Assets (HQLA), over and above unutilized bank lines to meet any potential liquidity shocks. Your Company continues to invest in HQLA, for the purpose of maintaining Liquidity Coverage Ratio (LCR), as mandated by RBI for NBFCs. Your Company continues to maintain a strong relationship with various banks and avails credit facilities, including committed facilities, from multiple banks. Your Company has continued to enjoy a liquidity indicator of "Superior / Strong" and continuing to maintain rating of AAA (Stable) by both CRISIL Limited and ICRA Limited.

#### **Risk Management:**

Risk management is an essential element of the strategic management of your Company and is embedded in the ongoing activities. The overall objective of risk management is to ensure that your Company's risk profile is maintained within acceptable levels. This would ensure that your Company's operation remains sustainable and financially viable, thereby enabling it to focus and improve its core activity of providing financial services to its customers. There are various types of risks that your Company is exposed to. They can be classified into Credit Risk, Market Risk, and Operational Risk etc. Your Company is investing resources diligently into building a strong and efficient Enterprise Risk Management framework. During FY'24, your Company also conducted the Risk Management Committee (RMC) of the Board on bi-annual basis as per the requirement of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (SEBI (LODR) Regulations).

The Enterprise Risk Management framework, which constitutes the Risk Appetite Statement of your Company, is based on a thorough function-wise assessment of risks. This forms the basis of reporting, escalation, and actions to be taken to mitigate the risks that have been identified.

It is monitored using defined Key Risk Indicators (KRI) and the KRIs breaching threshold undergo a thorough check by regular review, control, and self-assessments and is presented to the Board as well.

Some of the key risks identified are:

**Credit Risk** of a customer is primarily associated with the delinquency of the customer. To identify and mitigate credit risk, your Company organizes the Risk Management Committee (RMC) meetings on monthly basis, where the entire portfolio is discussed and debated upon by dividing it into segments and analyzing trends & patterns and understanding risk levels of the various segments. This, in turn, becomes a key input for portfolio expansion strategy. It also helps enhance collections activities, ensure proper charge creation and credit underwriting policies.

**Liquidity risk** is the risk that your Company will encounter difficulty in meeting obligations from its financial liabilities. Liquidity risk arises in the following situations:

- When there is a mismatch between assets and liabilities which is caused by a difference in the maturity profile of such assets and liabilities.
- From unexpected increase of funding and an inability to liquidate a position in a timely manner and at a reasonable price.

Your Company has constituted Asset Liability management Committee (ALCO) to monitor the risks arising out of Asset Liability Management (ALM). The ALCO manages the risk through the following measures:

- Ensuring the borrowing profile of your Company is diversified instrument wise, source wise, maturity wise.
- Your Company has a Board approved ALM Policy which defines key liquidity risk and prescribes appropriate levels of KRI to monitor and control, in line with RBI Liquidity Risk Management framework for NBFCs.
- Contingency funding plan for responding to severe liquidity disruptions.

**Interest Rate Risk** is exposure to interest rate risk as a result of lending to customers at interest rates and in amounts and for periods, which, may differ from its borrowing in other words, the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. It covers Earnings Risk and Economic Value Risk.

The ALCO is entrusted with the responsibility to manage the Interest rate Risk. Your Company seeks to match its interest rate positions to minimize interest rate risk and undertakes the following steps:

- Set and monitor the threshold levels of KRI.
- Monitor Interest rate sensitivity as prescribed by RBI.
- Analyze earnings at risk caused by an upward shift in the yield curve (100 bps parallel shift).
- Cross Currency Interest Rate SWAPs to hedge the risk of External Commercial Borrowings.

**Currency Risk** is foreign currency exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arises primarily on account of foreign currency receivable or payables and foreign currency borrowings. Your Company has borrowed foreign currency overseas loans under the RBI regulations of External Commercial Borrowings and has hedged currency exposure including the interest payable in future through SWAPs to minimize the unhedged foreign currency exposure.

**Compliance Risk** arises under circumstances when there is failure to act in accordance with legal, regulatory or industry laws, regulations, or policies. It can lead to legal penalties, financial forfeiture, and material loss. To protect from such circumstances, your Company has implemented Compliance Management Tool, which enables technology-based tracking of implementation of mitigation measures and periodic monitoring of compliance obligations from various regulators. Additionally, the management team engages in Compliance Committee Meetings during which compliance matters are discussed for timely compliance.

**Operational Risks** arise from the risk of loss resulting from inadequate or failed internal processes, people, or systems. They also arise from external events. Your company adopts a proactive approach to risk management and addresses risks like information leakage, IT system disruption, operational errors,

internal/ external frauds, legal/ regulatory non-compliance, physical damage to company asset, resignation of key personnel etc. in the RMC meetings. These incidents are reported to the top management and possible countermeasures are discussed; post which the relevant department takes necessary action.

**Information Technology Risk** and Cyber Risk arise from the ever-expanding areas like fraudsters, cyber-attacks, phishing etc. To safeguard against such attacks, your Company has a strict monitoring mechanism of KRIs on a daily and monthly basis. These risks are reported to the RMC and are reviewed by the Management.

**Business Continuity Risk** management is in relation to ensuring adequate Crisis Management protocols under any crisis and ensuring Business Continuity in case the crisis extends. Pertaining to this, your Company has a strong Crisis Management Policy and Framework which covers aspects of ensuring Business Continuity under various crisis scenarios. Your Company also conducts an annual drill to ensure preparedness and proactive measures are taken for such scenarios. Your Company conducted the Business Continuity Tabletop test and IT Systems disaster recovery drill to prepare designated people to respond to and recover from disaster situations.

Further, your Company carried out a detailed Impact Analysis of the current Business context resulting in revised Business Continuity requirements and Recovery objectives (Recovery Time Objective & Recovery Process Objective). Your Company has met the required Recovery Objectives for FY'24.

Thus, the overall Risk Management of your Company is encapsulated in the RMC and ALCO and various other committees; this represents your Company's "Enterprise Risk Management Framework".

#### **Internal Financial Control:**

Your Company has in place adequate internal controls for ensuring orderly and efficient conduct of the business, including adherence to your Company's policies, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information and disclosures as per applicable laws. Your Company has also ensured that such internal financial controls are operating efficiently and effectively.

#### **Information Technology/Project Office:**

Your Company's IT Infrastructure and systems remained stable and maintained systems availability > 99.90% which enabled smooth business operations.

Your Company has continued its focus on the execution of Digital Transformation initiatives to enhance customer experience and to improve productivity. Your Company has successfully implemented key initiatives related to sourcing and processing, partner integrations, customer service and is working on digital transformation of customer acquisition journey. As part of technology modernization, your Company has successfully migrated from "On-premises" IT infrastructure to "Cloud" infrastructure and set up a "Centralized" integration platform to enable rapid system integrations with partner ecosystem. Your Company maintained robust security posture and no information security breaches reported in FY'24, efforts continued to enhance awareness across the organization and 100% of the staff completed



mandated Information security awareness training. Your Company carried out periodic Phishing tests to further strengthen user awareness.

Your Company has taken all measures to maintain compliance with IT related regulatory requirements and successfully conducted the disaster recovery drills in line with the business requirements.

#### **Human Resources:**

Your Company steadily progresses towards developing an agile workforce that will build a sustainable organization for the future. FY'24 ended with an overall head count of 626. Total of 158 employees were hired and onboarded in FY'24, However, your Company had 109 employee exits in FY'24.

#### **HR initiatives:**

Certain initiatives have been taken to address the attrition and increase the employee engagement score:

- Employee "Meet & Greet" sessions at field locations, people connect sessions, focus group discussions, Coffee with Chief Human Resources Officer (CHRO) sessions and skip level meetings.
- Implemented "Work from Home" Policy and flexy working hours policy. Conducted family meets and annual meets.

#### **People Development:**

Your Company continues to drive focus on "People Development" initiatives towards ensuring sustained development of employees, analysing the training needs through a detailed Training Need identification process and skill gap analysis. The people development activities more focussed on the Toyota way global contents, which includes Toyota Way Foundations, Toyota Production System (TPS), Toyota Best Practices (TBP), Ji-Kotei-Kanketsu (JKK) and On the Job Development (OJD) etc. Total 3 sessions of trainings were conducted during FY'24 which covered 57 employees.

#### **Toyota Way:**

Your Company continues to build a strong foundation based on the principles of 'Toyota Way' and TFS values. In this regard your Company have aligned to the global direction of the new "Toyota Way 2020" and launched the "Toyota Way of Working" model to transform employees into true "Toyota Professionals"

#### **Employee Engagement:**

With continuous focus on the employee engagement initiatives and strong people development approach and aligning the employees to Toyota way values and philosophy, your Company has achieved and maintained the overall score of "94" which is better than the region, and the high performing norms. Your Company has a great focus on the employee engagement and provided with suitable employee friendly policies which provides good work life balance. The employees were provided with good office infrastructure and healthy working environment.

#### **Corporate Social Responsibility:**

With continuous focus on committed efforts towards the community by means of Corporate Social Responsibility (CSR) program and with the active involvement of employees, your Company have completed the FY'24 CSR projects as per the plans. The entire budget was utilized appropriately against the planned activities in time. This year also focused on education, support for underprivileged children

and rural development. Your Company's objective is to support society with good education facilities and infrastructure, to enable the underprivileged children with proper education.

- Constructed a government higher primary school building in the rural outskirts of Bangalore, at Nagavara village, Channapatna Taluk, Ramanagar District. This project provides good infrastructure, hygienic toilets, Kitchen equipment and utensils for mid-day meal, facilitating 225 students. Project was completed as per the plan and maintained high quality standards. The project is ready to hand over, which is planned in Q1 of FY'25 at the time of opening of the new academic year.
- Constructed two Anganwadi (Shishu Kendra), which is providing the integrated Child Development Services program to combat child hunger and malnutrition. The building is situated at the outskirts of Bangalore, at Belakere village and Jogara Doddi village, Ramanagar District. This project provides good infrastructure, hygienic toilets, food storage space, facilitating 30 children and several carrying and feeding women in the nearby vicinity. Project was completed as per the plan and handing over is planned in Q1 FY'25.
- Constructed a community-based drinking water plant to provide pure drinking water for public in rural outskirts of Bangalore, at Byrapatna village, Channapatna Taluk, Ramanagar District. The location was having high contaminated water which was not suitable for drinking and the people were having scarcity of pure drinking water. This project provides pure drinking water for 1200 public and ~ 300 school children. Project was completed as per the plan and handing over is planned in Q1 FY'25.
- Continued support in existing CSR projects, through necessary improvements and maintenance, based on the feasibility study and need analysis. As part of the same your Company also provided computer systems.

#### **Significant Changes in Key Financial Ratios:**

In compliance with the requirement of the SEBI (LODR) Regulations, details of significant changes in key financial ratios i.e., change of 25% or more as compared to the immediately previous financial year, along with detailed explanations thereof is given below:

Particulars	March 31, 2024	March 31, 2023	% Change	Reason for such change
Net Profit Margin (%)	5.15	16.74	(69.24)	Decline in net interest margin and increase in credit cost

**For Toyota Financial Services India Limited**

**Sd/-**

**Sunita Rajiv Handa**  
**Chairman & Independent Director**  
**DIN: 08215176**

**Date: May 23, 2024**

**Place: Delhi, India**

**For Toyota Financial Services India Limited**

**Sd/-**

**P B Venugopal**  
**Managing Director & Chief Executive Officer**  
**DIN: 10387035**

**Date: May 23, 2024**

**Place: Bangalore, India**

## CORPORATE GOVERNANCE REPORT

### **1. A brief statement on the Company's philosophy on Code of Governance:**

The Company believes in maintaining high standards of corporate governance which is key to ensure its long-term success and is committed to protecting and maximizing interest of its stakeholders. The Company aims at achieving not only the highest possible standards of legal and regulatory compliances, but also of effective management through effective policies/guidelines and procedures conforming to the applicable laws.

The Compliance philosophy of the Company include the following:

- Obey laws, rules, regulations, various codes of conduct and adherence to Fair Practice Code.
- Take steps to ensure protection of confidential information concerning the Company, customers or employees.
- Manage conflicts of interest.
- Treat customers fairly, with the larger objective of delivering efficient customer service.

### **2. Board of Directors and Key Managerial Personnel:**

List of Directors as on March 31, 2024, along with brief profile is given below:

Name of the Directors	Brief Profile
Ms Sunita Rajiv Handa	Ms. Sunita Handa has done M.Sc in Maths from Delhi University. She is a seasoned banking professional from State Bank of India (SBI) with over three decades of insightful experience, more than half of it in technology initiatives and implementations involving inter-alia; Tech-Channels, Fintechs, Payment Systems, Digital for MSMEs, Corporates & Governments and digitalisation in SBI's Overseas Offices. She was posted in Frankfurt (2008 to 2012) as Sr VP to head Bank's IT operations in Germany. An energetic and enthusiastic Team Leader with a proven track record of business & revenue enhancement and digital transformation by management of large-scale technology projects using her exceptional analytical skills. She has headed the teams that are responsible for developing and implementing Bank's various technology initiatives in Mobility, e-Commerce, ATMs, SWIFT, Treasury, Payments, UPI, Digital Collections/ Payments/ Cash Management for MSMEs, Corporates and Govts. as also the tech operations in Bank's offices in 25 countries across the Globe. She was a director on the Board of SWIFT India DS Pvt. Ltd., Member of the NPCI Innovation Council. She was also honoured by The Economic Times with the prestigious Digital Warriors Award for leading The Best Transitions during Pandemic.
Mr P B Venugopal	Mr. P B Venugopal has about 30 years of experience working in the automobile industry. He has been part of Toyota for group about 15 years and was closely associated with the Company's start-up team when the Company was formed in India and was one of the start-up advisors to start Finance business in India. He was involved in establishing multiple processes for the Company. He was also closely associated with the Company's Business operations from Toyota Kirloskar Motor Private Limited under various roles in the last 15 years. His extensive experience would contribute to the business of the Company.

Mr Kazuo Noda	Mr. Kazuo Noda has bachelor's degree in economics. He has about 30+ years of experience in banking and financial services industry. He was associated with Daiwa Bank Corp, Ltd. (1990 – 2000), BMW Japan Finance Corp. (2000 – 2004) and Sanyo Electric Credit Corp. (2004 – 2007). He joined Toyota group in the year 2007 as Senior Manager – Risk Management Group. He was designated as Group Manager of Treasury Group, Toyota Finance Corporation (Japan) and he was also a Director on the Board of Toyota Motor Finance Netherland.
Mr Tetsuo Higuchi	Mr Tetsuo Higuchi has a bachelor's degree in law and has also completed Master of Business Administration. He has 28+ years of experience in the banking and financial sector industry. He was associated with Mizuho Bank from 1995 to 2006. He joined Toyota group in the year 2006 as a manager. He was designated as a Deputy Chief Executive Officer of Toyota Motor Asia Pacific Pte Ltd., Director of Toyota Financial Services Philippines Corporation, Toyota Capital Malaysia Sdn. Bhd., Toyota Leasing (Thailand) Co., Ltd and Toyota Financial Services Korea Co., Ltd.
Mr Venkatraman Prakash	Mr. V. Prakash has done M.Sc. in Mathematics from Mumbai University. He has about 30 years of insightful experience and expertise in the banking sector. During his tenure at ICICI Bank, he was nominated as Director on the Board of several assisted companies both listed and unlisted. At ICICI Bank he has also served as a General Manager & Head of South India for wholesale banking. Moreover, he was associated with various other banks such as United Amara Bank, Yangon, Myanmar as a Deputy CEO; Lakshmi Villas Bank as an Executive Director; Standard Chartered Bank as a Director & Head of Mid Corporates Business for South India. Further he has considerable experience of working in State Bank of India. He has also served as a Retainer with Boutique Investment Banks in India as a “Deal Originator” in the Mid Corporate Segment, originating and executing Mergers & Acquisition transactions. He has acted as advisor to a Risk Analytics Company offering Risk Management Solutions to the Banking Industry. He was also involved in designing Course content for training of Wholesale Banking Relationship Managers.

Below is the details of Directors as on March 31, 2024:

Name of the Directors	Designation	DIN	Director since	No. of other Directorships*	Core skills / expertise / competencies	No. of shares held#
Ms Sunita Rajiv Handa	Chairman and Independent Director (ID)	08215176	10.09.21	NIL	Leadership, Strategy, Finance, Information Technology, Banking, Governance.	NIL
Mr P B Venugopal	Managing Director & Chief Executive Officer (MD & CEO)	10387035	01.02.24	NIL	Leadership, Strategy, Finance, Sales & Marketing, Operations, Company Administration.	1



Name of the Directors	Designation	DIN	Director since	No. of other Directorships*	Core skills / expertise / competencies	No. of shares held <sup>#</sup>
Mr Kazuo Noda	Whole-Time Director (WTD)	09823103	24.05.23	NIL	Leadership, Strategy, Finance, Sales & Marketing, Operations, Company Administration.	1
Mr Tetsuo Higuchi	Non-Executive Director (NED)	10265141	11.08.23	NIL	Leadership, Strategy, Finance, Sales & Marketing, Operations, Company Administration.	1
Mr Venkatraman Prakash	ID	00102091	14.11.22	Truee IPE Private Limited	Leadership, Strategy, Finance, Legal, Banking, Governance, Mergers & Acquisition, Risk.	NIL

\*The Directorships, held by the Directors as mentioned above, do not include Directorship(s) in foreign companies and Section 8 companies under the Companies Act, 2013.

<sup>#</sup>Beneficial Ownership in shares is held by Toyota Financial Services Corporation (TFSC).

Below is the list of Key Managerial Personnel (KMP) as on March 31, 2024:

Name of the KMP	Designation	DIN	KMP since	No. of other Directorships*	No. of shares held
Mr Anupam Vasdani	Chief Financial Officer (CFO)	NA	23.02.21	NIL	NIL
Mr Ganesh Chandrasekaran	Company Secretary (CS)	NA	14.02.24	NIL	NIL

- During FY'24, Mr Narayanaswamy Raja completed his tenure as the MD & CEO on December 31, 2023 and was further reappointed for one month from January 1, 2024 and thereby finally retired as the MD & CEO effective January 31, 2024 (end of business hours). Further, Mr Masayoshi Hori resigned as Non-Executive Director of the Company effective August 7, 2023 (end of the office hours). The Board places on record its appreciation for the valuable service and guidance provided by Mr Narayanaswamy Raja and Mr Masayoshi Hori during their tenure. The aforesaid two Directors were holding 1 (one) share each for and on behalf of TFSC (Holding Company) which was subsequently transferred after their retirement / resignation.
- Mr R Nithya Prabhu resigned as Company Secretary effective December 29, 2023 (end of business hours). The Board places on record its appreciation for the valuable service provided by Mr R Nithya Prabhu during his tenure.
- Mr Kazuo Noda has been appointed as WTD of the Company effective May 24, 2023, Mr Tetsuo Higuchi has been appointed as Non-Executive Director of the Company effective August 11, 2023 and Mr P B Venugopal has been appointed as the MD & CEO of the Company effective February 01, 2024.



- Mr Ganesh Chandrasekaran, has been appointed as CS of the Company effective February 14, 2024. Further he has been designated as the Compliance Officer of your Company for the purpose of the SEBI Regulations.

- Details of appointment / re-appointment of IDs and Declaration given by IDs:**

Mr Venkatraman Prakash was re-appointed as an ID for a second term of 2 (two) years effective from November 14, 2023, to November 13, 2025.

The Company has received necessary declarations/ disclosures from each ID of the Company under Section 149(7) of the Companies Act, 2013, and Regulation 25(8) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("SEBI Listing Regulations") that they fulfill the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013, and Regulation 16(1)(b) of the Listing Regulations, and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. . The declarations were placed before the Board and the same were taken on record. In terms of Section 150 of the Companies Act, 2013, read with the Companies (Appointment & Qualification of Directors) Rules, 2014, the IDs of the Company have registered themselves with the data bank of IDs created and maintained by the Indian Institute of Corporate Affairs, Manesar. There has been no change in the circumstances affecting their status as IDs of the Company.

- Mr Kazuo Noda retires by rotation in the ensuing Annual General Meeting (AGM) of the Company and being eligible, offers himself for re-appointment. A resolution seeking Shareholders' approval for his re-appointment will form part of the AGM Notice.
- Pursuant to the provisions of Section 203 of the Companies Act, 2013, the following persons continue to be the Key Managerial Personnel of the Company during FY'24:
  - Mr P B Venugopal, MD & CEO,
  - Mr Anupam Vasdani, CFO and
  - Mr Ganesh Chandrasekaran, CS.

#### **Composition of the Board and Committees of the Board:**

Details of the composition of the Board and its Committees as on March 31, 2024, are as under:

<b>Directors</b>	<b>Ms Sunita Rajiv Handa (ID)</b>	<b>Mr P B Venugopal (MD &amp; CEO)</b>	<b>Mr Kazuo Noda, (WTD)</b>	<b>Mr Venkatraman Prakash (ID)</b>	<b>Mr Tetsuo Higuchi (NED)</b>
Board of Directors	✓ Chairman	✓	✓	✓	✓
Audit Committee	✓	X	X	✓ Chairman	✓
Nomination & Remuneration Committee	✓	X	X	✓ Chairman	✓
Corporate Social Responsibility	✓	✓ Chairman	X	✓	X

(CSR) Committee					
Information Technology (IT) Strategy Committee	✓ Chairman	✓	✓	X	X
Risk Management Committee	✓	✓ Chairman	✓	X	X
Stakeholders Relationship Committee	✓	✓	X	✓ Chairman	X

**Note:**

- IT Strategy Committee: In addition to the Board Members, the Committee had Mr Harish Sharma C L, Chief Information & Digital Officer, Mr Anupam Vasdani, Chief Financial Officer, Mr Khizar Momin, Head - Digital Solutions and Mr Ravindranatha Reddy P A, Head - IT Services as its Members.

Details of the eight Board Meetings held during FY'24 along details of attendance at the last AGM:

Name of the Directors	Board Meeting dates								No. of Meetings	Attended during the year	% of Attendance	AGM September 26, 2023
	25.05.23	11.08.23	03.10.23	10.11.23	22.12.23	30.01.24	14.02.24	28.03.24				
Ms Sunita Rajiv Handa – Chairman#	Y	Y	Y	Y	Y	Y	Y	Y	8	8	100	Y
Mr Narayanaswamy Raja*	Y	Y	Y	Y	Y	Y	NA	NA	6	6	100	Y
Mr P B Venugopal @	NA	NA	NA	NA	NA	NA	Y	Y	2	2	100	NA
Mr Kazuo Noda ^	Y	Y	Y	Y	Y	Y	Y	Y	8	8	100	Y
Mr Masayoshi Hori &	Y	NA	NA	NA	NA	NA	NA	NA	1	1	100	NA
Mr Tetsuo Higuchi§	NA	Y	N	Y	Y	Y	Y	Y	7	6	85.71	Y
Mr Venkatraman Prakash	Y	Y	Y	Y	Y	Y	Y	Y	8	8	100	Y

Y - Attended; N - Leave of Absence / Not Attended; NA - Not Applicable

#Chairman effective from 01.04.23.

^Appointed effective from 24.05.23.

& Resigned effective from 07.08.23 (end of business hours).

§Appointed effective from 11.08.23.

\*Retired effective from 31.01.24 (end of business hours).

@Appointed effective from 01.02.24.

- None of the Directors on the Board holds Directorship in more than 7 (seven) equity listed companies. Further, none of the IDs of the Company serves as an ID in more than 7 (seven) equity listed companies. None of the IDs serve as a Whole-Time Director / Managing Director in any listed entity. None of the Directors holds directorship in more than 20 (twenty) Indian companies, with not more than 10 (ten) public limited companies. None of the Directors is a member of more than 10 committees or acts as Chairman of more than 5 committees (being Audit Committee and Stakeholders Relationship Committee), as per Regulation 26(1) of the SEBI Listing Regulations across all the public

limited companies in which he/she is a Director. Necessary disclosures regarding committee positions in other public limited companies, if any, as on March 31, 2024, have been made by the Directors.

- The Board periodically reviews the compliance reports of all laws applicable to the Company. During FY'24, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.
- None of the Directors are related inter-se.
- The Board has constituted Committees with specific terms of reference to focus on specific areas. These include the Audit Committee, Nomination and Remuneration Committee, IT Strategy Committee, Corporate Social Responsibility Committee, Risk Management Committee and Stakeholders Relationship Committee.
- The Company Secretary is the Secretary of all the aforementioned Committees. The Board of Directors and the Committees also take decisions by circular resolutions which are noted by the Board / respective Committees of the Board at their next Meetings.
- All the Board and Committee Meetings were duly convened and held and the Minutes of the same have been properly recorded. The Minutes and the gist of Minutes of Meetings of all Committees of the Board were circulated to the Board of Directors for noting.
- In the opinion of the Board, Ms Sunita Rajiv Handa and Mr Venkatraman Prakash are persons of integrity having requisite expertise and experience (including the proficiency) and the IDs continue to fulfil the criteria prescribed for an ID as stipulated in Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Companies Act, 2013, and are independent of the management of the Company. The IDs have also completed the proficiency test for IDs as mandated under the Companies Act, 2013.
- Meeting of the IDs: During FY'24, one Meeting of the IDs was held on February 11, 2024, where all the IDs attended the Meeting. The IDs, inter-alia, reviewed the performance of the Non-IDs, Board as a whole, the Chairman and the MD & CEO of the Company.
- The details of familiarization programs imparted to the IDs are available on the website of the Company at <https://www.toyotafinance.co.in/downloads/details-of-familiarization-programme.pdf>.
- None of the IDs resigned during FY'24.

#### **Audit Committee (AC):**

##### **Terms of Reference:**

The terms of reference of the Committee are in line with the regulatory requirements mandated in the Companies Act, 2013 and includes oversight of your Company's financial reporting process, recommending to the Board, the appointment, re-appointment of Statutory Auditor, Internal Auditors and the fixation of audit fees, review and monitor the Statutory Auditor's independence and performance and effectiveness of audit process, review and approval of Related Party Transactions (RPTs), scrutiny of inter-corporate loans and investments, evaluation of internal financial controls etc., and carrying out any other function as may be assigned to the Committee by the Board from time to time.

Details of composition of the Committee and its four Meetings held during FY'24:

Name of the Directors	Capacity	AC Meeting dates				No. of Meetings	Attended during the year	% of Attendance
		23.05.23	11.08.23	10.11.23	14.02.24			
Mr Venkatraman Prakash	Chairman <sup>#</sup>	Y	Y	Y	Y	4	4	100
Mr Masayoshi Hori	Member <sup>*</sup>	Y	NA	NA	NA	1	1	100
Mr Kazuo Noda	Member <sup>@</sup>	NA	Y	NA	NA	1	1	100
Ms Sunita Rajiv Handa	Member	Y	Y	Y	Y	4	4	100
Mr Tetsuo Higuchi	Member <sup>§</sup>	NA	NA	Y	Y	2	2	100

Y - Attended; N - Leave of Absence / Not Attended; NA - Not Applicable

<sup>#</sup>Chairman effective from 01.04.23.

<sup>\*</sup>Resigned effective from 07.08.23 (end of business hours).

<sup>@</sup>Committee was re-constituted to induct Mr Kazuo Noda as a member in place of Mr Masayoshi Hori effective from 07.08.23.

<sup>§</sup>Committee was re-constituted to induct Mr Tetsuo Higuchi as a member of the Committee in place of Mr Kazuo Noda effective from 12.08.23.

- The composition of the AC is in line with the provisions of Section 177 of the Companies Act, 2013, and Regulation 18 of the SEBI Listing Regulations. All the Members have the ability to read and understand financial statements and have relevant finance and / or audit experience.
- During FY'24, the Board accepted all recommendations of the AC.
- The previous AGM of the Company was held on September 26, 2023, and was attended by Mr Venkatraman Prakash, Chairman of the Audit Committee.

#### **Nomination and Remuneration Committee (NRC):**

##### **Terms of Reference:**

The terms of reference of the Committee are in line with the regulatory requirements mandated in the Companies Act, 2013 and includes identification of persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual Directors, reviewing compensation of the Managing Directors, Whole Time Directors and Non-Executive Directors, ensure 'fit and proper' status of proposed/ existing Directors, deliberate on the matters of succession planning of the Executive Directors and Senior Management etc., and shall also carry out such other duties as may be delegated to it by the Board of Directors from time to time.

Details of composition of the NRC and its five Meetings held during FY'24:

Name of the Members	Capacity	NRC Meeting dates						No. of Meetings	Attended during the year	% of Attendance
		25.05.23	11.08.23	10.11.23	22.12.23	30.01.24	14.02.24			
Mr Venkatraman Prakash	Chairman <sup>#</sup>	Y	Y	Y	Y	Y	Y	6	6	100
Mr Masayoshi Hori	Member *	Y	NA	NA	NA	NA	NA	1	1	100
Mr Kazuo Noda	Member @	NA	Y	NA	NA	NA	NA	1	1	100
Ms Sunita Rajiv Handa	Member	Y	Y	Y	Y	Y	Y	6	6	100
Mr Tetsuo Higuchi	Member <sup>§</sup>	NA	NA	Y	Y	Y	Y	4	4	100

Y - Attended; N - Leave of Absence / Not Attended; NA - Not Applicable

<sup>#</sup> Chairman effective 01.04.23.

\*Resigned effective from 07.08.23 (end of business hours).

@Committee was re-constituted to induct Mr Kazuo Noda as a member in place of Mr Masayoshi Hori effective from 07.08.23.

<sup>§</sup>Committee was re-constituted to induct Mr Tetsuo Higuchi as a member of the Committee in place of Mr Kazuo Noda effective 12.08.23.

- The composition of the NRC is in line with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations.
- During FY'24, the Board accepted all recommendations of the NRC.
- The previous AGM of the Company was held on September 26, 2023, and was attended by Mr Venkatraman Prakash, Chairman of the Nomination & Remuneration Committee.
- Performance Evaluation of the Board and its Committees:**  
In accordance with the policy for Directors Appointment, Re-Appointment and Evaluation (available at [https://www.toyotafinance.co.in/downloads/directors-appointment-re-appointment-and-evaluation-policy\\_last-updated-on-november-10-2023.pdf](https://www.toyotafinance.co.in/downloads/directors-appointment-re-appointment-and-evaluation-policy_last-updated-on-november-10-2023.pdf)), the Board and Committees were evaluated during FY'24 as below:

Evaluation of Performance by Board of Directors	Evaluation by Nomination and Remuneration Committee	Evaluation by IDs
Board as a whole	Individual Directors	Non-IDs
Committees of Board of Directors	-	Board as a whole
Individual Directors	-	Executive Directors
IDs	-	-

- IDs were evaluated based on criteria like participation in Board/ Committee meetings, managing relationships, knowledge and skill and personal attribution.
- Managing Director was evaluated based on the criteria like leadership, strategy formulation, strategy execution, financial planning/ performance, relationship with Board, human resource management / relations, external relationship, product knowledge and personal quality.
- Other Non-IDs were evaluated based on criteria like knowledgeability, diligence, participation and leadership.

Performance evaluation report of all the Directors was taken on record by Board of Directors and Nomination and Remuneration Committee at their respective Meetings held on February 14, 2024.

- **Succession Planning Policy:**

In Compliance with the applicable Reserve Bank of India circular and SEBI Listing Regulations, the Company has in place Board approved Succession Planning Policy and Plan. Succession planning involves the process of selecting and developing key talent to ensure the continuity of critical roles. It involves identification for the said roles, assessment of their potential and developing the next generation of leaders as potential successors for key leadership roles in the organization. The Company strives to maintain an appropriate balance of skills and experience, within the organization and the Board, in an endeavor to introduce new perspectives, whilst maintaining experience and continuity.

- **Senior Management:**

The Senior Management of the Company comprised of the following personnel as on March 31, 2024:

S No.	Designation	Name of the Person
1	Chief Financial Officer (CFO)	Mr Anupam Vasdani
2	Chief Compliance Officer (CCO)	Ms Padmaja Boyanapalli
3	Company Secretary (CS)	Mr Ganesh Chandrasekaran
4	Chief Business Officer (CBO)	Mr Rangesh Srinivasan
5	Chief Credit and Collection Officer (CCC)	Mr Amit Singhal
6	Chief Information & Digital Officer* (CIDO)	Mr Harish Sharma C L
7	Chief Human Resource Officer* (CHRO)	Mr Manoj Kumar T S
8	Chief Risk Officer (CRO)	Mr Samrat Ghosh
9	Head Internal Audit	Mr A P Alagarsamy

\* During FY'24, the Company has segregated the position of Chief Information Officer & Chief Human Resource Officer into two separate positions effective May 1, 2023, as under:

1. Chief Information & Digital Officer
2. Chief Human Resource Officer

During FY'24, Mr R Nithya Prabhu resigned as Company Secretary of the Company effective December 29, 2023 (end of business hours) and Mr Ganesh Chandrasekaran was appointed as Company Secretary of the Company effective February 14, 2024.

Due to change in organizational structure, the following changes in the Senior Management personnel have become effective since April 11, 2024:

1. Mr Khizar Momin was appointed as the Chief Technology Officer and pursuant to re-christening of the position of Chief Information & Digital Officer (CIDO) as Chief Technology Officer (CTO), the responsibilities of erstwhile CIDO have come under the new CTO incumbent.
2. Mr Kazuo Noda, Whole-Time Director of the Company has been designated as the Deputy CEO.
3. Mr Devinder Puri has been appointed as the Chief Business Officer in place of Mr. Rangesh Srinivasan.
4. Mr Amit Singhal has been appointed as the Chief Strategy Officer.
5. Mr H N Sathyanarayana has been appointed as the Chief Operations Officer.

### **Information Technology Strategy Committee (ITSC):**

#### **Terms of Reference:**

The terms of reference of the Committee includes approving IT strategy and policy documents, have effective strategic planning process in place, review the IT strategies, ensuring IT investments represent a balance of risks and benefits, Policy reviews, cyber security arrangements and any other matter related to IT Governance, institute effective governance mechanism and risk management process for all IT outsourced operations etc.

Details of composition of the ITSC and its five Meetings held during FY'24:

Name of the Members	Capacity	ITSC Meeting dates					No. of Meetings	Attended during the year	% of Attendance
		25.05.23	11.08.23	10.11.23	14.02.24	28.03.24			
Ms Sunita Rajiv Handa	Chairman	Y	Y	Y	Y	Y	5	5	100
Mr Anupam Vasdani	Member	Y	Y	Y	Y	Y	5	5	100
Mr Harish Sharma CL	Member	Y	Y	Y	Y	Y	5	5	100
Mr Kazuo Noda	Member	Y	Y	Y	Y	Y	5	5	100
Mr Khizar Momin	Member	Y	Y	N	Y	Y	5	4	80
Mr Narayanaswamy Raja	Member*	Y	Y	Y	NA	NA	3	3	100
Mr P B Venugopal	Member <sup>§</sup>	NA	NA	NA	Y	Y	2	2	100
Mr Ravi Ponnappati	Member	Y	Y	Y	Y	Y	5	5	100

Y - Attended; N - Leave of Absence / Not Attended; NA - Not Applicable

\* Retired effective 31.01.24 (end of business hours).

<sup>§</sup>Committee was re-constituted to induct Mr P B Venugopal as a member of the Committee in place of Mr Narayanaswamy Raja effective 01.02.24.

### **Corporate Social Responsibility (CSR) Committee:**

#### **Terms of Reference:**

The terms of reference of the Committee are in line with the regulatory requirements mandated in the Companies Act, 2013 and includes formulation and recommendation to the Board CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013, to recommend the amount of expenditure to be incurred on the CSR activities and to institute a transparent monitoring mechanism for implementation of the CSR activities.

Details of composition of the CSR Committee and its three Meetings held during FY'24:

Name of the Directors	Capacity	CSR Committee Meeting dates			No. of Meetings	Attended during the year	% of Attendance
		25.05.23	11.08.23	14.02.24			
Mr Narayanaswamy Raja	Chairman*	Y	Y	NA	2	2	100
Mr P B Venugopal	Chairman <sup>§</sup>	NA	NA	Y	1	1	100
Ms Sunita Rajiv Handa	Member	Y	Y	Y	3	3	100
Mr Venkatraman Prakash	Member	Y	Y	Y	3	3	100

Y – Attended; N – Leave of Absence / Not Attended; NA – Not Applicable

\* Retired effective 31.01.24 (end of business hours).

<sup>§</sup>Committee was re-constituted to induct Mr P B Venugopal as a Chairman and member of the Committee in place of Mr Narayanaswamy Raja effective 01.02.24.

- The composition of the CSR Committee is in line with the provisions of Section 135 of the Companies Act, 2013.



- During FY'24, the Board accepted all recommendations of the CSR Committee.

#### **Risk Management Committee (RMC):**

##### **Terms of Reference:**

The terms of reference of the Committee are in line with the regulatory requirements and includes discussion on the risks pertaining to various departments such as Operations, Credit, Treasury, Human Resources, Information Technology and Compliance, assess in detail the Retail and Wholesale Credit Risk, Liquidity Risk, IT Security Risk and Compliance Risk amongst others, monitor risks associated with Outsourcing arrangements, evaluate risks related to cyber security and review mitigation procedures of such risks, formulate and monitor implementation of Risk Management Policy of the Company. The Risk Management Policy shall be periodically reviewed by the RMC, keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken, appointment, removal and terms of remuneration of the Chief Risk Officer.

Details of composition of the Committee and its three Meetings held during FY'24:

Name of the Directors	Capacity	RMC Meeting dates			No. of Meetings	Attended during the year	% of Attendance
		11.08.23	10.11.23	14.02.24			
Mr Narayanaswamy Raja	Chairman*	Y	Y	NA	2	2	100
Mr P B Venugopal	Chairman <sup>5</sup>	NA	NA	Y	1	1	100
Mr Kazuo Noda	Member	Y	Y	Y	3	3	100
Ms Sunita Rajiv Handa	Member	Y	Y	Y	3	3	100

Y - Attended; N - Leave of Absence / Not Attended; NA - Not Applicable

\* Retired effective 31.01.24 (end of business hours).

<sup>5</sup>Committee was re-constituted to induct Mr P B Venugopal as a Chairman and a member of the Committee in place of Mr Narayanaswamy Raja effective 01.02.24.

- The composition of the RMC is in line with the provisions of Regulation 21 of SEBI Listing Regulations.

#### **Stakeholders Relationship Committee (SRC):**

##### **Terms of Reference:**

The terms of reference of the Committee are in line with the regulatory requirements and includes to monitor and resolve in a timely manner, the grievances/complaints of the security holders of the Company related to transfer / transmission of shares / securities, non-receipt of annual report, non-receipt of declared dividend, issue of new / duplicate certificates, general meetings, etc., review adherence to the service standards in respect of the services being rendered by the Registrar & Transfer Agent (RTA), review of measures taken for effective exercise of voting rights by Shareholders of the Company, review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends, if any and ensuring timely receipt of dividend /annual reports / statutory notices, if any, by the Shareholders of the Company.

Details of composition of the Committee and the Meeting held during FY'24:

Name of the Directors	Capacity	SRC Meeting date	No. of Meetings	Attended during the year	% of Attendance
		14.02.24			
Mr Venkatraman Prakash	Chairman	Y	1	1	100
Mr Narayanaswamy Raja	Member*	NA	1	1	100
Mr P B Venugopal	Member <sup>5</sup>	Y	1	1	100
Ms Sunita Rajiv Handa	Member	Y	1	1	100

Y - Attended; N - Leave of Absence / Not Attended; NA - Not Applicable



\* Retired effective 31.01.24 (end of business hours).

<sup>§</sup>Committee was re-constituted to induct Mr P B Venugopal as a member of the Committee in place of Mr Narayanaswamy Raja effective 01.02.24.

- The composition of the SRC is in line with the provisions of the Companies Act, 2013 and SEBI Listing Regulations.
- The previous AGM of the Company was held on September 26, 2023, and was attended by Mr V Prakash, Chairman of the Stakeholders Relationship Committee.
- Name, designation and address of the Compliance Officer:  
Mr Ganesh Chandrasekaran, Head – Legal & Company Secretary.  
No. 21 Centropolis, First Floor, 5th Cross,  
Langford Road, Shanti Nagar,  
Bangalore – 560025 (Karnataka).  
Email: [cs@tfsin.co.in](mailto:cs@tfsin.co.in)  
Telephone No.: 080 - 4344 2800
- Details of Complaints received from the Debenture holders and redressed during FY'24 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL	NIL	NIL	NIL

- During FY'24, no complaint was received from the Equity Shareholders of the Company.
- Detail of the Debenture Trustees with full contact details:  
Vistra ITCL (India) Limited  
6th Floor, The IL&FS Financial Center,  
Plot No. C-22, G Block, Bandra Kurla Complex,  
Bandra (East), Mumbai 400051  
Tel: +91 22 26593535  
<https://www.vistraitcl.com/investor-grievances>

### **3. General Body Meetings:**

Details of last three Annual General Meetings are as under:

S No.	Type of Meeting	Date, time and Place	Special Resolutions passed
1	Ninth Annual General Meeting	Date: 24.09.20 Time: 1:30 PM Place: Through Video Conference - Deemed to be held at registered office of the Company.	1. Re-appointment of Mr Ashok Rao Baswa (DIN: 01517632) as an ID for a period of 3 (three) years. 2. Alteration of Articles of Association. 3. Change in borrowing limit of the Company. 4. Issue of Non - Convertible Debentures.

S No.	Type of Meeting	Date, time and Place	Special Resolutions passed
2	Tenth Annual General Meeting	Date: 28.09.21 Time: 2:00 PM Place: Through Video Conference - Deemed to be held at registered office of the Company.	1. Issue of Non - Convertible Debentures. 2. Appointment of Ms Sunita Rajiv Handa (DIN: 08215176) as an ID of the Company for an initial term of 1 (one) year effective from September 10, 2021, to September 9, 2022.
3	Eleventh Annual General Meeting	Date: 22.09.22 Time: 12:00 Noon Place: Through Video Conference - Deemed to be held at registered office of the Company.	1. Issue of Non - Convertible Debentures. 2. Re-appointment of Ms Sunita Rajiv Handa (DIN: 08215176) as an ID of the Company for a second term of 2 (two) years effective from September 10, 2022, to September 9, 2024. 3. Appointment of Mr. Masayoshi Hori (DIN: 09602549) as a Non-Executive Director of the Company.

Details of General Body Meetings held during FY'24 are as under:

S No.	Type of Meeting	Date, Time and Place	Special Resolutions passed
1	Twelfth Annual General Meeting	Date: 26.09.23 Time: 12:00 Noon Place: Through Video Conference - Deemed to be held at registered office of the Company	1. Appointment of Mr. Tetsuo Higuchi (DIN: 10265141) as a Non-Executive Director of the Company. 2. Re-appointment of Mr. V Prakash (DIN: 00102091) as an ID of the Company. 3. Change in Borrowing limit. 4. Issue of Non – Convertible Debentures. 5. Alteration of Articles of Association. 6. Material Related Party Transaction with Toyota Kirloskar Motor Private Limited (TKM).
2	First Extra-ordinary General Meeting	Date: 03.10.23 Time: 11:30 AM Place: Registered office of the Company at No. 21, Centropolis, 1st Floor, 5th Cross, Langford Road, Shanti Nagar, Bangalore 560025.	1. Issue of Equity Shares on Private Placement / Preferential basis.
3	Second Extra-ordinary General Meeting	Date: 22.12.23 Time: 3:32 PM Place: Through Video Conference - Deemed to be held at registered office of the Company	1. Re-appointment of Narayanaswamy Raja (DIN: 06840450) as Managing Director and Chief Executive Officer of the Company.

S No.	Type of Meeting	Date, Time and Place	Special Resolutions passed
4	Third Extra-ordinary General Meeting	Date: 30.01.24 Time: 1:30 PM Place: Through Video Conference - Deemed to be held at registered office of the Company	1. Increase in the Authorized share capital of the Company. 2. Alteration of the Capital Clause of the Memorandum of Association of the Company. 3. Preferential Issue of Equity Shares on Private Placement basis. 4. Appointment of Mr. P B Venugopal (DIN:10387035) as Managing Director and Chief Executive Officer of the Company.

- Whether any special resolution passed last year through postal ballot – details of voting pattern – None.
- Person who conducted the postal ballot exercise – Not applicable.
- Whether any special resolution is proposed to be conducted through postal ballot – None.
- Procedure for postal ballot – Not applicable.

#### 4. Remuneration Details:

##### Details of Remuneration of the Executive Directors:

(Amount in INR Million)

S No.	Particulars of Remuneration for FY'24	Name of MD/ WTD/ Manager		
		Mr Narayanaswamy Raja*	Mr P B Venugopal@	Mr Kazuo Noda <sup>§</sup>
		Managing Director & Chief Executive Officer	Managing Director & Chief Executive Officer	Whole-time Director
1	Gross salary (a) Salary under section 17(1) of the Income-tax Act, 1961 (IT Act) (b) Perquisites u/s 17(2) of IT Act (c) Profits in lieu of salary under section 17(3) of IT Act	17.11	2.30	21.41
2	Benefits	-	-	-
3	Bonus	-	-	-
4	Details of fixed component and performance linked incentives	-	-	-
5	Sweat Equity / Stock Options	-	-	-
6	Commission - as % of profit Commission - others, specify	-	-	-
7	Others, please specify	-	-	-
	<b>Total</b>	<b>17.11</b>	<b>2.30</b>	<b>21.41</b>

<sup>§</sup> Appointed effective 24.05.2024.

\* Retired effective from 31.01.2024 (end of business hours).

@ Appointed effective 01.02.2024.

**Details of Sitting Fees paid to the IDs:***(Amount in INR Million)*

S No.	Particulars of Remuneration for FY'24	IDs	
		Ms Sunita Rajiv Handa	Mr Venkatraman Prakash
1	Gross salary (a) Salary under section 17(1) of the Income-tax Act, 1961 (IT Act) (b) Perquisites u/s 17(2) of IT Act (c) Profits in lieu of salary under section 17(3) of IT Act	0	0
2	Benefits	0	0
3	Bonus	0	0
4	Details of fixed component and performance linked incentives	0	0
5	Sweat Equity / Stock Options	0	0
6	Commission - as % of profit Commission - others, specify	0	0
7	Others, please specify (in Million) <b>Sitting fee #</b>	1.14	1.06
	<b>Total</b>	<b>1.14</b>	<b>1.06</b>

# Sitting fee of INR 100,000 for Board Meeting, INR 40,000 for separate ID's Meeting, INR 30,000 for Audit Committee Meeting, and INR 10, 000 for all other Committee Meetings was paid to the IDs for attending the Board & Committee Meetings held during FY'24.

- During FY'24, the IDs of your Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses, if any, incurred by them for the purpose of attending Meetings of the Board / Committee of the Company. Further the Company has not paid remuneration to NEDs (other than IDs) and they had no pecuniary relationship or transactions with the Company. The criteria for making payment to NEDs is available at <https://www.toyotafinance.co.in/downloads/criteria-of-making-payment-to-non-executive-directors.pdf>.

**5. Means of Communication:**

- Quarterly results displayed on the Company's website at: <https://www.toyotafinance.co.in/investors/disclosure-under-regulation-62-of-the-lodr.html#Financial-Results>
- Newspapers wherein results normally published: Business Standard (All India Edition)
- Any website, where displayed: <https://www.toyotafinance.co.in/investors/disclosure-under-regulation-62-of-the-lodr.html#Financial-Results>
- Whether it also displays official news releases – No
- Presentations made to institutional investors or to the analysts - Not Applicable

**6. General shareholder information:**

S No.	Particulars	Details / Comments / Remarks
a	Annual General Meeting - date, time and venue	Kindly refer to Notice of Thirteenth Annual General Meeting annexed to this report.
b	Financial year	April 1, 2023, to March 31, 2024.

S No.	Particulars	Details / Comments / Remarks
c	Dividend payment date	The Company has not paid any dividend during FY'24.
d	The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)	<p>The Secured, Rated, Redeemable, Non-Convertible Debentures issued by the Company on a private placement basis are listed on the National Stock Exchange of India Limited.</p> <p>Address: Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400 051.</p> <p>Listing Fee as applicable has been paid for FY'24 and FY'25.</p>
e	Stock code	The equity shares of the Company are not listed on the Stock Exchange; hence the Stock code is not applicable.
f	Market price data- high, low during each month in last Financial Year	Not Applicable*
g	Performance in comparison to broad-based indices such as BSE sensex, CRISIL Index etc.	Not Applicable*
h	In case the securities are suspended from trading, the directors report shall explain the reason thereof	During FY'24, none of the securities of the Company were suspended from trading.
i	Registrar to an issue and share transfer agents	<p>Name: KFin Technologies Limited</p> <p>Address: Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032</p> <p>Telephone Number: 040-67162222</p> <p>Website: <a href="https://www.kfintech.com/">https://www.kfintech.com/</a></p>
j	Share transfer system	Equity Shares - Inhouse Non-Convertible Debentures- KFin Technologies Limited
k	Distribution of shareholding	Wholly Owned Subsidiary of Toyota Financial Services Corporation, Japan.
l	Dematerialization of shares and liquidity	Not Applicable*
m	Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity	Not Applicable*
n	Commodity price risk or foreign exchange risk and hedging activities	Not Applicable*
o	Plant locations	Not Available. Since the Company is a Non-Banking Financial Company registered with Reserve Bank of India
p	Address for correspondence	Toyota Financial Services India Limited,

S No.	Particulars	Details / Comments / Remarks
		No. 21, 1st Floor, 5th Cross, Centropolis, Langford Road, Shanthi Nagar, Bangalore – 560025 (Karnataka) Phone: 080-4344 2800
q	List of all credit ratings obtained by the entity along with any revisions thereto during the relevant Financial Year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad	Your Company's credit rating continues to remain at AAA (Stable) for long term instruments and A1+ for short term instrument as rated by both CRISIL Limited and ICRA Limited.

\*The equity shares of the Company are not listed on the stock exchanges and hence certain details are not applicable to the Company.

#### **7. Other Disclosures:**

S No.	Particulars	Details / Comments / Remarks
a	Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large.	During FY'24 there have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors that may have potential conflict with the interest of the Company
b	Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years;	During the last three years no penalties or strictures were imposed on the Company by any stock exchange, SEBI or other statutory authority on matters relating to the capital markets.
c	Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the Audit Committee.	Whistle blower policy can be accessed at following: <a href="https://www.toyotafinance.co.in/downloads/whistle-blower-policy-last-updated-on-august.11.2023.pdf">https://www.toyotafinance.co.in/downloads/whistle-blower-policy-last-updated-on-august.11.2023.pdf</a>  During FY'24, no personnel has been denied access to the Audit Committee.
d	Details of compliance with mandatory requirements and adoption of the non-mandatory requirements.	The Company has complied with all the mandatory requirements of the SEBI Listing Regulations applicable to the Company.  The Company has also complied with the following non-mandatory requirements as specified in Part E of Schedule II of the SEBI LODR Regulation.  <ul style="list-style-type: none"> <li>• <b>Separate posts of Chairman and the Managing Director or the Chief Executive Officer:</b> Ms Sunita Rajiv Handa, ID has been appointed as Chairman effective from April 1, 2023, and she is not related to MD &amp; CEO.</li> </ul>

S No.	Particulars	Details / Comments / Remarks										
		<ul style="list-style-type: none"><li><b>Modified opinion(s) in audit report:</b> During FY'24, there was no modified audit opinion in the Auditor's Report on the Company's financial statements.</li></ul>										
e	Web link where policy for determining 'material' subsidiaries is disclosed	Not Applicable. The Company does not have any Subsidiary companies.										
f	Web link where policy on dealing with related party transactions	Related party transactions policy can be accessed at following link: <a href="https://www.toyotafinance.co.in/downloads/policy-on-related-party-transactions-last-updated-on-november-10-2023.pdf">https://www.toyotafinance.co.in/downloads/policy-on-related-party-transactions-last-updated-on-november-10-2023.pdf</a>										
g	Disclosure of commodity price risks and commodity hedging activities.	The Company does not deal in any commodity and hence is not directly exposed to any commodity price risk.										
h	Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).	Regulation 32 (7A) of SEBI Listing Regulations is not applicable to the Company since it is a debt listed entity. However, during the year the Company has raised funds through the issue of Non- Convertible Debentures. The Company has fully utilized the funds for the object for which the funds were raised.										
i	Certificate from a company secretary in practice that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.	None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority. A certificate to this effect, duly signed by the Practicing Company Secretary is annexed as <b>Annexure 8</b> .										
j	<p>Where the Board had not accepted any recommendation of any committee of the Board, which is mandatorily required, in the relevant Financial Year, the same to be disclosed along with reasons thereof.</p> <p>Provided that the clause shall only apply where recommendation of / submission by the committee is required for the approval of the Board of Directors and shall not apply where prior approval of the relevant committee is required for undertaking any transaction under these Regulations.</p>	No such instances of non-acceptance of recommendation of any committee by the Board during FY'24.										
k	Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.	<p>Statutory Audit fees for FY'24 is as under:</p> <p style="text-align: right;">(Amount in INR Million)</p> <table><tr><td>As statutory auditor</td><td>6.40</td></tr><tr><td>As tax auditor</td><td>0.30</td></tr><tr><td>For other services</td><td>0.90</td></tr><tr><td>For reimbursement of expenses</td><td>1.67</td></tr><tr><td><b>Total</b></td><td><b>9.27</b></td></tr></table>	As statutory auditor	6.40	As tax auditor	0.30	For other services	0.90	For reimbursement of expenses	1.67	<b>Total</b>	<b>9.27</b>
As statutory auditor	6.40											
As tax auditor	0.30											
For other services	0.90											
For reimbursement of expenses	1.67											
<b>Total</b>	<b>9.27</b>											

S No.	Particulars	Details / Comments / Remarks												
L	Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:	<table> <tr> <th>S No</th><th>Particulars</th><th>Details</th></tr> <tr> <td>a</td><td>Number of complaints filed during FY'24</td><td>NIL</td></tr> <tr> <td>b</td><td>Number of complaints disposed of during FY'24</td><td>NIL</td></tr> <tr> <td>c</td><td>Number of complaints pending as on end of FY'24</td><td>NIL</td></tr> </table>	S No	Particulars	Details	a	Number of complaints filed during FY'24	NIL	b	Number of complaints disposed of during FY'24	NIL	c	Number of complaints pending as on end of FY'24	NIL
S No	Particulars	Details												
a	Number of complaints filed during FY'24	NIL												
b	Number of complaints disposed of during FY'24	NIL												
c	Number of complaints pending as on end of FY'24	NIL												
m	Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.  Provided that this requirement shall be applicable to all listed entities except for listed banks.	The Company has not granted any loan or advances to any firms/companies in which directors are interested.												
n	Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries	Not Applicable. The Company does not have any Subsidiary companies.												

**8. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed:**

The Company has complied with all the requirements of Corporate Governance as specified in sub-paras (2) to (10) of Part C of Schedule V of the SEBI LODR Regulation, 2015.

**9. The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted:**

- The Company has appointed separate posts of Chairman and the MD & CEO such that Chairman is a Non-Executive Director and not related to MD & CEO. Ms Sunita Rajiv Handa, ID has been appointed as Chairman effective from April 1, 2023, and she is not related to MD & CEO.
- The Company confirms that its financial statements for FY'24 have unmodified audit opinion.

**10. Report on Corporate Governance:**

The Company has complied with the corporate disclosure requirements specified in Regulation 17 to 27 on a comply or explain basis and Regulation 26 of SEBI Listing Regulations.

**11. Declaration signed by the Chief Executive Officer stating that the members of Board of Directors and Senior Management personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management:**

Declaration signed by the Chief Executive Officer with regard to compliance with the Code of Conduct is annexed as **Annexure 3**.





**12. Compliance certificate from either the auditors or Practicing Company Secretaries regarding compliance of conditions of corporate governance shall be annexed with the Directors' Report:**

Compliance Certificate issued by Practicing Company Secretaries regarding compliance of conditions of Corporate Governance is annexed as **Annexure 9**.

**13. Disclosures with respect to demat suspense account/ unclaimed suspense account:**

The equity shares of the Company are not held in demat form. Hence, not applicable.

**14. Disclosure of certain types of agreements binding listed entities**

The Company being a high value debt listed entity, Regulation 30 of the SEBI LODR Regulation, 2015 is not applicable.

**For Toyota Financial Services India Limited**

**For Toyota Financial Services India Limited**

**Sd/-**

**Sd/-**

**Sunita Rajiv Handa  
Chairman & Independent Director  
DIN: 08215176**

**P B Venugopal  
Managing Director & Chief Executive Officer  
DIN: 10387035**

**Date: May 23, 2024  
Place: Delhi, India**

**Date: May 23, 2024  
Place: Bangalore, India**

**Annexure 3****DECLARATION BY MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER**

[As per Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Board of Directors,  
**Toyota Financial Services India Limited.**

I, P B Venugopal, Managing Director & Chief Executive Officer of Toyota Financial Services India Limited hereby declare that all the Board Members and Senior Managerial Personnel have affirmed compliance with the Code of Conduct of the Company laid down for them for the year ended March 31, 2024.

**For Toyota Financial Services India Limited**

**Sd/-**

**P B Venugopal**  
**Managing Director & Chief Executive Officer**  
**DIN: 10387035**

**Date: May 23, 2024**  
**Place: Bangalore, India**

**COMPLIANCE CERTIFICATE**

(Under Regulation 17(8) of Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Board of Directors,  
**Toyota Financial Services India Limited.**

We hereby certify that:

A. We have reviewed financial statements and the cash flow statement for FY'24 and that to the best of our knowledge and belief:

- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit Committee:

- (1) significant changes in internal control over financial reporting during the year.
- (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements.
- (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Sd/-**

P B Venugopal

**Managing Director & Chief Executive Officer**

Date: May 23, 2024

Place: Bangalore, India

**Sd/-**

Anupam Vasdani

**Chief Financial Officer**

Date: May 23, 2024

Place: Bangalore, India

**FORM NO. AOC 2**

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

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

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

- (a) Name(s) of the related party and nature of relationship- N.A.
- (b) Nature of contracts/ arrangements/ transactions- N.A.
- (c) Duration of the contracts/ arrangements/ transactions- N.A.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any- N.A.
- (e) Justification for entering into such contracts or arrangements or transactions- N.A.
- (f) Date(s) of approval by the Board, if any- N.A.
- (g) Amount paid as advances, if any- N.A.
- (h) Date on which the special resolution was passed in general meeting as required under the first proviso to section 188- N.A.

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the duration and value if any	Date(s) of approval by the Board	Amount paid as advances, if any
Toyota Motor Finance (Netherlands) B.V.  Group Company	External Commercial Borrowing ("ECB") - loan facility	External Commercial Borrowings ("ECB") from Toyota Motor Finance (Netherlands) B. V. for an amount not exceeding USD 100 Million (One Hundred Million US Dollars Only) (in any currency equivalent to USD 100 million)	Approval of the Board vide circular resolution passed on November 19, 2021, and Shareholder approval dated November 25, 2021.	Nil

Toyota Kirloskar Motor Private Limited  Group Company	Sale of cars, receipt of subvention, leasing of vehicles, purchase of vehicles, Integration Interface maintenance services, offer GFV / buy-back based financing, pay-out for disbursement of retail Loan, availing of shared services, renting of premises, procurement of Lexus vehicle, procurement of Toyota Innova Hycross Car, execution of associate agreement, etc.	Transaction with Toyota Kirloskar Motor Private Limited for an aggregate value of up to INR 1, 453.1 Million during FY 2023-24	Approval of the Board vide circular resolution passed on August 28, 2023, and Shareholder approval dated September 26, 2023.	Nil
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**Note:** There are no other material contracts or arrangement or transactions at arm's length basis entered during FY'24 apart from what is stated above.

**For Toyota Financial Services India Limited**

**Sd/-**

**Sunita Rajiv Handa**  
**Chairman & Independent Director**  
**DIN: 08215176**

**Date: May 23, 2024**  
**Place: Delhi, India**

**For Toyota Financial Services India Limited**

**Sd/-**

**P B Venugopal**  
**Managing Director & Chief Executive Officer**  
**DIN: 10387035**

**Date: May 23, 2024**  
**Place: Bangalore, India**

**THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FY'24**
**1. Brief outline on CSR Policy of the Company:**

Your Company contributed to sustainable development of society by undertaking various projects and programs which will enhance the quality of life and well-being of diverse people clusters in society. Guided by the Companies Act, 2013, and the Company's basic philosophy regarding CSR, depending upon the area that needs utmost attention and support for the development of the society and to meet direct needs of the society, the Company decide upon the kind of programs / projects and / or activities that can be undertaken by the Company for a particular tenure. Implementation of such programs / projects / activities are done either directly through Company's personnel or through appointment of external agencies, trusts, institutions etc. depending upon the best suitable way or method of execution of such observed activity(ies). During the reporting period, the Company undertook various projects primarily focusing on the education of underprivileged children (for details refer point 8 below).

**2. Composition of CSR Committee:**

S No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr Narayanaswamy Raja*	Chairman of CSR Committee, Managing Director & Chief Executive Officer (MD & CEO)	2	2
2	Mr P B Venugopal #	Chairman of CSR Committee, MD & CEO	1	1
3	Ms Sunita Rajiv Handa	Independent Director	3	3
4	Mr V Prakash	Independent Director	3	3

\* Retired effective 31.01.24 (end of business hours).

# Committee was re-constituted to induct Mr P B Venugopal in place of Mr Narayanaswamy Raja effective 01.02.24 as a member and Chairman of the Committee.

**3. Web-link where following items are placed on Company's website:**

S No.	Particulars	Web-link
1	Composition of CSR committee	<a href="https://www.toyotafinance.co.in/downloads/composition-of-various-committees-of-the-board-of-directors-with-attached-document.pdf">https://www.toyotafinance.co.in/downloads/composition-of-various-committees-of-the-board-of-directors-with-attached-document.pdf</a>

S No.	Particulars	Web-link
2	CSR Policy	<a href="https://www.toyotafinance.co.in/downloads/corporate-social-responsibility.pdf">https://www.toyotafinance.co.in/downloads/corporate-social-responsibility.pdf</a>
3	CSR projects approved by the board	<a href="https://www.toyotafinance.co.in/downloads/board-approved-csr-projects-fy23-24.pdf">https://www.toyotafinance.co.in/downloads/board-approved-csr-projects-fy23-24.pdf</a>

**4. Details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):**

Not Applicable

**5. CSR obligation for the financial year:**

S No.	Particulars	Amount in INR
(a)	Average net profit of the company as per sub-section (5) of section 135	1,12,22,10,735
(b)	Two percent of average net profit of the company as per sub-section (5) of section 135	2,24,44,215
(c)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	-
(d)	Amount required to be set-off for the financial year, if any.	-
(e)	Total CSR obligation for the financial year [(b)+(c)-(d)]	<b>2,24,44,215</b>

**6.**

**(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): INR 2,24,44,315.**

i. Details of CSR amount spent against ongoing projects for the financial year - **NA**

ii. Details of CSR amount spent against other than ongoing projects for the financial year:

S No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in INR)	Mode of implementation - Direct (Yes / No)	Mode of implementation Through implementing agency	
				State.	District.			Name	CSR registration number
1	Construction of school building with necessary facilities	Promoting education	Yes	Karnataka	Ramanagaram	13,471,173	Direct	Not Applicable	

S No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in INR)	Mode of implementation - Direct (Yes / No)	Mode of implementation Through implementing agency	
				State.	District.			Name	CSR registration number
2	Construction of 2 Shishu Kendra, (Anganwadi) with necessary infrastructure	Women and Child development	Yes	Karnataka	Ramanagaram	5,939,316	Direct	Not Applicable	
3	Maintenance and improvements of existing Schools (Projects of pervious years)	Promoting education	Yes	Karnataka	Ramanagaram	1,602,625	Direct	Not Applicable	
4	Digital education facilities for the children (Computer Desktops & printers for schools)	Promoting digital education	Yes	Karnataka	Ramanagaram	375,004	Direct	Not Applicable	
5	Construction of community-based drinking water treatment plant	Health and Hygiene	Yes	Karnataka	Ramanagaram	1,056,100	Direct	Not Applicable	
	<b>TOTAL</b>					<b>22,444,218</b>			

(b) Amount spent in Administrative Overhead: NIL

(c) Amount spent on Impact Assessment, if applicable: **NA**

(d) Total amount spent for the Financial Year (8b+8c+8d+8e): **INR 22,444,218**

(e) CSR amount spent or unspent for the financial year: NIL

Total Amount Spent for the financial year in INR	Amount Unspent in INR				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Amount.	Name of the Fund	Amount.	Date of transfer
<b>22,444,298</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>



(f) Excess amount for set off, if any: **NIL**

S No.	Particulars	Amount in INR
(i)	Two percent of average net profit of the Company as per section 135(5)	<b>22,444,215</b>
(ii)	Total amount spent for the Financial Year	<b>22,444,218</b>
(iii)	Excess amount spent for the financial year [(ii)-(i)]	<b>NIL</b>
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	<b>NIL</b>
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	<b>NIL</b>

Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, and amount required for set off for the financial year, if any: **NIL**

**7. (a) Details of Unspent CSR amount for the preceding three financial years: NIL**

**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NA**

**8. Details relating to the asset, created or acquired through CSR spent in the financial year:**

Date of creation or acquisition of the capital asset(s).	March 20, 2024
Amount of CSR spent for creation or acquisition of capital asset.	1. School building with furniture: 13,471,173 2. Shishukendra with amenities: 5,939,316 3. Water Plant: 1,056,100
Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	1. <b>Infrastructure of school:</b> The Headmaster, Govt Higher Primary School, Nagavara village, Channapatna Taluk, Ramanagaram district. 2. <b>Infrastructure of Anganwadi (Shishu Kendra):</b> Child Development Project Officer – Ramanagaram district. 3. <b>Pure drinking water plant:</b> Panchayath Development Officer, Malur Gram Panchayat, Channapatna, Ramanagaram district.
Details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Construction of school building with basic amenities like washrooms for girls and boys, Kitchen with utensils and furniture classrooms and office room.  <b>1a. Address:</b> Govt Higher Primary School, Nagavara village, Channapatna Taluk, Ramanagar district. <b>1b. Area of immovable property:</b> 4250 Square feet.

	<p><b>1c. Bounded by-</b>  North: Private  South: Road  East: Public library  West: Remaining property of Govt school</p> <p><b>2a. Infrastructure of Anganwadi I (Shishu Kendra):</b>  Belakere village, Channapatna taluk, Ramanagaram district.</p> <p><b>2b. Area of immovable property:</b> 850 sft square feet.</p> <p><b>2c. Bounded by-</b>  North: Road  South: Private property  East: Road  West: Private property</p> <p><b>2d. Infrastructure of Anganwadi II (Shishu Kendra):</b>  Jogara doddi village, Bidadi, Ramanagaram district.</p> <p><b>2e. Area of immovable property:</b> 850 Square feet.</p> <p><b>2f. Bounded by-</b> Within the Govt primary school compound.</p> <p><b>3a. Pure drinking water plant:</b>  Byrapatna village, Malur Gram Panchayat, Channapatna, Ramanagaram district.</p> <p><b>3b. Area of immovable property:</b> 140 Square feet.</p> <p><b>3c. Bounded by-</b>  North: Road  South: School property  East: Anganwadi  West: School property</p>
Details of the <b>movable capital asset(s)</b> created or acquired (including complete address and location of the capital asset).	<p>Amount spent: INR 375,004</p> <p>Computer systems for four schools - one set of desktop and monitor for each Government school, address as mentioned below.</p> <p>School I: Govt Higher Primary School - Mankunda village</p> <p>School II: Govt Higher Primary School-M N Halli village</p> <p>School III: Govt Higher Primary School - Byadarahalli village</p> <p>School IV: Govt Higher Primary School- Nagavara village</p>



9. Reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): **NA**. Since, the Company has spent entire two per cent of the average net profit as per section 135(5).

**For Toyota Financial Services India Limited**

**Sd/-**

**P B Venugopal**  
**Chairman, CSR Committee**  
**DIN: 10387035**

**Date: May 23, 2024**

**Place: Bangalore, India**

**For Toyota Financial Services India Limited**

**Sd/-**

**Sunita Rajiv Handa**  
**Member, CSR Committee**  
**DIN: 08215176**

**Date: May 23, 2024**

**Place: Delhi, India**



Form No. MR-3

**SECRETARIAL AUDIT REPORT**

**For the Financial Year Ended March 31, 2024**

*[Pursuant to Sub Section (1) of Section 204 of the Companies Act, 2013 and Rule 9 of the  
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To

The Members

**Toyota Financial Services India Limited**

No. 21 Centropolis, First Floor

5th Cross Langford Road, Shanti Nagar

Bengaluru - 560025

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Toyota Financial Services India Limited** having a CIN: U74900KA2011FLC058752(hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2024 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent in the manner and subject to the reporting made hereinafter:



We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company during the audit period according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings; the Company has not made any Overseas Direct Investment during the audit period.
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. **(Not Applicable to the Company during the review Period);**
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. **(Not Applicable to the Company during the review Period);**
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. **(Not Applicable to the Company during the Audit Period);**
  - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;



- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to the Company during the Audit Period);**
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable to the Company during the Audit Period);** and
  - i. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi) Other Laws Applicable Specifically to the Company namely:
- a. Master Direction - Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023.
  - b. Master Direction - Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016.
  - c. Master Direction - Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016.
  - d. Master Direction - Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016.
  - e. Master Direction - Know Your Customer (KYC) Direction, 2016
  - f. Master Direction - Information Technology Framework for the NBFC Sector
  - g. Scale Based Regulation (SBR) A Revised Regulatory Framework for NBFCs (the framework).



- h. Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances.
- i. Master Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs.
- j. Appointment of Internal Ombudsman by Non-Banking Financial Companies.
- k. Master Direction on Outsourcing of Information Technology Services, 2023

Framework for Compromise Settlements and Technical Write-offs Insurance Regulatory and Development Authority Of India (Appointment Of Insurance Agents) Regulations, 2016 (Registration of Corporate Agents) Regulations, 2015, other circulars / guidelines as applicable.

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

- a. Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.
- b. Listing Agreements entered into by the Company with National Stock Exchange of India Limited.

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

We have not examined compliance with applicable Financial Laws like Direct and Indirect Tax Laws since the same have been subject to review by statutory financial audit and other designated professionals.



**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except with respect to those agenda items which the Company deemed to be unpublished price sensitive information (UPSI), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

Based on the review of systems and processes adopted by the Company of providing confirmation on compliances of all the laws applicable to the Company by the Company Secretary to the Board from time to time, which was taken on record by the Board of Directors, we further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as per the list of such laws as mentioned above in Point No. vi of para 3 of this report.

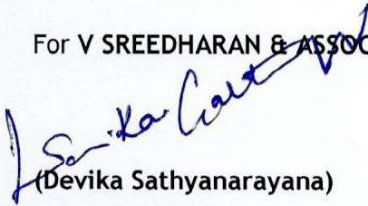
We further report that during the audit period the following events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, etc.

- a) Issue and allotment of 100 Million (One Hundred Million) Equity Shares, of face value of INR 10/- (Rupee Ten) each at an issue price of INR 24/- (Rupee Twenty-Four Only) each (including premium of INR 14/- (Rupees Fourteen Only) per share), for an aggregate amount not exceeding INR 2.4/- Billion for cash, to Toyota Financial Services Corporation, Japan, the Holding Company, through Preferential Issue on a Private Placement basis.
- b) Increase in the Authorised Share capital of the Company subsequent to alteration of Memorandum of Association of the Company.



- c) Articles of Association of the Company is amended for inclusion of the clause for appointment of Nominee Director in terms of the Securities and Exchange Board of India (Debtenture trustee) Regulation.
- d) Issue and allotment of 148 Million (one hundred 48 million) Equity Shares, of face value of INR 10/- (Rupee Ten) each at an issue price of INR 25/- (Rupee Twenty-Five Only) each (including premium of INR 15/- (Rupees Fifteen Only per share), for an aggregate amount not exceeding INR 3.7/- Billion for cash, to Toyota Financial Services Corporation, Japan, the Holding Company, through Preferential Issue on a Private Placement basis.

For V SREEDHARAN & ASSOCIATES

  
(Devika Sathyanarayana)

Partner

FCS: 11323; CP No.17024

Address: Plot No.293, #201, 2<sup>nd</sup> Floor, 10<sup>th</sup> Main Road  
3<sup>rd</sup> Block, Jayanagar, Bengaluru-560011



Place: Bengaluru

Date: 25/04/2024

UDIN: F011323F000236768

Peer Review Certificate No. 5543/ 2024

*This letter, which is annexed herewith as Annexure and it forms an integral part of the Secretarial Audit Report Form MR-3 and has to be read along with it.*

To  
The Members  
Toyota Financial Services India Limited  
No. 21 Centropolis, First Floor  
5th Cross Langford Road, Shanti Nagar  
Bengaluru - 560025

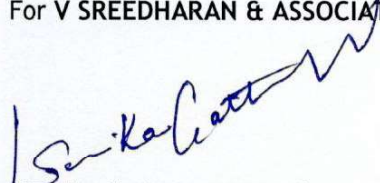
Our report of even date is to be read along with this letter:

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.



6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For V SREEDHARAN & ASSOCIATES

  
(Devika Sathyanarayana)

Partner

FCS: 11323; CP No.17024

Address: Plot No.293, #201, 2<sup>nd</sup> Floor, 10<sup>th</sup> Main Road  
3<sup>rd</sup> Block, Jayanagar, Bengaluru-560011



Place: Bengaluru

Date: 25/04/2024

UDIN: F011323F000236768

Peer Review Certificate No.5543/2024



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

***(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)***

To

**The Members**

**Toyota Financial Services India Limited**

No. 21 Centropolis, First Floor

5<sup>th</sup> Cross Langford Road, Shanti Nagar

Bengaluru - 560025

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Toyota Financial Services India Limited** bearing **CIN: U74900KA2011FLC058752** and having registered office at No. 21 Centropolis, First Floor 5<sup>th</sup> Cross Langford Road, Shanti Nagar Bengaluru - 560025 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of Company by the Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs (MCA).



**Details of Directors as on 31.03.2024:**

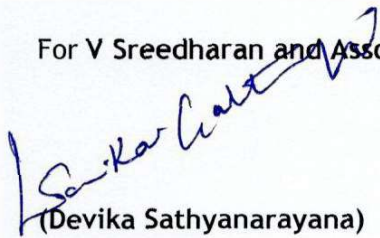
Sl. No.	Name of Director	DIN	Date of appointment in Company
1.	SUNITA RAJIV HANDA	08215176	10/09/2021
2.	PALA BUSHANAM VENUGOPAL	10387035	01/02/2024
3.	TETSUO HIGUCHI	10265141	11/08/2023
4.	VENKATRAMAN PRAKASH	00102091	14/11/2022
5.	KAZUO NODA	09823103	24/05/2023

a. Mr. Masayoshi Hori (DIN: 09602549) resigned from the position of Director with effect from 07.08.2023.

b. Mr. Narayanaswamy Raja (DIN: 06840450) retired from the position of Managing Director and Chief Executive Officer with effect from 31.01.2024.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For V Sreedharan and Associates



(Devika Sathyanarayana)

Partner

FCS: 11323; CP No.17024

Address: Plot No.293, #201, 2<sup>nd</sup> Floor, 10<sup>th</sup> Main Road  
3<sup>rd</sup> Block, Jayanagar, Bengaluru-560011

Place: Bengaluru

Date: 25/04/2024

UDIN: F011323F000236878

Peer review Certificate Number: 5543/2024



Annexure 9

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

*[Pursuant to the part E of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

Corporate Identity No : U74900KA2011FLC058752

Nominal Capital : Rs. 1,358,14,68,700/-

To

**The Members of Toyota Financial Services India Limited,**

We have examined all the relevant records of **Toyota Financial Services India Limited** having CIN: **U74900KA2011FLC058752** for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2024. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

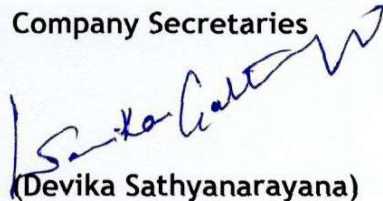
The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.



In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the mandatory conditions of Corporate Governance as stipulated in the said Regulations. As regards Discretionary Requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has complied with items C and E.

**For V Sreedharan & Associates  
Company Secretaries**

  
(Devika Sathyanarayana)

**Partner**

**FCS 11323; C.P.No.17024**



**Address: Plot No.293, #201, 2<sup>nd</sup> Floor, 10<sup>th</sup> Main Road  
3<sup>rd</sup> Block, Jayanagar, Bengaluru-560011**

**Place: Bengaluru**

**Date: 25/04/2024**

**UDIN: F011323F000236933**

**Peer review certificate No.5543/2024**



**Annexure 10**

**Secretarial Compliance Report of Toyota Financial Services India Limited  
for the year ended March 31, 2024**

*[Pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing  
Obligations and Disclosure Requirements) Regulations, 2015]*

We have conducted the review of the compliance of the applicable statutory provisions and

the adherence to good corporate practices by Toyota Financial Services India Limited (hereinafter referred as 'the listed entity'), having its Registered Office at No. 21 Centropolis, First Floor, 5<sup>th</sup> Cross Langford Road, Shanti Nagar, Bengaluru - 560025.

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

Based on our verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that in our opinion, the listed entity has, during the review period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the listed entity has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:





We have examined:

- (a) all the documents and records made available to us and explanation provided by Toyota Financial Services India Limited (“the listed entity”);
- (b) the filings/ submissions made by the listed entity to the stock exchanges;
- (c) website of the listed entity;
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification;

for the year ended March 31, 2024 (“Review Period”) in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
- (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not Applicable to the Company during the review Period)**;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(Not Applicable to the Company during the review Period)**;

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable to the Company during the Audit Period);

(e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not Applicable to the Company during the review Period);

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

(g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

And circulars/ guidelines issued thereunder;

and based on the above examination, we hereby report that, during the Review Period:

- a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder except in respect of matters specified below- **Not applicable**

Sl. No	Compliance Requirement (Regulations/ Circulars / guidelines including specific clause)	Regulation / Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
Not applicable										



b) The listed entity has taken following actions to comply with observations made in the previous reports- **Not Applicable**

Sl. No	Observations/ Remarks of the practicing Company Secretary in the previous reports	Observation made in the secretarial Compliance report for the year ended March 2023	Compliance Requirement (Regulations/ circulars / guidelines including specific purpose)	Details of violation/ deviations and action taken/ Penalty imposed, if any o the listed entity	Remedial actions if any, taken by the listed entity	Comments of the PCS on the action taken by the listed entity
<b>Not applicable</b>						

We hereby report that, during the Review Period the compliance status of the listed entity with the following requirements:

Sr. No	Particulars	Compliance Status (Yes/No/NA)	Observations/ remarks by PCS
1.	<b>Secretarial Standards</b>  The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI) as notified by the Central Government under Section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	NIL
2.	<b>Adoption and timely updation of the Policies:</b> <ul style="list-style-type: none"> <li>All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities.</li> </ul>	Yes	NIL



5.	<p><b>Details related to Subsidiaries of listed entities have been examined w.r.t:</b></p> <p>(a) Identification of material subsidiary companies.</p> <p>(b) Disclosure requirement of material as well as other subsidiaries.</p>	Not applicable	The listed entity does not have material subsidiaries as defined under Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015
6.	<p><b>Preservation of Documents:</b></p> <p>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.</p>	Yes	NIL
7.	<p><b>Performance Evaluation:</b></p> <p>The listed entity has conducted performance evaluation of the Board, Independent Directors, and the Committees at the start of every financial year/ during the financial year as prescribed in SEBI Regulations.</p>	Yes	NIL

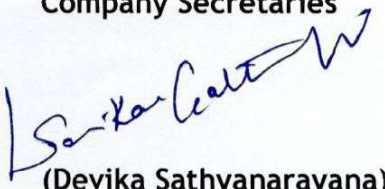


11.	<p><b>Actions taken by SEBI or Stock Exchange(s), if any:</b></p> <p>No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.</p>	Yes	NIL
12.	<p><b>Resignation of statutory auditors from listed entities and their material subsidiaries</b></p> <p>In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and or/ its material subsidiary (ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular (SEBI/HO/CFD/PoD2/CIR/P/2023/120) dated July 11, 2023 on compliance with the provisions of LODR Regulations by listed entities.</p>	Not applicable	<p>The auditors of the listed entity have not resigned during the review period.</p> <p>The company do not have any material subsidiaries</p>
13.	<p><b>Additional Non-compliances, if any:</b></p> <p>No additional non-compliance observed for all SEBI regulation / circular / guidance note etc.</p>	Yes	NA

**Assumptions & Limitation of scope and Review:**

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

**For V SREEDHARAN & ASSOCIATES  
Company Secretaries**



**(Devika Sathyanarayana)  
Partner**

**FCS: 11323; CP No. 17024**



**Address: Plot No.293, #201, 2<sup>nd</sup> Floor, 10<sup>th</sup> Main Road  
3<sup>rd</sup> Block, Jayanagar, Bengaluru-560011**

**Place: Bengaluru**

**Date: 25/04/2024**

**UDIN: F011323F000236834**

**Peer Review Certificate No. 5543/ 2024.**



## INDEPENDENT AUDITOR'S REPORT

To the Members of Toyota Financial Services India Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying Financial Statements of Toyota Financial Services India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including Summary of material accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matters	How the Key Audit Matter was addressed in our audit
1	<b>Impairment of loans including Expected Credit Losses ("ECL"):</b>  Total Loans as at March 31, 2024: Rs. 1,32,384 million (net of ECL) Impairment Provision as at March 31, 2024: Rs. 3,489 million  (Refer Note 6 of the Financial Statements)	



Sr. No.	Key Audit Matters	How the Key Audit Matter was addressed in our audit
	<p>As per Ind AS 109 - Financial Instruments ("Ind AS 109") requires the Company to provide for impairment of its financial assets using ECL approach involving an estimation of probability of loss on such financial assets, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's financial assets. The estimation of impairment loss allowance on loan assets involves significant judgement and estimates, which are subject to uncertainty, and involves applying appropriate measurement principles in case of loss events.</p> <p>ECL is calculated using the percentage of probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD") for each of the stages of loan portfolio. Significant management judgment and assumptions involved in measuring ECL is required with respect to:</p> <ul style="list-style-type: none"> <li>• Grouping of portfolios, based on share risk characteristics;</li> <li>• Staging of loans and in particular determining the criteria, which includes qualitative factors for identifying a significant increase in credit risk (i.e. Stage 2) and credit-impaired (i.e. Stage 3);</li> <li>• factoring in future macro-economic and industry specific estimates and forecasts;</li> <li>• past experience and forecast data on customer behaviour on repayments;</li> <li>• varied statistical modelling techniques to determine probability of default, loss given default and exposure at default basis, the default history of loans, subsequent recoveries made and</li> </ul>	<p><b>Our audit procedures in respect of this area included, but not limited to:</b></p> <p><b>Process understanding and control testing:</b></p> <ul style="list-style-type: none"> <li>• Read the Company's Board approved ECL policy and material accounting policy information for estimation of ECL on financial assets as explained in para 2(c) and evaluated the appropriateness of the same with the principles of Ind AS 109 and prudential norms laid down by Reserve Bank of India ("RBI");</li> <li>• Performed end-to-end process walkthroughs to identify the controls used in the impairment loss allowance processes;</li> <li>• Tested the design and the operating effectiveness of relevant internal controls, including the IT controls relevant to the impairment loss allowance process.</li> <li>• Verified the completeness and accuracy of the EAD and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors;</li> <li>• Checked the appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio; and</li> <li>• reconciled the total retail and dealer loans considered for ECL assessment with the books of accounts to ensure the completeness.</li> </ul> <p><b>Performed the following substantive procedures on sample of loan assets:</b></p> <ul style="list-style-type: none"> <li>• In case of the retail loans, assessed the criteria for grouping and staging of loans based on shared risk characteristics of the loans and their past due status as per the requirements of Ind AS 109.</li> <li>• In case of the dealer loans, assessed the criteria for grouping and staging of loans based on shared risk characteristics of the loans and their credit ratings criteria evaluated by the Management including their past due status as per the requirements of Ind AS 109.</li> <li>• Verified the appropriateness of information used in the estimation of the Probability of Default ("PD") and Loss given Default ("LGD") for the different stages depending on the nature and staging of the loans;</li> </ul>



Sr. No.	Key Audit Matters	How the Key Audit Matter was addressed in our audit
	<p>other relevant factors using probability-weighted scenarios; and</p> <ul style="list-style-type: none"> <li>Management overlay for addressing the forward-looking macroeconomic factors, economic environment and emerging trends.</li> </ul> <p>The underlying forecasts and assumptions used in the estimates of impairment loss allowance are subject to uncertainties which are often outside the control of the Company.</p> <p>Considering the significance of the above matter to the Financial Statements and since the matter required significant attention to test the calculation of ECL, we identified this as a key audit matter for current year audit.</p>	<ul style="list-style-type: none"> <li>Evaluated the methodology used to determine macroeconomic overlays and adjustments to the output of the ECL model;</li> <li>Tested the completeness of loans included in the ECL calculations as of March 31, 2024 by reconciling such data with the balances as per loan book register; and</li> <li>Verified the completeness and adequacy of the disclosures made in the Financial Statements and ensured compliance with Ind AS provisions.</li> </ul>
2	<b>Information Technology ("IT") systems and controls impacting financial controls</b>	
	<p>The Company key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being misstated.</p> <p>Amongst its multiple IT systems, we scoped in systems that are key for overall financial reporting.</p> <p>Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting.</p> <p>We have identified 'IT systems and controls' as a key audit matter considering the high level of automation, significant number of systems being used by Management and the complexity of the IT architecture and its impact on overall financial reporting process and regulatory expectation on automation.</p>	<p>Key IT audit procedures performed included the following, but not limited to:</p> <ul style="list-style-type: none"> <li>For testing the IT general controls, application controls and IT dependent manual controls, we involved IT specialists as part of the audit. The team also assisted in testing the accuracy of the information produced by the Company IT systems.</li> <li>Obtained a comprehensive understanding of IT applications landscape implemented at the Company. It was followed by process understanding, mapping of applications to the same and understanding financial risks posed by people-process and technology.</li> <li>Key IT audit procedures includes testing design and operating effectiveness of key controls operating over user access management (which includes user access provisioning, de-provisioning, access review, password configuration review, segregation of duties and privilege access), change management (which include change release in production environment are compliant to the defined procedures and segregation of environment is ensured), program development (which include review of data migration activity), computer operations (which includes testing of key controls pertaining to, backup, Batch processing (including interface testing), incident management and data centre security), System interface controls. This included testing that requests for access to</li> </ul>



Sr. No.	Key Audit Matters	How the Key Audit Matter was addressed in our audit
		<p>systems were appropriately logged, reviewed, and authorized.</p> <ul style="list-style-type: none"> <li>In addition to the above, the design and operating effectiveness of certain automated controls, that were considered as key internal system controls over financial reporting were tested. Using various techniques such as inquiry, review of documentation / record / reports, observation, and re-performance. We also tested few controls using negative testing technique.</li> <li>Tested compensating controls and performed alternate procedures, where necessary. In addition, understood where relevant changes made to the IT landscape during the audit period.</li> </ul>

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including annexures thereto, Management Discussion & Analysis, Corporate Governance Report collectively referred to as 'Other Information' but does not include the Financial Statements, and our auditor's report thereon. The Annual Report are expected to be made available to us after the date of this auditor's report.

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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

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





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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements for the year ended March 31, 2024 and are therefore, key audit matters. We describe these matters in our Auditor's report unless law or regulation precludes public



disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" 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 except for the matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g).
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015, as amended.
  - (e) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g).
  - (f) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (g) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements - Refer Note 35 to the Financial Statements;
    - ii. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



iv.

- a) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 54 to the Financial Statements, 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 or entity, 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 ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note 55 to the Financial Statements, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company 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; and
- c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under a) and b) above, contain any material mis-statement.

v. The Company neither declared nor paid any dividend during the year.

vi.

- a) In regard to HRMS:

Based on our examination, the Company has used an accounting software for maintaining its books of accounts pertaining to payroll processing during the year ended March 31, 2024, which is operated by a third-party software service provider. The software has a feature of recording audit trail (edit log) facility, which has been enabled and operated throughout the year for all relevant transactions at the application level, and we did not identify any instances of the audit trail feature being tampered with at the application level.

However, in the absence of an independent auditor's report of the service organization, we are unable to comment whether the software has a feature of recording audit trail (edit log) facility at the database level (HRMS) to log any direct data changes nor are we able to comment on whether the audit trail feature has been enabled in the said software and operated throughout the year for all relevant transactions recorded in the software at the database level. Hence, we are further unable to comment whether there were any instances of the audit trail feature been tampered with at the database level.

- b) In regard to Software(s) [Digi/ Finnone/ Indus/ Kepler/ CAPS/ SAP/ Kinto] :

Based on our examination, which included test checks, the Company has used seven software(s) for maintaining its books of account during the year ended March 31, 2024, which have a feature of recording audit trail (edit log) facility, except that no audit trail feature was enabled at the database level during the year ended March 31, 2024 in respect of the software(s) [Digi/ Finnone/ Indus/ Kepler/ CAPS/ SAP/ Kinto] to log any direct data changes.

Further, the audit trail facility has been operated throughout the year for all relevant transactions recorded in the accounting software(s), except for the software(s) at the database level as stated above, in respect of which the audit trail facility has not operated throughout the year for all relevant transactions recorded in this accounting software(s) during the year ended March 31, 2024.



Further, during the course of our examination, we did not come across any instance of audit trail feature being tampered with.

3. As required by The Companies (Amendment) Act, 2017, In our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 read with Schedule V of the Act and the rules thereunder.

For M S K A & Associates  
Chartered Accountants  
Firm Registration Number: 105047W



Swapnil Kale  
Partner

Membership Number: 117812  
UDIN: 24117812BKFIFR3516



Mumbai  
May 23, 2024



Annexure "A" to Independent Auditor's Report of even date on the Financial Statements of Toyota Financial Services India Limited for the year ended March 31, 2024

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

- i. (a) A The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of the right-of-use assets.  
  
B The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Property, Plant and Equipment (excluding operating lease assets and right-of-use assets) have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us, there are no immovable properties. Accordingly, the provisions stated under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year. Accordingly, the provisions stated under paragraph 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly, the provisions stated under paragraph 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The Company is involved in the business of rendering services and does not hold any inventory. Accordingly, the provisions stated under paragraph 3(ii)(a) of the Order are not applicable to the Company.
- (b) The Company has not been sanctioned any working capital limits during the year on the basis of security of current assets. Accordingly, the provisions stated under paragraph 3(ii)(b) of the Order are not applicable to the Company.
- iii. (a) As explained in Note 1 to the Financial Statements, the Company is a non-deposit taking non-banking financial company ("NBFC") registered with the RBI and as part of its business activities, is engaged in the business of lending across various types of loans. The Company's principal business is to give loans and is a registered NBFC. Accordingly, the provisions stated under paragraph 3(iii)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made, guarantees provided, securities given and terms and conditions in relation to grant of all loans and advances in the nature of loans, investments made, guarantees provided and securities given are not prejudicial to the interest of the Company.
- (c) The Company, being a NBFC, is registered under provisions of the Reserve Bank of India Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act, particularly, the Income Recognition, Asset Classification and Provisioning Norms and generally accepted business practices by the lending institutions, repayments schedules are stipulated basis the nature of the loan products. Having regard to the voluminous nature of loan transactions, it is



not practicable to furnish customer-wise details of the amount, due date for repayment or receipt and extent of delay in this report (as suggested in the Guidance Note on CARO 2020, issued by the ICAI for reporting under this paragraph), in respect of loans and advances which were not repaid/ paid when they were due or were repaid/ paid with a delay, in the normal course of lending business.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the details of amount overdue for more than ninety days, on the loans and advances in the nature of loans, are as follows:

(Rs. in million)

No. of Cases	Principal amount overdue	Interest overdue	Total overdue	Remarks
3,323	2132.13	108.87	2241.00	According to the information and explanation given to us, reasonable steps have been taken by the Company for recovery of principal amount and interest.

- (e) The Company's principal business is to give loans and is a registered NBFC, accordingly, the provisions stated under paragraph 3(iii)(e) of the Order are not applicable.
- (f) According to the information explanation provided to us, the Company has not granted any loans and advances in the nature of loans, including to promoters or related parties as defined in clause (76) of section 2 of the Act either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, the provisions stated under paragraph 3(iii)(f) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, the Company has complied with the provisions of Section 185 of the Act, in respect of loans, investments, guarantees and security given, as applicable and the provisions of Section 186 of the Act are not applicable to the company.
- v. According to the information and explanations given to us, the Company is a non-deposit taking Non-Banking Finance Company registered with RBI. The Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under. Accordingly, the provisions stated under paragraph 3(v) of the Order are not applicable to the Company. Also, there are no amounts outstanding as on March 31, 2024, which are in the nature of deposits.
- vi. The provisions of sub-section (1) of Section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated under paragraph 3(vi) of the Order are not applicable to the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess, and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year.

There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, cess, and other statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.



- (b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub-paragraph (a) above which have not been deposited as on March 31, 2024, on account of any dispute, are as follows:

(Rs. in million)

Name of The Statute	Nature of dues	Amount involved	Amount unpaid	Period to which the amount related	Forum where dispute is pending
Integrated Goods & Service Tax, 2017	GST	4.18	3.98	2017-18	Commissioner of Indirect Tax (Appeals)

- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Accordingly, the provisions stated under paragraph 3(viii) of the Order are not applicable to the Company.
- ix. (a) In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the Financial Statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate, or joint venture. Accordingly, the provisions stated under paragraph 3(ix)(e) of the Order are not applicable to the Company.
- (f) The Company does not have any subsidiary, associate, or joint venture. Accordingly, the provisions stated under paragraph 3(ix)(f) of the order are not applicable to the Company.
- x. (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated under paragraph 3(x)(a) of the order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment and private placement of shares and fully, partly, or optionally convertible debentures during the year respectively and the requirements of Section 42 and Section 62 of the Act have been complied with. The amount raised has been used for the purposes for which they were raised.
- xi. (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year in the course of our audit.



- (b) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT -4, as prescribed under rule 13 of Companies (Audit and Auditor's) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under paragraph 3(xi)(b) of the Order are not applicable to the Company.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year. Accordingly, the provisions stated in paragraph 3(xi)(c) of the Order are not applicable to the Company.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under paragraph 3(xii)(a) to 3(xii)(c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in Note 39 to the Financial Statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered internal audit reports issued by internal auditor issued till date, for the period under audit in accordance with the guidance provided in SA 610 - 'Using the work of Internal Auditor's'.
- xv. According to the information and explanations given to us, in our opinion, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Act in paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is required to and has been registered under Section 45-IA of the Reserve Bank of India Act, 1934 as a Non-Banking Financial Company - Investment and Credit Company (NBFC-ICC).
- (b) The Company has conducted the Non-Banking Financial activities during the year and the Company holds a valid Certificate of Registration ("CoR") from the RBI as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core investment Company ("CICs") as defined in the regulations made by RBI. Accordingly, the provisions stated under paragraph 3(xvi)(c) of the Order are not applicable to the Company.
- (d) According to the information and explanations provided to us, the group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs as part of its group. Accordingly, the provisions stated under paragraph 3(xvi)(d) of the Order are not applicable to the Company.
- xvii. Based on the overall review of Financial Statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the provisions stated under paragraph 3(xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditor during the year. Accordingly, the provisions stated under paragraph 3(xviii) of the Order are not applicable to the Company.





- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, 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 and based on our verification, the provisions of Section 135 of the Act, are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund specified under schedule VII of the Act or to a Special Account as per the provisions of Section 135 of the Act read with schedule VII. Accordingly, the provisions stated under paragraph 3(xx)(a) and paragraph 3(xx)(b) of the Order are not applicable to the Company.
- xxi. According to the information and explanations given to us, the Company does not have any Subsidiary, Associate or Joint Venture. Accordingly, reporting under paragraph 3(xxi) of the Order is not applicable.

For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration Number: 105047W

  
Swapnil Kale  
Partner  
Membership Number: 117812  
UDIN: 24117812BKFIFR3516



Mumbai  
May 23, 2024

Annexure "B" to the Independent Auditor's report on the Financial Statements of Toyota Financial Services India Limited for the year ended March 31, 2024

[Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

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

We have audited the internal financial controls with reference to Financial Statements of the Company as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2024, based on the internal control with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI ("the Guidance Note").

### Management's and Board of Directors Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of internal financial controls with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's 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 with reference to Financial Statements.



## Meaning of Internal Financial Controls with Reference to Financial Statements

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

## Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration Number: 105047W



Swapnil Kale  
Partner  
Membership Number: 117812  
UDIN: 24117812BKFIFR3516



Mumbai  
May 23, 2024

Toyota Financial Services India Limited  
Balance sheet as at 31 March, 2024

(Amounts are in Rs. Million)

Particulars	Notes	31 March 2024	31 March 2023
<b>ASSETS</b>			
<b>I Financial assets</b>			
(a) Cash and cash equivalents	3	3,121.19	2,111.24
(b) Derivative financial instruments	4	173.58	453.36
(c) Trade receivables	5	17.62	36.73
(d) Loans	6	132,383.71	86,516.54
(e) Investments	7	4,355.76	2,547.48
(f) Other financial assets	8	41.24	53.68
<b>Total financial assets</b>		<b>140,093.10</b>	<b>91,719.03</b>
<b>II Non-financial assets</b>			
(a) Current tax assets (net)	9	81.49	98.03
(b) Deferred tax assets (net)	10	585.68	578.74
(c) Property, plant and equipment	11	536.38	383.12
(d) Intangible assets under development	12	38.11	-
(e) Other intangible assets	12	113.01	144.84
(f) Right-of-use assets	13	93.82	58.37
(g) Other non-financial assets	14	646.54	356.91
<b>Total non-financial assets</b>		<b>2,095.03</b>	<b>1,620.01</b>
<b>Total Assets</b>		<b>142,188.13</b>	<b>93,339.04</b>
<b>LIABILITIES AND EQUITY</b>			
<b>I Liabilities</b>			
<b>i Financial liabilities</b>			
(a) Derivative financial instruments	4	1,227.72	62.42
(b) Trade payables	15	2,260.36	951.38
(i) total outstanding dues of micro enterprises and small enterprises		50.36	13.59
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		2,210.00	937.79
(c) Debt securities	16	39,209.25	25,615.83
(d) Borrowings (other than debt securities)	17	72,823.71	46,822.18
(e) Lease liabilities	18	96.64	60.53
(f) Other financial liabilities	19	48.76	4.32
<b>Total financial liabilities</b>		<b>115,666.44</b>	<b>73,516.66</b>
<b>ii Non-financial liabilities</b>			
(a) Current tax liabilities (net)	20	-	-
(b) Provisions	21	157.14	133.22
(c) Other non-financial liabilities	22	107.62	71.40
<b>Total non-financial liabilities</b>		<b>264.76</b>	<b>204.62</b>
<b>II Equity</b>			
(a) Equity share capital	23	13,581.47	11,101.47
(b) Other equity	24	12,675.46	8,516.29
<b>Total equity</b>		<b>26,256.93</b>	<b>19,617.76</b>
<b>Total Liabilities and Equity</b>		<b>142,188.13</b>	<b>93,339.04</b>
Material Accounting Policy Information	2		
Notes to the financial statements	3 - 60		

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W

Swapnil Kale  
Partner  
Membership No. 117812



Mumbai  
23 May 2024

For and on behalf of the Board of Directors of  
Toyota Financial Services India Limited

P B Venugopal  
Managing Director & CEO  
DIN: 10387035  
Bangalore  
23 May 2024

Anupam Vasdani  
Chief Financial Officer

Bangalore  
23 May 2024

Sunita Rajiv Handa  
Director  
DIN: 08215176  
Delhi  
23 May 2024

Ganesh Chandrasekaran  
Company Secretary  
Membership No. A23703  
Chennai  
23 May 2024





**Toyota Financial Services India Limited**  
**Statement of Profit and Loss for the year ended 31 March 2024**

		(Amounts are in Rs. Million)	
Particulars	Notes	Year ended 31 March 2024	Year ended 31 March 2023
<b>Revenue from operations</b>			
(i) Interest income	25	9,832.59	6,767.88
(ii) Rental income		155.71	186.22
(iii) Fees and commission income		13.40	6.86
(iv) Net gain on fair value changes	26	-	45.09
(v) Others	27	458.29	364.71
<b>(I) Total Revenue from operations</b>		<b>10,459.99</b>	<b>7,370.76</b>
<b>(II) Other income</b>	<b>28</b>	<b>150.73</b>	<b>35.91</b>
<b>(III) Total Income (I+II)</b>		<b>10,610.72</b>	<b>7,406.67</b>
<b>Expenses</b>			
(i) Finance cost	29	6,683.52	3,953.34
(ii) Net loss on fair value changes	26	252.67	-
(iii) Impairment on financial instruments	30	803.96	(81.33)
(iv) Employee benefit expenses	31	845.82	717.51
(v) Depreciation, amortisation and impairment	32	230.36	272.18
(vi) Other expenses	33	1,044.00	894.83
<b>(IV) Total expenses</b>		<b>9,860.33</b>	<b>5,756.53</b>
<b>(V) Profit / (loss) before tax (III-IV)</b>		<b>750.39</b>	<b>1,650.14</b>
<b>(VI) Tax expense</b>			
1. Current tax	10	209.93	255.45
2. Deferred tax	10	(6.41)	154.91
<b>Total tax expense</b>		<b>203.52</b>	<b>410.36</b>
<b>(VII) Profit / (loss) for the period / year (V-VI)</b>		<b>546.87</b>	<b>1,239.78</b>
<b>(VIII) Other comprehensive income</b>			
<b>A Items that will not be reclassified to profit or loss</b>			
i. Remeasurements of the defined benefit plans		(1.53)	0.59
ii. Income tax impact of above		0.38	(0.15)
<b>Sub Total</b>		<b>(1.15)</b>	<b>0.44</b>
<b>B Items that will be reclassified to profit or loss</b>			
i. Fair value changes on Investments		(0.60)	-
ii. Income tax impact on above		0.15	-
<b>Sub Total</b>		<b>(0.45)</b>	<b>-</b>
<b>Other comprehensive (loss) / income (A+B)</b>		<b>(1.60)</b>	<b>0.44</b>
<b>(IX) Total comprehensive income / (loss) for the year (VII+VIII)</b>		<b>545.27</b>	<b>1,240.22</b>
<b>(X) Earnings for equity share</b>			
Basic (INR)	34	0.47	1.26
Diluted (INR)	34	0.47	1.26
Face value per share (INR)		10.00	10.00
Material Accounting Policy Information	2		
Notes to the financial statements	3 - 60		
The accompanying notes form an integral part of the financial statements			

As per our report of even date attached

For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W

*Swapnil Kale*  
Swapnil Kale  
Partner  
Membership No. 117812



Mumbai  
23 May 2024

*P. B. Venugopal*  
**P B Venugopal**  
Managing Director & CEO  
DIN: 10387035

Bangalore  
23 May 2024

*Anupam Vasdani*  
**Anupam Vasdani**  
Chief Financial Officer

Bangalore  
23 May 2024

For and on behalf of the Board of Directors of  
**Toyota Financial Services India Limited**

*Sunita Rajiv Handa*  
**Sunita Rajiv Handa**  
Director  
DIN: 08215176

Delhi  
23 May 2024

*Ganesh Chandrasekaran*  
**Ganesh Chandrasekaran**  
Company Secretary  
Membership No. A23703  
Chennai  
23 May 2024



Toyota Financial Services India Limited  
Statement of cash flow for the year ended 31 March 2024

(Amounts are in Rs. Million)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>A. Cash flow from operating activities</b>		
Profit/(loss) before tax	750.39	1,650.14
<b>Adjustments for :</b>		
Depreciation, amortisation and impairment	230.36	272.18
Net (gain) on derecognition of property, plant and equipment	(11.68)	(13.18)
Net loss/(gain) on fair value changes	252.67	(45.09)
Interest income	(9,832.59)	(6,767.88)
Interest on lease liability	7.64	1.94
Interest on debt securities	2,700.36	1,355.53
Interest on borrowings (other than debt securities)	3,975.23	2,594.19
Impairment on financial instruments	803.96	(81.33)
Others (includes Interest on Security deposits)	(2.85)	(2.25)
<b>Operating profit before working capital changes</b>	<b>(1,126.51)</b>	<b>(1,035.75)</b>
<b>Changes in working capital :</b>		
Increase/(Decrease) in trade payables	1,308.98	(315.28)
Increase in other financial liabilities	44.44	0.90
Increase in other non-financial liabilities	36.22	22.40
Increase in provisions	26.47	11.94
(Increase) in loans	(46,469.11)	(18,797.91)
Decrease/(Increase) in trade receivables	19.10	(14.17)
Decrease/(Increase) in other financial assets	12.45	(14.36)
(Increase) in other non-financial assets	(289.63)	(110.77)
Interest received	9,501.40	6,669.14
Interest paid on debt securities	(1,467.16)	(1,375.90)
Interest paid on borrowings (other than debt securities)	(3,851.12)	(2,630.82)
<b>Cash used in operations</b>	<b>(42,254.47)</b>	<b>(17,590.58)</b>
Taxes paid (including tax deducted at source)	(193.40)	(219.65)
<b>Net cash used in operating activities</b>	<b>(42,447.87)</b>	<b>(17,810.23)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(420.00)	(267.11)
Purchase of other intangible assets	(38.11)	(7.12)
Sale of property, plant and equipment	150.04	158.19
Proceeds from sale of investments	14,672.43	12,022.99
Purchase of investments	(15,447.00)	(12,141.17)
Net flow from Mutual fund	(1,001.85)	-
<b>Net cash used in investing activities</b>	<b>(2,084.49)</b>	<b>(234.22)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity share capital (inclusive of securities premium)	6,093.90	3,496.50
Debt securities issued	35,510.22	10,412.43
Debt securities repaid	(23,150.00)	(10,000.00)
Borrowings other than debt securities received	55,714.89	67,473.92
Borrowings other than debt securities repaid	(29,940.96)	(53,753.08)
Payment of lease Liability	(51.27)	(47.42)
Interest paid on Lease Liability	(7.64)	(1.94)
<b>Net cash generated from financing activities</b>	<b>44,169.14</b>	<b>17,580.41</b>
<b>Net increase/(decrease) in cash and cash equivalents(A)+(B)+(C)</b>	<b>(363.22)</b>	<b>(464.04)</b>
<b>Cash and cash equivalents, beginning of the year</b>	<b>2,111.24</b>	<b>2,575.28</b>
<b>Cash and cash equivalents, end of the year (refer below)</b>	<b>1,748.02</b>	<b>2,111.24</b>
<b>Notes to the statement of cash flow :</b>		
Cash and cash equivalents comprise of:		
Cash on hand (refer note 3)	0.00	0.00
Balances with banks		
In current accounts (refer note 3)	117.52	260.48
Demand deposits (less than 3 months maturity) (refer note 3)	3,003.67	1,850.76
Borrowings (other than debt securities)		
Book overdraft (refer note 17)	(1,373.17)	-
<b>TOTAL</b>	<b>1,748.02</b>	<b>2,111.24</b>



**Toyota Financial Services India Limited**  
**Statement of cash flow for the year ended 31 March 2024**

Notes to the statement of cash flow (continued) :

1) Changes in liabilities arising from financing activities-				(Amounts are in Rs. Million)
Particulars	Debt Securities	Borrowings (other than debt securities)	Lease Liabilities	
Balance as at the beginning of the year	25,615.83	46,822.18	60.53	
Cash flows	13,593.42	25,898.05	(51.27)	
Non cash changes-				
Acquisition	-	-	87.38	
Foreign exchange movement	-	103.48	-	
Fair value change	-	-	-	
<b>Balance as at the end of the year</b>	<b>39,209.25</b>	<b>72,823.71</b>	<b>96.64</b>	

- 2) Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.
- 3) The above statement of cash flow has been prepared under the indirect method set out in IND AS 7 on Cash Flow Statements specified under Section 133 of the Companies Act, 2013.
- 4) Figures in bracket indicate cash outflow.

Material Accounting Policy Information 2  
Notes to the financial statements 3 - 60  
The accompanying notes form an integral part of the financial statements  
As per our report of even date attached

**For M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

*Swapnil Kale*  
**Swapnil Kale**  
Partner  
Membership No. 117812



Mumbai  
23 May 2024

*P B Venugopal*  
**P B Venugopal**  
Managing Director & CEO  
DIN: 10387035

Bangalore  
23 May 2024

*Anupam Vasdani*  
**Anupam Vasdani**  
Chief Financial Officer

Bangalore  
23 May 2024

**For and on behalf of the Board of Directors of**  
**Toyota Financial Services India Limited**

*Sunita Rajiv Chandra*  
**Sunita Rajiv Chandra**  
Director  
DIN: 08215176

Delhi  
23 May 2024

*Ganesh Chandrasekaran*  
**Ganesh Chandrasekaran**  
Company Secretary  
Membership No. A23703  
Chennai  
23 May 2024



Toyota Financial Services India Limited  
Statement of Changes in Equity (SOCIE) for the period ended 31 March 2024

A. Equity share capital

(Amounts are in Rs. Million)				
Balance as at 01 April 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31 March 2023
9,579.73	-	-	1,521.74	11,101.47
Balance as at 01 April 2023	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the year	Balance as at 31 Mar 2024
11,101.47	-	-	2,480.00	13,581.47

B. Other equity


Particulars	Reserves and Surplus			Items of other comprehensive income i. Remeasurements of the defined benefit plans	Total
	Statutory Reserve	Securities Premium	Retained Earnings		
<b>Balance as at 31 March 2022</b>	<b>604.71</b>	<b>3,320.27</b>	<b>1,378.23</b>	<b>(1.90)</b>	<b>5,301.31</b>
Profit for the year	-	-	1,239.78	-	1,239.78
Other comprehensive income (net of taxes)	-	-	-	0.44	0.44
Transfer to special reserve under section 45-IC of RBI Act, 1934	247.96	-	(247.96)	-	-
<b>Additions during the year</b>		<b>1,974.76</b>			<b>1,974.76</b>
<b>Balance as at 31 March 2023</b>	<b>852.67</b>	<b>5,295.03</b>	<b>2,370.05</b>	<b>(1.46)</b>	<b>8,516.29</b>
Profit for the year	-	-	546.87	-	546.87
Other comprehensive income (net of taxes)	-	-	-	(1.60)	(1.60)
Transfer to special reserve under section 45-IC of RBI Act, 1934	109.37	-	(109.37)	-	-
<b>Additions during the year</b>		<b>3,613.90</b>			<b>3,613.90</b>
<b>Balance as at 31 March 2024</b>	<b>962.04</b>	<b>8,908.93</b>	<b>2,807.55</b>	<b>(3.06)</b>	<b>12,675.46</b>

Note 24 describes the purpose of each reserve within equity.

Material Accounting Policy Information 2  
Notes to the financial statements 3 - 60  
The accompanying notes form an integral part of the financial statements  
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For M S K A & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W

Swapnil Kale  
Partner  
Membership No. 117812



Mumbai  
23 May 2024

For and on behalf of the Board of Directors of  
Toyota Financial Services India Limited

P B Venugopal  
Managing Director & CEO  
DIN: 10387035

Bangalore  
23 May 2024

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Chief Financial Officer

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23 May 2024

Sunita Rajiv Handa  
Director  
DIN: 08215176

Delhi  
23 May 2024

Ganesh Chandrasekaran  
Company Secretary  
Membership No. A23703  
Chennai  
23 May 2024



**TOYOTA FINANCIAL SERVICES INDIA LIMITED**  
**Notes to the financial statements for the year ended 31 March 2024**

**1. Company Overview**

**1.1 Reporting Entity**

Toyota Financial Services India Limited was incorporated on 20 May 2011 under the Companies Act, 1956 and is a wholly-owned subsidiary of Toyota Financial Services Corporation, Japan, the ultimate holding Company being Toyota Motors Corporation, Japan. The Company has its registered office in Bengaluru, India. The Company has been set up to undertake auto financing business and related activities in India. The Company received certificate of registration from the Reserve Bank of India (RBI) to commence operations as Non-Banking Finance Company on 2 May 2012. During the year ended 31 March 2016 RBI has amended the certificate of registration and has classified the company as Non-Deposit taking Non-Banking Finance Company - Asset Finance Company (now Investment and Credit Company i.e. NBFC-ICC) with effect from 13 November 2015 and classified as NBFC- Middle Layer under Scale Based Regulations (SBR) : A revised Regulatory framework for NBFCs dated 22 October 2021 issued by RBI (As amended).

**1.2 Statement of Compliance, basis of preparation and presentation of financial statements**

The financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') and Companies (Indian Accounting Standards) Rules, 2015 and the other relevant provisions of the act and guidelines issued by Reserve Bank of India for Non-Banking Finance Companies.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use. These Annual financial statements have been reviewed by the Audit Committee and approved by the Board of Directors and authorised for issue on 23 May 2024.

The Balance Sheet, the Statement of Changes in Equity and the Statement of Profit and Loss are presented in the format prescribed under Division III of Schedule III of the Act, as amended from time to time, for Non-Banking Financial Companies ('NBFCs') that are required to comply with Ind-AS. The Statement of Cash Flows has been presented as per the requirements of Ind-AS 7 Statement of Cash Flows.

**1.3 Functional and Presentation currency**

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts are rounded off to the nearest millions, unless otherwise indicated.

**1.4 Basis of Measurement**

The financial statements have been prepared on a historical cost basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

- i) Defined benefit obligation.
- ii) Derivative financial instruments.

Historical cost is generally the amount of cash or cash equivalents paid or the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.





**1.5 Significant areas of estimation, critical judgments and assumptions in applying accounting policies**

The preparation of financial statements in accordance with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. The Company's management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Accounting estimates can change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of the changes in circumstances surrounding the estimates. Any changes in the accounting estimates are reflected in the period in which such change in circumstances are made and, if material their effect are disclosed in the notes to the financial statements.

The key estimates and assumptions used in preparation of financial statements are;

**i. Expected credit loss 'ECL' on loans**

ECL allowances represent management's best estimate of losses incurred and/or expected to be incurred in the loan portfolios at the Balance Sheet date. Management is required to exercise judgment in making assumptions and estimates when calculating loan ECL allowances on both individually and collectively assessed loans and advances. Collective ECL allowances are subject to estimation uncertainty, in part because it is not practicable to identify losses on an individual loan basis due to the large number of individually insignificant loans in the portfolio. The estimation methods include the use of statistical analyses of historical information, supplemented with significant management judgment, to assess whether current economic and credit conditions are such that the actual level of incurred losses is likely to be greater or less than historical experience and reasonable and supportable forward-looking information.

For individually assessed loans, judgment is required in determining whether there is objective evidence that a loss event has occurred and, if so, the measurement of the ECL allowance. In determining whether there is objective evidence that a loss event has occurred, judgment is exercised in evaluating all relevant information on indicators of impairment, including the consideration of whether payments are contractually past-due and the consideration of other factors indicating deterioration in the financial condition and outlook of borrowers affecting their ability to pay. For those loans where objective evidence of impairment exists, management determine the size of the allowance required based on a range of factors such as the realizable value of security, the likely dividend available on liquidation or bankruptcy, the viability of the customer's business model and the capacity to trade successfully out of financial difficulties and generate sufficient cash flow to service debt obligations.

Where collectively assessed loan portfolios include significant levels of loan forbearance, portfolios are segmented to reflect the different credit risk characteristics of forbearance cases, and estimates are made of the incurred losses inherent within each forbearance portfolio segment.

The exercise of judgment requires the use of assumptions which are highly subjective and very sensitive to the risk factors, in particular to changes in economic and credit conditions across a large number of geographical areas.

**ii. Fair value of Financial Instruments**

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items.



**iii. Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized.**

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. Use of assumptions is also made by the Company for assessing whether an asset may be capitalized and which components of the cost of the asset may be capitalized.

**iv. Amortized Cost of Loans**

The Company has considered directly attributable and incremental fees associated with origination of loans. Such fees have been amortized using the Effective Interest Rate (EIR) method over the actual contractual life.

**v. Provisions**

Judgment is involved in determining whether a present obligation exists and in estimating the probability, timing and amount of any outflows. Professional expert (internal/external) advice is taken on the assessment of litigation, property (including onerous contracts) and similar obligations, if required. Provisions for legal proceedings and regulatory matters typically require a higher degree of judgment than other types of provisions. When matters are at an early stage, accounting judgments can be difficult because of the high degree of uncertainty associated with determining whether a present obligation exists, and estimating the probability and amount of any outflows that may arise. As matters progress, management and legal advisers evaluate on an ongoing basis whether provisions should be recognized, revising previous judgments and estimates as appropriate. At more advanced stages, it is typically easier to make judgments and estimates around a better defined set of possible outcomes. However, the amount provisioned can remain very sensitive to the assumptions used. There could be a wide range of possible outcomes for any pending legal proceedings, investigations or inquiries. As a result, it is often not practicable to quantify a range of possible outcomes for individual matters. It is also not practicable to meaningfully quantify ranges of potential outcomes in aggregate for these types of provisions because of the diverse nature and circumstances of such matters and the wide range of uncertainties involved. Provisions for customer remediation also require significant levels of estimation and judgment.

**vi. Recognition of Deferred Tax**

A deferred tax asset is recognized for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. The management assumes that taxable profits will be available while recognizing deferred tax assets.

**vii. Measurement of Defined Benefits Obligation**

For key actuarial assumptions in measurement of defined benefits obligation refer notes 40 (note to financial statement)

**viii. Business Model Assessment**

Classification and measurement of financial assets depends on the results of the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.



## **2. Material Accounting Policy Information**

The Company has applied the following Material Accounting Policy Information to all periods presented in these financial statements.

### **i. Revenue Recognition**

Interest income from financial assets is recognized on an accrual basis using effective interest rate (EIR) method. Interest revenue continues to be recognized at the original effective interest rate applied on the gross carrying amount for assets falling under impairment stages 1 and 2 as against on net amortized cost for the assets falling under impairment stage 3.

Processing fees, subvention income and commission expenses that are integral to the effective interest rate on a financial asset are included in the effective interest rate.

Other fees and commission income are recognized as the related services are performed. All other fees are recognized as the related services are performed.

Recovery from bad debts written off is recognized on actual realization from customers.

For revenue recognition from leasing transactions of the Company, refer Note 2 (vii) on Leases below.

Interest on fixed deposits is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate.

Dividend is recognized when the right to receive the dividend is established.

Net gain on fair value change: - Any differences between the fair values of the financial assets classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognized as an unrealized gain/loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognized in "Net gains or fair value changes" under revenue from operations and if there is a net loss the same is disclosed "Expenses", in the statement of profit and loss.

### **ii. Finance Cost**

Finance costs include interest expense calculated using the Effective Interest Rate (EIR) method, finance charges in respect of assets acquired and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Interest expense on financial liabilities is recognized on an accrual basis using Effective Interest Rate (EIR) method.

Arranger fees, stamp duty charges and other fees that are integral to the effective interest rate on a liability are included in the Effective Interest Rate (EIR).

Other fees and expenses such are recognized as and when they are incurred.

### **iii. Financial Assets and Liabilities**

#### **a. Financial Assets**

##### **Initial Recognition and Measurement**

Except for an item at fair value through profit or loss (FVTPL), all financial assets are recognized initially at fair value plus or minus transaction costs that are directly attributable and incremental to the origination/acquisition of the financial asset.





**TOYOTA FINANCIAL SERVICES INDIA LIMITED**  
**Notes to the financial statements for the year ended 31 March 2024**

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- ii. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest outstanding on the principal amount outstanding (SPPI).

After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR and reported as part of interest income in the Statement of Profit or Loss. The losses if any, arising from impairment are recognized in the Statement of Profit or Loss.

**Financial Asset at Fair Value Through Other Comprehensive Income (FVOCI)**

A financial asset is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- i. the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- ii. the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

The loss allowance is recognized in other comprehensive income and does not reduce the carrying value of the financial asset. When the financial asset is derecognized the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

**Financial Asset at Fair Value Through Profit and Loss (FVTPL)**

Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified to be measured at FVTPL.

In addition, the Company may also elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is done only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in profit or loss.

**Classification and Subsequent Measurement**

The Company classifies its financial assets as subsequently measured at either amortized cost or fair value based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

**b. Financial Liabilities**

**Initial Recognition and Measurement**

Except for an item at fair value through profit or loss (FVTPL), all financial liabilities are recognized initially at fair value plus or minus transaction costs that are directly attributable and incremental to the issue of the financial liabilities.

**Subsequent Measurement**

All financial liabilities are subsequently measured at amortized cost except for financial liabilities at FVTPL. Such liabilities including derivatives liabilities are subsequently measured at fair value.



**c. Impairment of Financial Instruments**

**Methodology for Computation of Expected Credit Losses 'ECL'**

The Company recognizes loss allowances for ECL on the following financial instruments that are not measured at FVTPL\*:

- Loans

\*refer note 43 for the credit risk assessment of the Company for trade receivables, investments and other financial assets.

**Measurement of ECL**

ECL is a probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive) that are possible within 12 months after the reporting date;
- financial assets with significant increase in credit risk but not credit impaired: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive) that result from all possible default events over the expected life of the financial asset.
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows;
- Undrawn loan limits are not recorded in the balance sheet. However, these financial instruments are in the scope of expected credit loss ('ECL') calculation.
- In measurement of its ECL, the Company considers the prudential floor for ECL as mentioned in the directions issued by Reserve Bank of India.

For credit-impaired assets under the non-retail portfolio the management keeps specific provision for expected credit loss based on a case to case assessment considering value of the collateral held as security and other relevant information pertaining to the case.

**Significant Increase in Credit Risk (SICR)**

At each reporting date, the Company assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. To make the assessment, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information such as financial condition, market position, business environment and quality management of the borrower and analysis, based on Company's historical experience and expert credit assessment and including forward-looking information.

Few evidences of SICR which lead to the movement of an asset to Stage 2 are as follows:

- Any counterparty with principal or interest payments 30+ days past due.
- Any customer segment collectively assessed to have SICR based on management discretion.
- High risk events/attributes of customer (bankruptcy or other similar events).

**Credit-Impaired Financial Assets**

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.



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**Notes to the financial statements for the year ended 31 March 2024**

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower;
- a breach of contract such as default or past due events;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to deterioration in the borrower's condition is usually considered to be credit-impaired unless there is enough evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment. In addition, a loan that is 91 days past due or more is also considered as credit-impaired.

**Presentation of ECL Allowance in Balance Sheet**

Loss allowance for ECL on financial assets measured at amortized cost is presented as a deduction from the gross carrying amount of the asset, in the balance sheet.

**Write off**

Financial assets are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

**d. De-recognition of Financial Assets and Financial Liabilities**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in Statement of Profit or Loss.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The difference between the carrying value of the original financial liability and the new financial liability with modified terms is recognised in statement of profit and loss.

**e. Modifications of Financial Assets and Financial Liabilities**

**Financial Assets**

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows:



**TOYOTA FINANCIAL SERVICES INDIA LIMITED**  
**Notes to the financial statements for the year ended 31 March 2024**

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and
- other fees are included in profit or loss as part of the gain or loss on derecognition.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in Statement of profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income using EIR method.

Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortized over the remaining term of the modified financial asset.

**Financial Liabilities**

The Company derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in statement of profit or loss.

**f. Offsetting Financial Assets and Financial Liabilities**

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when the Company has a legal right to offset the amounts and intends to settle on net basis or to realize the asset and settle the liability simultaneously.

**g. Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

The Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

**Derivative Financial Instruments**

The Company enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk. The derivatives held by the Company are cross currency interest rate swaps (CCIRS)/Cross currency swaps (CCS)/Forward. Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each Balance Sheet date. The resulting gain/loss is recognized in the statement of profit and loss immediately. A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability.

**iv. Employee benefits**

**i. Short term employee benefits**

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.





**ii. Post-employment benefits**

**a. Defined Contribution Plans**

The Company's contribution paid/ payable during the year towards provident fund is charged to Statement of Profit and Loss every year. In accordance with the applicable law, all employees of the Company are entitled to receive benefits under the Provident Fund Act, 1952. The Company contributes an amount on a monthly basis at a determined rate to the pension scheme administered by the Regional Provident Fund Commission ("RPFC") and the Company has no liability for future Provident Fund benefits other than its annual contribution, since it is a defined contribution plan.

**b. Defined Benefit Plans**

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. Gratuity and Leave benefits to employees are defined benefit obligations. The cost of providing benefits is determined annually by a qualified actuary using the projected unit credit method. The discount rate used to arrive at the present value of estimated future cash flows is arrived at by reference to market yields on balance sheet date on government bonds of term consistent with estimated term of the obligations. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Re-measurement of all defined benefit plans, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income in the year they are incurred.

**v. Property, Plant and Equipment**

**Recognition and Measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment loss if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

Advances paid towards the acquisition of Property Plant and Equipment (PPE) outstanding at each balance sheet date are disclosed separately under other non-financial assets.

Capital Work in Progress comprises the cost of PPE that are not ready for its intended use at the reporting date.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within the statement of profit or loss.

**Subsequent Costs**

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.



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**Notes to the financial statements for the year ended 31 March 2024**

**Depreciation**

Depreciation is calculated on the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is recognized in Statement of profit or loss. Assets acquired on lease are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative periods are as follows:

<b>Classes of assets</b>	<b>Useful life (Years) as per Schedule II</b>
Leasehold improvements	The shorter of useful life or tenor of underlying lease.
Office equipment	5
Furniture and fixtures	10
Vehicles- office	8
Vehicles- lease	The tenor of underlying lease (refer note 11).
Computers (other than servers and networks)	3
Servers and networks	6

The depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Depreciation on additions /disposals is provided on a pro-rata basis i.e. from / up to the date on which asset is ready for use /disposed of.

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

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 in statement of profit and loss.

**vi. Intangibles**

Intangible assets other than goodwill are measured at cost less accumulated amortization and any impairment losses.

Expenditure on internally developed software is recognised as an asset when the Company is able to demonstrate that the product is technically feasible, its intention and ability to complete the development and use the intangible in the manner that will generate future economic benefits, and can reliably measure the cost to complete the development. The capitalized costs of internally developed software include all costs directly attributable to developing the software and capitalized borrowing costs, and are amortized over its useful life. Internally developed software is stated at capitalized cost less accumulated impairment losses.

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in Statement of profit or loss as incurred.

Software is amortized on a straight-line method in Statement of profit and loss over its estimated useful life, from the date on which it is available for use.

Intangibles under development represents the cost of intangibles that are not ready for its intended use at the reporting date.



**TOYOTA FINANCIAL SERVICES INDIA LIMITED**  
**Notes to the financial statements for the year ended 31 March 2024**

**Intangibles**

The estimated useful life of software for the current and comparative periods:

Asset	Useful life (Years) as per Schedule II
Computer Software	5

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**vii. Leases**

**(i) The Company as Lessee**

The Company lease asset classes primarily consist of leases for buildings and IT assets.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether-

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

This policy has been applied to contracts existing and entered into on or after April 1, 2019.

The Company recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the company incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in rate, if there is a change in the Company estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognise the lease payments associated with these leases as an expense over the lease term.

**(ii) The Company as Lessor**

At the inception of the lease, the Company classifies each of its leases as either a finance lease or an operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Assets given on operating lease are included in Property, Plant & Equipment (PPE). Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the internal rate of return. The principal amount received reduces the net investment in the lease and interest is recognised as revenue.



**viii. Impairment (non-financial asset)**

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment exists when the carrying value of an asset or cash generating unit ('CGU') exceeds the recoverable amount, which is the higher of the fair value less costs to sell and value in use. The fair value less costs to sell is arrived based on available data from binding sales transactions at arm's length, for similar assets. The value in use is based on a discounted cash flow (DCF) model, whereby the future expected cash flows discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Impairment losses are recognized in statement of profit or loss, when the carrying value of an asset or cash generating unit ('CGU') exceeds the estimated recoverable amount. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**ix. Foreign Currency Transactions:**

Transactions in foreign currencies are translated to the respective functional currency of the Company at exchange rates at the dates of the transactions or at the average rate if such rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognized in Statement of profit or loss.

Borrowing transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the prevailing closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

**x. Provisions and Contingencies related to claims, litigation, etc.**

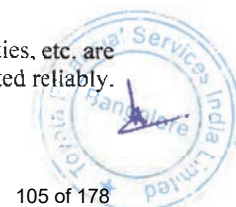
A provision is recognised if, as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of management's 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 finance cost.

**(i) Onerous Contracts**

A contract is considered as onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

**(ii) Contingencies related to claims, litigation, etc.**

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably.





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**Notes to the financial statements for the year ended 31 March 2024**

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that may arise from past events but probably will not require an outflow of resources to settle the obligation.

When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resource is remote, no provision is made and disclosed under contingent liability.

Contingent assets are neither recognised nor disclosed in the financial statements.

**xi. Income Taxes**

Income tax expense comprises current and deferred tax. It is recognized in statement of profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

**a. Current Tax**

Current tax is measured at the amount expected to be paid in respect of taxable income for the year in accordance with the Income Tax Act, 1961. Current tax comprises the expected tax payable on the taxable income for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the balance sheet date.

Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognized amounts; and
- b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**b. Deferred Tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and its tax base.

Deferred tax assets are reviewed at each reporting date and based on management's judgment, are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities. The effect of changes in the tax rates on deferred tax assets and liabilities is recognised as income or expense in the period that includes the enactment or substantive enactment date. Deferred tax assets and liabilities are offset only if:

- a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.



**xii. Goods and Services Tax Input Credit**

Goods and Services Tax input credit is recognised in the books of accounts in the period in which the supply of goods or service received is recognised and when there is no uncertainty in availing/utilising the credits. Expenses and assets are recognised net of the Goods and Services Tax paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**xiii. Earnings Per Share (EPS)**

The Company presents basic and diluted EPS data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss that is attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

**xiv. Cash and Cash Equivalent**

Cash and cash equivalents include cash on hand, balance with bank and fixed deposits with banks with original maturity of three months or less, 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. Cash and cash equivalents are carried at amortized cost in the balance sheet.

**xv. Cash Flow Statement**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash transactions, any deferrals or accruals of past or future operating cash receipts or payments and item of expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. For the purpose of presentation in the statement of cash flows, Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

**xvi. Commitments**

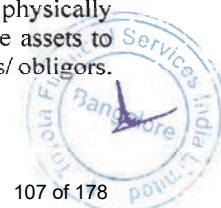
Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

**xvii. Collateral Valuation and Repossession**

To mitigate its credit risk on financial assets, the Company uses the collateral, where possible. The collateral comes in various forms, such as guarantees, land and building, receivables, inventories.

To the extent possible, the Company uses active market data and external valuers for valuing financial assets held as collateral. Non-financial collateral, such as land and building, is valued based on data provided by third parties such as mortgage brokers/valuers. The Company physically repossess mortgaged and the hypothecated assets and take into custody or liquidates the assets to settle outstanding debt. Any surplus funds from sale proceeds are returned to the customers/ obligors.



**xviii. Segment Reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses whose results are regularly reviewed by the Company's chief operating decision maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Company's CEO (being the CODM) include items that are directly attributable to a segment as well as those that can be allocated on a reasonable basis.

As of now there is no any reportable segment.

**xix. Changes in Material Accounting Policies**

The Company has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to Ind AS 12) from 1 April 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting differences e.g. leases. For leases, an entity is required to recognize the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect to be recognized as an adjustment to retained earnings or other components of equity at that date. There was no impact of this change on the opening retained earnings as at 1 April 2022 as a result of the change.

**xx. Ind AS 1 - Material Accounting Policy Information**

The Company adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from 1 April 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than significant accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand the other information in the financial statements.

**xxi. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendment has introduces a definition of "accounting estimates" and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies for changes in accounting estimates. The company has evaluated the amendment and the impact of the amendment insignificant on its financial statements.

**xxii. Standards Issued but not yet Effective**

As of the date of these financial statements, MCA has not issued any standards / amendments to accounting standards which are effective from 1 April 2024



(Amounts are in Rs. Million)

Particulars	31 March 2024	31 March 2023
<b>3 Cash and cash equivalents</b>		
Cash on hand	0.00	0.00
Balances with banks in current accounts	117.52	260.48
Bank deposits (with original maturity less than 3 months)	3,003.67	1,850.76
	<b>3,121.19</b>	<b>2,111.24</b>

Particulars	31 March 2024			31 March 2023		
	Notional amounts	Fair Value - Assets	Fair Value - Liabilities	Notional amounts	Fair Value - Assets	Fair Value - Liabilities
<b>4 Derivative financial instruments (at FVTPL)</b>						
<b>Part I</b>						
<b>(i) Currency and interest derivatives:</b>						
Cross currency interest rate swaps/Cross currency swaps	13,968.09	173.58	905.44	11,203.64	453.36	62.42
Forwards	1,582.02	-	322.28	-	-	-
<b>Total</b>	<b>15,550.11</b>	<b>173.58</b>	<b>1,227.72</b>	<b>11,203.64</b>	<b>453.36</b>	<b>62.42</b>
<b>Part II</b>						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
<b>Undesignated derivatives</b>	15,550.11	173.58	1,227.72	11,203.64	453.36	62.42
<b>Total Derivative</b>	<b>15,550.11</b>	<b>173.58</b>	<b>1,227.72</b>	<b>11,203.64</b>	<b>453.36</b>	<b>62.42</b>

The above table shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

The Company has borrowed floating and fixed rate foreign currency External Commercial borrowings and used derivative instruments to manage exposures to interest rate risk and currency risk. The Company recognizes and measures these derivative instruments at fair value, with changes in fair value being recognised in the statement of profit and loss.

The Company's exposure to currency and interest rate risk are disclosed in note no. 43

Particulars	31 March 2024	31 March 2023
<b>5 Trade receivables</b>		
Receivables considered good - secured	-	-
Receivables considered good - unsecured	17.62	36.73
Less : Impairment loss allowance	-	-
	<b>17.62</b>	<b>36.73</b>

\* Includes due from related parties (refer note no. 39)

No trade receivable is due from Directors or other officer of the Company either severally or jointly with any other person. Trade receivables due from firm or private companies respectively in which any Director is a partner or Director or a member is disclosed in note 39.

There are no trade receivables which are under dispute.

Ageing of trade receivables :

Particulars	31 March 2024							Total
	Outstanding for following periods from the transaction date							
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1- 2 years	2 - 3 years	more than 3 years	
Receivables considered good - unsecured	1.88	-	14.93	0.81	-	-	-	17.62
Less : Impairment loss allowance	-	-	-	-	-	-	-	-
Total	1.88	-	14.93	0.81	-	-	-	17.62
Particulars	31 March 2023							Total
	Outstanding for following periods from the transaction date							
	Unbilled	Not due	Less than 6 months	6 months - 1 year	1- 2 years	2 - 3 years	more than 3 years	
Receivables considered good - unsecured	-	20.60	11.87	4.26	-	-	-	36.73
Less : Impairment loss allowance	-	-	-	-	-	-	-	-
Total	-	20.60	11.87	4.26	-	-	-	36.73





		(Amounts are in Rs. Million)	
Particulars	31 March 2024	31 March 2023	
<b>6 Loans (at amortised cost)</b>			
(A)			
(i) Term loans	1,27,741.64	84,883.21	
(ii) Inventory financing	7,378.27	4,441.24	
(iii) Finance lease	753.27	180.87	
<b>Total (A) Gross</b>	<b>1,35,873.18</b>	<b>89,505.32</b>	
Less: Impairment loss allowance	(3,489.47)	(2,988.78)	
<b>Total (A) Net</b>	<b>1,32,383.71</b>	<b>86,516.54</b>	
(B)			
(i) Secured by tangible assets	1,35,681.98	89,283.82	
(ii) Covered by bank/ government guarantee /others	191.20	221.50	
(iii) Unsecured	-	-	
<b>Total (B) Gross</b>	<b>1,35,873.18</b>	<b>89,505.32</b>	
Less: Impairment loss allowance	(3,489.47)	(2,988.78)	
<b>Total (B) Net</b>	<b>1,32,383.71</b>	<b>86,516.54</b>	
(C)			
(I) Loans in India			
(i) Public sector	-	-	
(ii) Automobile financing*	1,35,873.18	89,505.32	
<b>Total (C) (I) Gross</b>	<b>1,35,873.18</b>	<b>89,505.32</b>	
Less: Impairment loss allowance	(3,489.47)	(2,988.78)	
<b>Total (C) (I) Net</b>	<b>1,32,383.71</b>	<b>86,516.54</b>	
(II) Loans outside India	-	-	
Less: Impairment loss allowance	-	-	
<b>Total (C) (II) Net</b>	<b>-</b>	<b>-</b>	
<b>Total (C) (I) and (C) (II)</b>	<b>1,32,383.71</b>	<b>86,516.54</b>	
*Includes auto dealer financing			
The Company exposure to credit risk and interest rate risk are disclosed in note no. 43			
As on 31 March 2024, Loans amounting to Rs 40,963.68 million (i.e. Gross basis -excluding ECL Provision) has been hypothecated against the NCD issuance.			
The following loans or advances in the nature of loans were granted to promoters, Directors, KMPs and the related parties (as defined under the Companies Act, 2013)			
i. Promoters	Amount of loan or advance in the nature of loan outstanding	-	-
	Percentage to the total Loans and Advances in the nature of loans	-	-
ii. Directors	Amount of loan or advance in the nature of loan outstanding	-	0.77
	Percentage to the total Loans and Advances in the nature of loans	-	0.00%
iii. KMPs	Amount of loan or advance in the nature of loan outstanding	-	-
	Percentage to the total Loans and Advances in the nature of loans	-	-
iv. Related Parties	Amount of loan or advance in the nature of loan outstanding	-	-
	Percentage to the total Loans and Advances in the nature of loans	-	-
<b>7 Investments</b>			
(I) In India			
Government securities	3,353.91	2,547.48	
Investment in Mutual Funds	1,001.85	-	
	<b>4,355.76</b>	<b>2,547.48</b>	
(II) Outside India	-	-	
<b>Gross Investments (I+II)</b>	<b>4,355.76</b>	<b>2,547.48</b>	
Less: Impairment loss allowance	-	-	
<b>Net Investments</b>	<b>4,355.76</b>	<b>2,547.48</b>	
<b>8 Other financial assets</b>			
Unsecured, considered good			
Rental deposits	40.32	52.89	
Loans to employees	0.37	0.79	
Insurance deposit	0.55	-	
	<b>41.24</b>	<b>53.68</b>	
<b>9 Current tax assets (net)</b>			
Considered good			
Advance tax and tax deducted at source (net of provision)	81.49	98.03	
	<b>81.49</b>	<b>98.03</b>	



**10 Deferred tax assets (net) and tax expense** (Amounts are in Rs. Million)

Particulars	31 March 2024	31 March 2023
<b>Deferred tax asset</b>		
- On provisions for impairment loss	776.06	691.32
- On mark to market interest rate swap	111.17	47.57
- On provision for compensated absences	9.20	8.80
- On provision for provident fund liability	4.85	4.85
- On provisions for undisbursed commitments	0.17	1.19
- On lease liability over right of use	1.95	2.91
- On depreciation	-	1.26
- On remeasurements of the defined benefit plans	1.01	0.48
- On others	0.57	5.71
<b>Deferred tax liabilities</b>		
- On depreciation	(11.68)	-
- On EIR of loan assets	(299.01)	(182.83)
- On debenture and commercial paper issue expenses	(5.89)	(2.52)
- On others	(2.72)	-
<b>Deferred tax assets (net)</b>	<b>585.68</b>	<b>578.74</b>
<b>Movement in net deferred tax asset during the year</b>	<b>6.94</b>	<b>(155.06)</b>

Particulars	31 March 2024		31 March 2023	
	Recognized in profit or loss	Recognized in OCI	Recognized in profit or loss	Recognized in OCI
- On provisions for impairment loss	84.74	-	(66.05)	-
- On mark to market interest rate swap	63.59	-	(11.36)	-
- On provision for compensated absences	0.40	-	0.66	-
- On provision for interest on interest	-	-	-	-
- On provision for provident fund liability	-	-	-	-
- On provisions for undisbursed commitments	(1.02)	-	(1.01)	-
- On lease liability over right of use	(0.95)	-	(0.89)	-
- On depreciation	(12.94)	-	4.21	-
- On EIR of loan assets	(116.18)	-	(85.66)	-
- On debenture and commercial paper issue expenses	(3.37)	-	0.51	-
- On remeasurements of the defined benefit plans	-	0.53	-	(0.15)
- On others	(7.86)	-	4.68	-
<b>Movement in net deferred tax asset during the year</b>	<b>6.41</b>	<b>0.53</b>	<b>(154.91)</b>	<b>(0.15)</b>

Particulars	31 March 2024	31 March 2023
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**A. Amounts recognized in statement of profit and loss**

<b>Current tax expense</b>		
In respect of current year	209.93	255.45
In respect of prior years	-	-
	<b>209.93</b>	<b>255.45</b>
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences arisen in current year	(6.41)	154.91
In respect of prior years	-	-
Reduction in tax rate	-	-
	<b>(6.41)</b>	<b>154.91</b>
<b>Tax expense recognized in the statement of profit &amp; loss</b>	<b>203.52</b>	<b>410.36</b>

**B. Amounts recognized in other comprehensive income**

Income tax relating to items that will not be reclassified to profit or loss		
Remeasurements of defined benefit liability (asset)	0.53	(0.15)
<b>Tax expense recognised in Other comprehensive income</b>	<b>0.53</b>	<b>(0.15)</b>

**C. Reconciliation of effective tax rate**

<b>Profit / (loss) before tax</b>	<b>750.39</b>	<b>1,650.14</b>
Enacted income tax rate in India	<b>25.17%</b>	<b>25.17%</b>
Computed expected tax expense	188.87	415.34
<b>Tax effect of:</b>		
Non-deductible expenses	56.05	(17.20)
Tax effect of earlier years	-	-
Others	(41.40)	12.22
<b>Total income tax expense</b>	<b>203.52</b>	<b>410.36</b>



Toyota Financial Services India Limited  
Notes to the financial statements for the year ended 31 March 2024

11 Property, plant and equipment

PARTICULARS	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 01 April 2023	Additions	Deductions	Balance as at 01 April 2023	Charge for the period	Deductions	Balance as at 31 Mar 2024	Balance as at 31 March 2023
Leasehold improvements	15.26	29.96	15.04	11.72	11.64	12.15	11.21	18.97
Computers & servers	90.05	25.91	10.84	52.04	23.23	10.78	64.49	40.63
Furniture and fixtures	11.00	9.97	5.79	5.83	1.72	4.62	2.93	12.25
Vehicles	17.86	20.18	-	7.63	3.57	-	11.20	26.84
Office equipment	10.38	6.92	2.57	7.57	2.41	2.29	7.69	7.04
Leased vehicles	469.01	327.06	250.24	145.65	85.81	115.28	115.18	430.65
<b>TOTAL</b>	<b>613.56</b>	<b>420.00</b>	<b>284.48</b>	<b>230.44</b>	<b>128.38</b>	<b>146.12</b>	<b>212.70</b>	<b>536.38</b>

(Amounts are in Rs. Million)

PARTICULARS	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 01 April 2022	Additions	Deductions	Balance as at 01 April 2022	Charge for the year	Deductions	Balance as at 31 March 2023	Balance as at 31 March 2022
Leasehold improvements	15.26	-	-	9.08	2.64	-	11.72	6.18
Computers & servers	68.79	36.12	14.86	50.46	16.40	14.82	52.04	18.33
Furniture and fixtures	12.28	1.24	2.52	7.50	0.85	2.52	5.83	4.78
Vehicles	17.86	-	-	5.39	2.24	-	7.63	12.47
Office equipment	8.31	2.13	0.06	6.56	1.07	0.06	7.57	2.81
Leased vehicles	522.15	227.62	280.76	123.12	158.32	135.79	145.65	323.36
<b>TOTAL</b>	<b>644.65</b>	<b>267.11</b>	<b>298.20</b>	<b>202.11</b>	<b>181.52</b>	<b>151.19</b>	<b>230.44</b>	<b>442.54</b>

The Company does not hold any immovable property as at 31 March 2024 and 31 March 2023. All the lease agreements are duly executed in the favour of the Company for properties where the Company is the lessee.



12 Other Intangible assets and Intangible assets under development

(a) Other Intangible assets:

PARTICULARS	Gross Block		(Amounts are in Rs. Million)	
	Balance as at 01 April 2023	Additions	Deductions	Balance as at 31 March 2024
Computer software	267.88	14.41	-	282.29
Total	267.88	14.41	-	282.29
PARTICULARS	Gross Block		Net Block	
	Balance as at 01 April 2022	Additions	Deductions	Balance as at 31 March 2023
Computer software	243.52	24.36	-	267.88
Total	243.52	24.36	-	267.88

For details of contractual commitments, refer note 35

(b) Intangible assets under development:

PARTICULARS	Balance as at 31 Mar 2024	Balance as at 31 March 2023
Intangible assets under development:	38.11	-

i) Ageing of intangible assets under development

Particulars	31 March 2024				31 March 2023			
	Amounts in intangible assets under development for				Amounts in intangible assets under development for			
	Less than 1 year	1 - 2 years	2 - 3 years	more than 3 years	Less than 1 year	1 - 2 years	2 - 3 years	more than 3 years
(i) Projects in progress	38.11	-	-	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-	-	-	-
Total	38.11	-	-	-	-	-	-	-

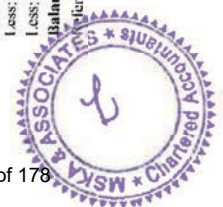
ii) Completion schedule for intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan:

Particulars	31 March 2024				31 March 2023			
	To be completed in				To be completed in			
	Less than 1 year	1 - 2 years	2 - 3 years	more than 3 years	Less than 1 year	1 - 2 years	2 - 3 years	more than 3 years
(i) Projects in progress	-	-	-	-	-	-	-	-
Management Information System	-	-	-	-	-	-	-	-
(ii) Projects temporarily suspended	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

13 Right-of-use assets

Particulars	31 March 2024		31 March 2023	
	Office Premises	IT Asset	Office Premises	IT Asset
Balance as at the beginning of the year	58.37	-	53.78	-
Add: Additions during the year	91.80	0.57	50.65	-
Less: Depreciations during the year	1.18	-	-	-
Less: Depreciation charge for the year	55.55	0.19	46.06	-
Balance as at the end of year	93.44	0.38	58.37	-

Refer Note 37





		(Amounts are in Rs. Million)	
Particulars		31 March 2024	31 March 2023
<b>14 Other non-financial assets</b>			
Balances with government authorities (Goods and Service tax)		471.31	264.51
Prepaid expenses		66.95	50.56
Advance payment to vendors		97.71	24.51
Capital advances		5.59	2.60
Stamp and stamp papers on hand		4.04	1.50
Advance payment to employees		0.93	0.43
Other advances		0.01	12.80
		<b>646.54</b>	<b>356.91</b>
<b>15 Trade payables</b>			
Total outstanding dues of Micro, Small and Medium Enterprises	(A)	50.36	13.59
Total outstanding dues of creditors other than Micro, Small and Medium Enterprises			
- Payable to dealers		1,623.82	440.07
- Others		586.18	497.72
	(B)	<b>2,210.00</b>	<b>937.79</b>
Total	(A+B)	<b>2,260.36</b>	<b>951.38</b>

The Company exposure to currency and liquidity risk are disclosed in note no. 43

**a) Ageing of trade payables :**

		31 March 2024						
Particulars		Outstanding for following periods from the transaction date						Total
		Unbilled	Not due	Less than 6 months	6 months - 1 year	1- 2 years	2 - 3 years	more than 3 years
<b>Undisputed trade payables</b>								
Micro, small and medium enterprises		26.83	23.53	-	-	-	-	-
Others		123.12	266.91	1,654.58	30.13	30.03	13.88	91.35
<b>Total</b>		<b>149.95</b>	<b>290.44</b>	<b>1,654.58</b>	<b>30.13</b>	<b>30.03</b>	<b>13.88</b>	<b>91.35</b>
		31 March 2023						
Particulars		Outstanding for following periods from the transaction date						Total
		Unbilled	Not due	Less than 6 months	6 months - 1 year	1- 2 years	2 - 3 years	more than 3 years
<b>Undisputed trade payables</b>								
Micro, small and medium enterprises		11.78	0.85	0.93	0.03	-	-	-
Others		117.93	603.06	76.79	26.19	16.37	23.59	73.86
<b>Total</b>		<b>129.71</b>	<b>603.91</b>	<b>77.72</b>	<b>26.22</b>	<b>16.37</b>	<b>23.59</b>	<b>73.86</b>

**b) Dues to Micro, Small and Medium Enterprises**

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2024 has been made in the financial statements based on information received and available with the Company. Further in the view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the said Act is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Particulars	31 March 2024	31 March 2023
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	50.36	13.59
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;	0.10	0.28
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.03	0.10
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	0.03	0.10

The above information regarding micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company.



(Amounts are in Rs. Million)		
Particulars	31 March 2024	31 March 2023
<b>16 Debt Securities (at amortised cost)</b>		
Non convertible debentures (Secured)	37,231.23	23,143.38
Commercial paper (Unsecured)	1,978.02	2,472.45
	<b>39,209.25</b>	<b>25,615.83</b>
Debt securities in India	39,209.25	25,615.83
Debt securities outside India	-	-
	<b>39,209.25</b>	<b>25,615.83</b>

The Company's exposure to interest rate risk and liquidity risk are disclosed in note no.43

**a) Schedule of repayment of privately placed redeemable Non convertible debenture. (at amortised cost)**

**31 March 2024**

Interest rate (%)	Due within 1 year	Due 1 to 3 years	Due 3 to 5 years	Total
4.76 - 5.75	2,084.92	-	-	2,084.92
5.76 - 6.75	2,034.25	-	-	2,034.25
6.76 - 7.75	57.14	1,499.34	-	1,556.48
7.76 - 8.75	3,077.22	22,983.83	5,494.53	31,555.58
	<b>7,253.53</b>	<b>24,483.17</b>	<b>5,494.53</b>	<b>37,231.23</b>

**31 March 2023**

Interest rate (%)	Due within 1 year	Due 1 to 3 years	Due 3 to 5 years	Total
4.76 - 5.75	8,389.88	1,999.41	-	10,389.29
5.76 - 6.75	2,547.71	1,998.69	-	4,546.40
6.76 - 7.75	56.94	1,498.93	-	1,555.87
7.76 - 8.75	155.93	4,997.59	1,498.30	6,651.82
	<b>11,150.46</b>	<b>10,494.62</b>	<b>1,498.30</b>	<b>23,143.38</b>

The secured, redeemable, Non-Convertible Debentures ('NCDs') of the Company - both listed as well as unlisted are secured through first ranking exclusive charge by way of hypothecation over the loan receivables. Asset cover available as on 31 March 2024 on the Non-Convertible Debentures issued by the Company is 1.1. The NCDs issued by the Company are listed on the National Stock Exchange (NSE).

The Company has power to reissue Non-Convertible Debentures as per applicable law and in line with terms & conditions of respective Debenture Trust

**b) Schedule of repayment of Commercial Paper (at amortised cost)**

Particulars	31 March 2024	31 March 2023
Commercial Paper	2,000.00	2,500.00
Less : unamortised Discount	21.98	27.55
	<b>1,978.02</b>	<b>2,472.45</b>

**31 March 2024**

Interest rate (%)	Due within 1 year	Due 1 to 3 years	Due 3 to 5 years	Total
7.01-8.00	1,978.02	-	-	1,978.02
	<b>1,978.02</b>	<b>-</b>	<b>-</b>	<b>1,978.02</b>

**31 March 2023**

Particulars	Due within 1 year	Due 1 to 3 years	Due 3 to 5 years	Total
5.01-6.00	996.28	-	-	996.28
7.01-8.00	1,476.17	-	-	1,476.17
	<b>2,472.45</b>	<b>-</b>	<b>-</b>	<b>2,472.45</b>



Particulars	31 March 2024	31 March 2023
<b>17 Borrowings (other than debt securities) (at amortised cost)</b>		
(a) Term loans (unsecured)		
(i) from banks	64,753.94	41,409.13
(b) Loans from related parties	6,696.60	5,413.05
(c) Loans repayable on demand (unsecured)		
(i) from banks	1,373.17	-
	<b>72,823.71</b>	<b>46,822.18</b>
Borrowings in India	52,642.07	31,062.01
Borrowings outside India	20,181.64	15,760.17
	<b>72,823.71</b>	<b>46,822.18</b>

Borrowings (other than debt securities) include INR and foreign currency External Commercials Borrowings 'ECBs'. Foreign currency ECBs have been borrowed at floating / fixed rate and hedged using cross currency interest rate swap/ cross currency swap/Forward.

The Company's exposure to interest rate risk and liquidity risk are disclosed in note no.43

All the above Term Loans and ECBs are repayable on bullet payment basis except:

a. Term Loan amounting to INR 12,187.50 million is repayable on quarterly instalment and

b. Term Loan amounting to INR 1,999.93 million is repayable on half yearly instalment.

**a) Schedule of repayment of Term Loan (Unsecured - at amortised cost)**

Particulars	31 March 2024		31 March 2023	
	In India	Outside India	In India	Outside India
0-1 years	24,768.98	6,319.45	11,474.51	2,548.81
1-3 years	22,699.99	7,165.59	19,587.50	7,798.31
3-5 years	3,799.93	-	-	-
	<b>51,268.90</b>	<b>13,485.04</b>	<b>31,062.01</b>	<b>10,347.12</b>

Interest rates range 5.65% p.a. to 8.95% p.a. (including Hedge cost for ECB) for the borrowings outstanding as at 31 March 2024 and 31 March 2023.

**b) Schedule of repayment of Loans from Related party**

Particulars	31 March 2024		31 March 2023	
	In India	Outside India	In India	Outside India
0-1 years	-	2.17	-	0.39
1-3 years	-	6,694.43	-	5,412.66
3-5 years	-	-	-	-
	-	<b>6,696.60</b>	-	<b>5,413.05</b>

Interest rates range 7.51% p.a. to 7.89% p.a. (including hedge cost) for the borrowings outstanding as at 31 March 2024.

**b) Schedule of repayment of Bank overdraft (Unsecured - at amortised cost)**

Tenure	31 March 2024	31 March 2023
Repayable on demand	1,373.17	-
	<b>1,373.17</b>	<b>-</b>

Interest rates on overdraft is as determined by the Bank based on T-bill Rates and appropriate spread from time to time. The Interest rates range from 7.50% p.a. to 8.55% p.a. for the overdraft outstanding as at 31 March 2024.

The Company has utilised/utilises the funds for which it was/is raised.

The borrowings have not been guaranteed by directors or others. Also, the Company has not defaulted in repayment of principal and interest.



(Amounts are in Rs. Million)		
Particulars	31 March 2024	31 March 2023
<b>18 Lease liabilities</b>		
Balance as at the beginning of the year	60.53	59.78
Add: Additions during the year	87.38	48.17
Add: Interest charge for the year	7.64	1.94
Less: Deductions during the year	-	-
Less: Lease payment made during the year	58.91	49.36
Balance as at the end of the year	<u>96.64</u>	<u>60.53</u>
<b>19 Other financial liabilities</b>		
Earnest money deposit	48.08	3.40
Other financial liabilities	0.68	0.92
	<u>48.76</u>	<u>4.32</u>
<b>20 Current tax liabilities (net)</b>		
Provision for tax (net of advance tax and tax deducted at sources)	-	-
	<u>-</u>	<u>-</u>
<b>21 Provisions</b>		
Provision for expected credit loss on undisbursed loan commitments	0.67	4.74
Provision for leased assets (Operating Lease)	5.50	5.96
Provision for employee benefits		
- Bonus	107.67	83.72
- Gratuity	6.75	3.82
- Compensated absences	36.55	34.98
	<u>157.14</u>	<u>133.22</u>
<b>22 Other non- financial liabilities</b>		
Rent equalisation	0.96	0.61
Statutory liabilities	106.66	70.79
	<u>107.62</u>	<u>71.40</u>





(Amounts are in INR Million, except number of shares)

Particulars	31 March 2024	31 March 2023
<b>23 Equity share capital</b>		
Authorized equity shares		
1,358,146,870 (31 March 2023: 1,307,972,957) Equity Shares of INR 10 each	13,581.47	13,079.73
	<b>13,581.47</b>	<b>13,079.73</b>
Issued, subscribed and fully Paid up equity shares		
1,358,146,870 ( 31 March 2023: 1,110,146,870) equity shares of INR 10 each	13,581.47	11,101.47
	<b>13,581.47</b>	<b>11,101.47</b>
<b>(a) Reconciliation of number of shares</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
<b>Particulars</b>	<b>No of shares</b>	<b>Amount</b>
<b>Balance at the beginning of the year</b>		
Equity Shares	1,11,01,46,870	11,101.47
<b>Add: Shares Issued during the year</b>		
Equity Shares	24,80,00,000	2,480.00
<b>Balance at the end of the year</b>		
Equity Shares	1,35,81,46,870	13,581.47
		1,11,01,46,870
		11,101.47

During the year 100,000,000 equity shares of Rs 10 each have been allotted on 26 October 2023 for cash , at a premium of Rs.14 each (Total of Rs 2,400 Mn) pursuant to a resolution of shareholders passed at Extraordinary General Meeting held on 03 October 2023 and 148,000,000 equity shares of Rs 10 each have been allotted on 18 March 2024 for cash , at a premium of Rs. 15 each( Total of Rs 3,700 Mn) pursuant to a resolution of shareholders passed at Extraordinary General Meeting held on 30 January 2024.

Previous Year-During FY22-23, 152,173,913 equity shares of Rs 10 each have been allotted on 23 January 2023 for cash , at a premium of Rs. 13 each( Total of Rs 3,500 Mn) pursuant to a resolution of shareholders passed at Extraordinary General Meeting held on 22 December 2022.

**(b) Rights, preferences and restrictions attached to shares**

Equity Shares: The Company has one class of equity shares having a par value of INR 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

During the period of five years immediately preceding 31 March 2024, no shares have been bought back and no shares have been allotted as fully paid up by way of bonus shares or pursuant to contracts without payment being received in cash.

**(c) Shares held by holding Company and its nominees**

Particulars	31 March 2024	31 March 2023
1,358,146,870 (31 March 2023: 1,110,146,870) equity shares held by Toyota Financial Services Corporation, Japan and its nominees, ultimately held by Toyota Motor Corporation, Japan.	1,35,81,46,870	1,11,01,46,870

**(d) Shares held by Promoters and its nominees**

Particulars	31 March 2024	31 March 2023
1,358,146,870 ( 31 March 2023: 1,110,146,870) equity shares held by Toyota Financial Services Corporation, Japan and its nominees, ultimately held by Toyota Motor Corporation, Japan.	1,35,81,46,870	1,11,01,46,870

**(e) Details of shares held by shareholders holding more than 5% of aggregate shares in the Company**

Particulars	31 March 2024	31 March 2023
<b>Equity Shares:</b>		
Toyota Financial Services Corporation, Japan and its nominees, ultimately held by Toyota Motor Corporation, Japan.	1,35,81,46,870	1,11,01,46,870
Percentage holding	100.00%	100.00%

**(f) No shares reserved for issue under options and contracts/commitments for the sale of shares or disinvestment.**

**(g) Objectives for managing capital**

Refer note 41 for capital management.



Particulars	31 March 2024	31 March 2023
<b>24 Other equity</b>		
Statutory reserve	962.04	852.67
Security premium account	8,908.93	5,295.03
Retained earnings	2,807.55	2,370.05
Other comprehensive income	(3.06)	(1.46)
	<b>12,675.46</b>	<b>8,516.29</b>

For detailed movement of reserves refer statement of changes in equity (SOCIE).

**Note :**

**Nature and purpose of reserves**

**1. Statutory reserve**

In terms of Section 45-IC of the RBI Act, NBFCs are required to create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year. The above requirement is to give intrinsic strength to the balance sheets of the NBFCs. This reserve could be used for purposes as stipulated by the Reserve Bank of India from time to time.

**2. Securities premium**

Securities premium reserve is used to record the premium on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

**3. Retained earnings**

Retained earnings are the profits that the Company has earned to date, less any dividends or other distributions paid to shareholders.

**4. Other comprehensive income (OCI)**

Other Comprehensive Income refers to items of income and expenses that are not recognised as a part of the statement of profit and loss. However, the entity may transfer those amounts recognised in other comprehensive income within equity. Remeasurements of the net defined benefit and fair value changes on investments are considered in other comprehensive income.



(Amounts are in Rs. Million)		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>25 Interest income (on financial assets measured at amortised cost)</b>		
Interest on loans	9,586.94	6,576.38
Interest on deposits with banks	56.07	57.03
Interest on investment	189.58	134.47
	<b>9,832.59</b>	<b>6,767.88</b>
<b>26 Net gain on fair value changes*</b>		
(A) Net gain on financial instruments at fair value through profit or (loss)		
-Derivatives	(252.67)	45.09
	<b>(252.67)</b>	<b>45.09</b>
(B) Fair value changes:		
-Realised	(23.72)	178.48
-Unrealised	(228.95)	(133.39)
	<b>(252.67)</b>	<b>45.09</b>
<b>27 Others</b>		
Foreclosure charges	200.34	167.76
Late payment interest	99.52	86.43
Bounce charges	68.04	53.99
Documentation charges	18.29	13.02
Other charges	72.10	43.51
	<b>458.29</b>	<b>364.71</b>
<b>28 Other income</b>		
Net gain on derecognition of property, plant and equipment	11.68	13.18
Interest on income tax refund	6.02	4.66
Miscellaneous income	0.52	1.48
Income from Mutual Fund	129.66	14.28
Interest on Security Deposit	2.85	2.31
	<b>150.73</b>	<b>35.91</b>
<b>29 Finance costs (on financial liabilities measured at amortised cost)</b>		
Interest on debt securities	2,700.36	1,355.53
Interest on borrowings (other than debt securities)**	3,975.23	2,594.19
Interest on lease liability	7.64	1.94
Other interest expense	0.29	1.68
	<b>6,683.52</b>	<b>3,953.34</b>
<b>30 Impairment on financial instruments</b> (on financial assets measured at amortised cost)		
Loans		
- Loan loss provisioning	386.87	(346.19)
- Bad debt written off (net of recoveries)	417.09	264.86
	<b>803.96</b>	<b>(81.33)</b>
<b>31 Employee benefit expenses</b>		
Salaries and wages	767.69	650.82
Contribution to Provident and other funds	37.88	30.48
Gratuity	9.51	8.43
Staff welfare expenses	30.74	27.78
	<b>845.82</b>	<b>717.51</b>

\*The Company has borrowed floating and fixed rate foreign currency External Commercial borrowings and used derivative instruments to manage exposures to interest rate risk and currency risk. The Company recognizes and measures these derivative instruments at fair value, with changes in fair value being recognised in the statement of profit and loss. Net gain on fair value changes includes mark to market gain/loss on derivative instrument and translation gain/loss on conversion of ECB loan.

\*\*Interest on borrowings (other than debt securities) includes swap cost incurred on derivatives taken on foreign currency loans through cross currency interest rate swap/cross currency swap/forward contracts.





Particulars	(Amounts are in Rs. Million)	
	Year ended 31 March 2024	Year ended 31 March 2023
<b>32 Depreciation, amortisation and impairment</b>		
Depreciation on property, plant and equipment	128.38	181.52
Amortisation of intangible assets	46.24	44.60
Depreciation on right-of-use assets	55.74	46.06
	<b>230.36</b>	<b>272.18</b>
<b>33 Other expenses</b>		
Collection charges	250.61	297.04
Information technology services	276.06	177.06
Legal and professional charges	92.27	122.33
Rent, taxes and energy costs	52.89	23.90
Postage and courier	22.37	19.29
Communication costs	21.24	18.41
Travelling and conveyance	38.43	37.77
Repairs and maintenance	22.97	13.25
Printing and stationery	18.60	12.60
Recruitment expenses	10.34	12.77
Advertisement and publicity	10.41	16.97
Expenditure towards corporate social responsibility (CSR) activities*	22.44	10.58
Credit rating fees and other expenses	11.37	8.00
Auditor's fees and expenses		
as statutory auditor	6.40	6.20
as tax auditor	0.30	0.25
for other services	0.90	0.55
for reimbursement of expenses	1.67	1.17
Director's fees	2.40	0.76
Conference expenses	14.33	13.11
Net (gain) / loss on foreign currency transaction and translation (other than those considered as finance cost)	(0.10)	0.12
Other expenditure	168.10	102.70
	<b>1,044.00</b>	<b>894.83</b>

Includes transactions with related parties. Refer note no. 39

**\* Details of corporate social responsibility expenditure**

A CSR committee has been formed by the Company as per the Companies Act, 2013. CSR expenses have been incurred through out the year on the activities as specified in Schedule VII of the said Act. The focus area of CSR initiatives undertaken by the Company are education, health and environment.

a. Amount required to be spent by the Company during the year	22.44	10.58
b. Amount approved by the Board to be spent during the year	22.44	10.58
c. Amount spent during the year on		
(i) Construction/acquisition of any asset	21.92	10.16
(ii) On purposes other than (i) above	0.52	0.42
d. Shortfall at the end of the year	-	-
e. Total of previous years shortfall	-	-
f. Reason for shortfall	Not applicable	Not applicable
g. Nature of CSR activities	The focus area of CSR initiatives undertaken by the Company are education, health and environment.	
h. Details of related party transactions	-	-
i. where a provision is made with respect to a liability incurred by entering into a contractual obligation	-	-



34 Earnings per share

Basic earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

(Amounts are in Rs. Million, except per share data)		
Earnings	31 March 2024	31 March 2023
Profit / (loss) for the year	546.87	1,239.78
Shares		
Basic outstanding shares	1,11,01,46,870	95,79,72,957
Effect of shares issued during the year	24,80,00,000	15,21,73,913
Weighted average number of shares for computing basic EPS	1,15,89,77,471	98,63,23,165
Earning per share		
Basic (in Rs.)	0.47	1.26
Diluted (in Rs.) *	0.47	1.26
Face value per share (Rs.)	10.00	10.00

\* There are no dilutive shares issued by the Company as on 31 March 2024 and 31 March 2023.

35 Contingent liabilities and commitments (to the extent not provided for)

(Amounts are in Rs. Million)		
Particulars	31 March 2024	31 March 2023
(i) Contingent liabilities:		
(a) Claims against the Company not acknowledged as debt*		
- Consumer claim against company	0.05	-
Income tax matter under dispute for AY 2017-18	-	4.97
Indirect tax matter under dispute for FY2017-18	3.98	-
(b) Guarantees excluding financial guarantees	-	-
(c) Other money for which the Company is contingently liable		
- Bank guarantee provided by Bank on behalf of the Company	2.50	2.50
Total	6.53	7.47
(ii) Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	58.05	0.81

\* The amount included above represents best possible estimate arrived at on the basis of available information. The management believes that it has a reasonable case in its defense of the proceedings and accordingly no further provision has been created.

The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of accounts.



36 Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

				(Amounts are in Rs. Million)		
				31 March 2024		
Assets	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>I Financial assets</b>						
(a) Cash and cash equivalents	3,121.19	-	3,121.19	2,111.24	-	2,111.24
(b) Derivative financial instruments	118.49	55.09	173.58	278.70	174.66	453.36
(c) Trade receivables	17.62	-	17.62	36.73	-	36.73
(d) Loans	48,100.39	84,283.32	1,32,383.71	33,097.83	53,418.71	86,516.54
(e) Investments	4,355.76	-	4,355.76	2,547.48	-	2,547.48
(f) Other financial assets	0.92	40.32	41.24	40.51	13.17	53.68
<b>Total financial assets</b>	<b>55,714.37</b>	<b>84,378.73</b>	<b>1,40,093.10</b>	<b>38,112.49</b>	<b>53,606.54</b>	<b>91,719.03</b>
<b>II Non-financial assets</b>						
(a) Current tax assets (net)	-	81.49	81.49	-	98.03	98.03
(b) Deferred tax assets (net)	-	585.68	585.68	-	578.74	578.74
(c) Property, plant and equipment	-	536.38	536.38	-	383.12	383.12
(d) Intangible assets under development	-	38.11	38.11	-	-	-
(e) Other intangible assets	-	113.01	113.01	-	144.84	144.84
(f) Right-of-use assets	-	93.82	93.82	-	58.37	58.37
(g) Other non-financial assets	646.43	0.11	646.54	356.91	-	356.91
<b>Total non-financial assets</b>	<b>646.43</b>	<b>1,448.60</b>	<b>2,095.03</b>	<b>356.91</b>	<b>1,263.10</b>	<b>1,620.01</b>
<b>Total Assets</b>	<b>56,360.80</b>	<b>85,827.33</b>	<b>1,42,188.13</b>	<b>38,469.40</b>	<b>54,869.64</b>	<b>93,339.04</b>
				31 March 2023		
Liabilities	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>I Liabilities</b>						
<b>i Financial liabilities</b>						
(a) Derivative financial instruments	1.07	1,226.65	1,227.72	-	62.42	62.42
(b) Payables						
Trade payables	2,260.36	-	2,260.36	951.38	-	951.38
(i) total outstanding dues of micro enterprises and small enterprises	50.36	-	50.36	13.59	-	13.59
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	2,210.00	-	2,210.00	937.79	-	937.79
(c) Debt securities	9,231.55	29,977.70	39,209.25	13,622.91	11,992.92	25,615.83
(d) Borrowings (other than debt securities)	32,463.77	40,359.94	72,823.71	14,023.72	32,798.46	46,822.18
(e) Lease liabilities	54.65	41.99	96.64	28.33	32.20	60.53
(f) Other financial liabilities	48.76	-	48.76	4.32	-	4.32
<b>Total financial liabilities</b>	<b>44,060.16</b>	<b>71,606.28</b>	<b>1,15,666.44</b>	<b>28,630.65</b>	<b>44,886.01</b>	<b>73,516.66</b>
<b>ii Non-financial liabilities</b>						
(a) Current tax liabilities (net)	-	-	-	-	-	-
(b) Provisions	157.14	-	157.14	133.22	-	133.22
(c) Other non-financial liabilities	107.62	-	107.62	71.40	-	71.40
<b>Total non-financial liabilities</b>	<b>264.76</b>	<b>-</b>	<b>264.76</b>	<b>204.62</b>	<b>-</b>	<b>204.62</b>
<b>Total Liabilities</b>	<b>44,324.92</b>	<b>71,606.28</b>	<b>1,15,931.20</b>	<b>28,835.28</b>	<b>44,886.01</b>	<b>73,721.28</b>



### 37 Lease

In adopting Ind AS 116, the Company has applied the below practical expedients:  
The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics. The Company has discounted lease payments using the applicable incremental borrowing rate for measuring the lease liability.  
The Company has treated the leases with remaining lease term of less than 12 months as "short term leases".

#### A. Lease disclosures as Lessee

Particulars	(Amounts are in Rs. Million)	
	31 March 2024	31 March 2023
(a) The expense relating to short-term leases during the year	1.79	0.42
(b) The expense relating to leases of low-value assets during the year	0.11	0.11
(c) The expense relating to variable lease payments not included in the measurement of lease liabilities	-	-
(d) Income from subleasing right-of-use assets	-	-
(e) Gains or losses arising from sale and leaseback transactions	-	-
(f) Depreciation charge for right-of-use assets	55.74	46.06
(g) Interest expense (included in finance cost)	7.64	1.94
(h) Future lease payments-		
within one year	53.93	31.40
after one year but not more than five years	36.18	34.38
more than five years	-	-
(i) Future lease payments for low-value assets -		
within one year	0.11	0.11
after one year but not more than five years	-	-
more than five years	-	-

#### B. Operating leases as Lessor

The Company finances vehicles under Operating Lease for which lease rentals are charged on a monthly basis from customers. Maturity analysis of undiscounted lease rentals is provided below.

Particulars	31 March 2024	31 March 2023
(a) Lease income recognised in the Statement of Profit and Loss during the year	155.71	186.22
(b) Future lease income-		
within one year	136.36	99.54
after one year but not more than five years	260.78	82.08
more than five years	-	-

The gross carrying amount, accumulated depreciation and net carrying amount of vehicles given on lease as at 31 March 2024 and 31 March 2023 are disclosed in note 11.

#### C. Finance leases as Lessor

The Company finances vehicles under Finance Lease. The Company enters into finance lease agreements ranging between one to five years. The reconciliation between the total gross investment in the lease at the balance sheet date and the present value of minimum lease payments receivable at the balance sheet are as follows:

Particulars	31 March 2024	31 March 2023
Minimum lease payment (a)	1017.38	222.72
Unearned finance income (b)	264.11	41.85
<b>Present value of minimum lease payments (a-b)</b>	<b>753.27</b>	<b>180.87</b>

Gross investment in lease and present value of minimum lease payments for each of the following periods are as follows:

Particulars	31 March 2024	31 March 2023
Gross investment in lease		
Less than one year (a)	350.34	116.88
Between one and five years (b)	402.93	63.99
<b>Present value of minimum lease payments(a) +(b)</b>	<b>753.27</b>	<b>180.87</b>

Other relevant disclosures for finance leases as lessor:

Particulars	31 March 2024	31 March 2023
Accumulated allowance for uncollectible minimum lease payments receivable	3.02	0.73

### 38 Segment reporting

The Company is engaged primarily in the business of vehicle financing and there are no separate reportable segments as per Ind AS 108 "Operating Segments".



**39 Related parties**

**A. Nature of relationship and names of related parties:**

(i) Ultimate Holding Company	Toyota Motor Corporation, Japan
(ii) Holding Company	Toyota Financial Services Corporation, Japan
(iii) Fellow Subsidiaries with which the Company had transactions (parties under common control)	Toyota Kirloskar Motor Private Limited Toyota Motor Credit Corporation Toyota Motor Asia Pacific Pte Limited Toyota Motor Finance (Netherlands) B.V. Toyota Logistics Kishor India Private Limited
(iv) Other affiliated companies with which the Company had transactions (parties under same group)	Toyota Tsusho Systems, Singapore Toyota Tsusho Systems, Thailand Toyota Tsusho Systems India Private Limited Toyota Lakozy Auto Private Limited JTEKT Bearings India Private Limited (Formerly Koyo Bearings India Private Limited) AT India Auto Parts Private Limited
(v) Key Management Personnel	Mr. Pala Bushanam Venugopal - Managing Director and CEO (Appointed w.e.f. 01 February 2024) Mr. Narayanaswamy Raja - Managing Director and CEO (Retired w.e.f. 31 January 2024) Mr. Anupam Vasdani - Chief Financial Officer Mr. Rajagopal Nithya Prabhu - Company Secretary (Resigned w.e.f. 29 December 2023) Mr. Ganesh Chandrasekaran - Company Secretary (Appointed w.e.f. 14 February 2024)
(vi) Directors	Mr. Kazuo Noda - Whole Time Director (Appointed w.e.f. 24 May 2023) Ms. Sunita Rajiv Handa - Independent Director Mr. Masayoshi Hori - Non-Executive Director (Resigned w.e.f. 07 Aug 2023) Mr. Tetsuo Higuchi - Non-Executive Director (Appointed w.e.f. 11 Aug 2023) Mr. Venkatraman Prakash - Independent Director

**B. Transactions with Key Managerial Personnel:**

**i. Key Managerial Personnel compensation**

Key Managerial Personnel compensation comprised of the following:

(Amounts are in Rs. Million)		
Particulars	31 March 2024	31 March 2023
<b>Remuneration to Managing Director</b>		
Short-term employee benefits	19.41	19.21
<b>Remuneration to Chief Financial Officer</b>		
Short-term employee benefits	12.39	11.02
<b>Remuneration to Company Secretary</b>		
Short-term employee benefits	3.16	2.68
<b>Remuneration to Whole time Director</b>		
Short-term employee benefits*	21.41	20.72
<b>Remuneration to Non-Executive Director</b>		
(i) Mr. Masayoshi Hori	-	-
(ii) Mr. Tetsuo Higuchi	-	-
<b>Directors sitting fees</b>		
(i) Ms. Sunita Rajiv Handa	1.14	0.50
(ii) Mr. Venkatraman Prakash	1.06	0.20

**ii. Loans to Key Managerial Personnel**

<b>Loans to Managing Director</b>		
Vehicle Loan (Sanctioned amount)	1.00	1.00
Vehicle Loan Receivable	-	0.77
Vehicle Loan Repaid	0.77	0.23
Interest Income	0.04	0.05





Related parties (Continued)

iii Other related parties transactions

The aggregate value of transactions and outstanding balances related to transactions with other related parties were as follows

Particulars	(Amounts are in Rs. Million)	31 March 2024	31 March 2023
<b>Toyota Kirloskar Motor Private Limited</b>			
(i) Expenses-			
Professional fee			
IT network communication	0.45	-	
Others	0.99	0.07	
(ii) Income-	0.06	1.15	
Incentive Fees			
Lease income	2.40	19.16	
(iii) Capital advance	2.70	28.49	
(iv) Purchase of fixed asset	5.59	2.60	
(v) Sale of fixed asset	233.81	70.12	
	15.83	11.00	
<b>Toyota Financial Services Corporation, Japan</b>			
Professional fees			
Staff welfare	2.09	1.78	
Training expenses	0.67	-	
Equity Share Capital Infusion	0.63	0.01	
	6,100.00	3,500.00	
<b>Toyota Logistics Kishor India Private Limited</b>			
Vehicle Transport services			
	0.34	-	
<b>Toyota Motor Credit Corporation</b>			
Information technology services			
	1.38	1.11	
<b>Toyota Motor Asia Pacific Pte Limited</b>			
Professional fees			
Information technology services	4.30	3.13	
	0.87	3.49	
<b>Toyota Tsusho Systems, Singapore</b>			
Information technology services			
	0.50	0.48	
<b>Toyota Tsusho Systems, Thailand</b>			
Information technology services			
	0.58	1.69	
<b>Toyota Tsusho Systems India Private Limited</b>			
Information technology services			
Lease income	24.41	16.53	
	0.69	-	
<b>Toyota Motor Finance (Netherlands) B.V.</b>			
Borrowings (at applicable conversion rate on borrowing date)			
Interest on Borrowings (at applicable conversion rate on reporting date)	2,079.10	5,336.98	
	20.71	1.80	
<b>Toyota Lakozy Auto Private Limited</b>			
i. Income			
Interest Income			
ii. Expenses	0.02	0.08	
Rent expenses			
Commission paid	0.46	0.46	
Others reimbursement	24.40	12.24	
	6.64	-	
<b>JTEKT Bearings India Private Limited (Formerly Koyo Bearings India Private Limited)</b>			
Lease Income			
	1.05	0.63	
<b>AT India Auto Parts Private Limited</b>			
Lease Income			
	0.02	-	



Related parties (Continued)

Particulars	(Amounts are in Rs. Million)	
	31 March 2024	31 March 2023
<b>Outstanding Balances:</b>		
<b>Toyota Kirloskar Motor Private Limited</b>		
Trade Receivables	1.05	5.62
Trade Payables	0.47	-
<b>Toyota Financial Services Corporation, Japan</b>		
Trade Payable*	4.54	2.36
<b>Toyota Motor Credit Corporation</b>		
Trade Payables	0.28	0.27
<b>Toyota Motor Asia Pacific Pte Limited</b>		
Trade Payables	1.87	3.20
<b>Toyota Tsusho Systems, Singapore</b>		
Trade Payables	-	-
<b>Toyota Tsusho Systems, Thailand</b>		
Trade Payables	-	-
<b>Toyota Motor Finance (Netherlands) B.V.</b>		
Borrowings (at applicable conversion rate -on reporting date)	6,694.33	5,412.66
Interest on Borrowings (at applicable conversion rate -on reporting date)	2.27	0.39
<b>Toyota Lakozy Auto Private Limited</b>		
Trade Payables	5.60	2.25
Loan Receivable (Inventory finance)	34.43	-
<b>JTEKT Bearings India Private Limited (Formerly Koyo Bearings India Private Limited)</b>		
Trade Receivables	0.23	0.07
<b>AT India Auto Parts Private Limited</b>		
Trade Receivables	0.02	-
<b>Toyota Tsusho Systems India Private Ltd</b>		
Trade Payables	-	-
Trade Receivables	0.85	-

\* includes payment of expat home country salaries routed through the Holding Company (Toyota Financial Service Corporation, Japan) amounting to INR 2.20 Million (Previous year: INR 1.95 Million).

All related parties transactions are priced on arm's length basis.

None of these balances are secured except retail and inventory finance receivables.

No expenses have been recognized in the current year or prior year for bad and doubtful debts in respect of amounts owed by related parties.

The above disclosures include related parties as per Ind AS 24 on "Related Party Disclosures" and the Companies Act, 2013.

The remuneration to Key Management Personnel doesn't include the provisions made for gratuity and compensated absences, as they are obtained on actuarial basis for the Company as a whole.





#### 40 Employee benefits

##### Defined contribution plan

The Company makes provident fund and employee state insurance scheme contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised INR 33.75 millions (previous year INR 27.61 millions) for provident fund contributions and INR 0.09 millions (previous year INR 0.21 millions) for employee state insurance scheme contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

##### Defined benefit plan

Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement whichever is earlier. The benefits vest after five years of continuous service.

The Company has a defined benefit plan for post-employment benefits in the form of Gratuity. The Company has taken a group gratuity policy with Life Insurance Corporation ("LIC") which is funded. Gratuity Fund is administered through LIC and is a recognised fund under the Income Tax Act, 1961. The Company accounts for gratuity based on an actuarial valuation which is carried out by an independent actuary as at the year end. The actuarial valuation method used by the independent actuary for measuring the liability is the Projected Unit Credit Method. The adequacy of the accumulated fund balance available with LIC is compared with the gratuity liability as per the independent actuarial valuation at the year end and any shortfall, if any, is recognised in the financial statements.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amount recognised in the Company's financial statement as at the balance sheet date :

(Amounts are in Rs. Million)		
Particulars	31 March 2024	31 March 2023
<b>A. Change in present value of obligations</b>		
Present value of defined benefit obligation at the beginning of the year	45.22	38.60
Current service cost	9.55	8.40
Interest cost	3.12	2.39
Remeasurements due to		
Actuarial loss / (gain) arising from change in financial assumptions	0.18	(2.09)
Actuarial loss / (gain) arising from change in demographic assumptions	-	-
Actuarial loss / (gain) arising on account of experience changes	1.06	1.56
Past service cost	-	-
Benefits paid	(2.67)	(3.64)
<b>Present value of defined benefit obligation at the end of the year</b>	<b>56.46</b>	<b>45.22</b>
<b>B. Change in the fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	41.40	33.62
Expected return on plan assets	3.16	2.36
Remeasurements due to		
actual return on plan assets less interest on plan asset	(0.32)	0.05
Benefits paid	(2.67)	(3.64)
Employer contributions	8.14	9.01
<b>Fair value of plan assets at the end of the year</b>	<b>49.71</b>	<b>41.40</b>
<b>C. Change in net defined liability</b>		
Fair value of plan assets at the end of the year	49.71	41.40
Present value of funded defined benefit obligation	(56.46)	(45.22)
<b>Net asset / (liability)</b>	<b>(6.75)</b>	<b>(3.82)</b>
<b>D. Expense recognized in the statement of profit and loss</b>		
Current service cost	9.55	8.40
Interest cost	3.12	2.39
Interest income on plan assets	(3.16)	(2.36)
Past Service Cost	-	-
Net gratuity expense	<b>9.51</b>	<b>8.43</b>
<b>E. Remeasurements recognized in the OCI</b>		
- experience adjustments	1.06	1.56
- actuarial assumptions	0.47	(2.15)
	<b>1.53</b>	<b>(0.59)</b>
<b>F. Categories of plan assets</b>		
Property	-	-
Government Debt Instruments	-	-
Other Debt Instruments	-	-
Equity Instruments	-	-
Insurer managed funds	49.71	41.40
Others	-	-
<b>G. Expected cash flows for the following year</b>		
Expected total benefit payments		
Year 1	5.61	4.68
Year 2	5.53	5.46
Year 3	6.96	6.11
Year 4	6.03	8.47
Year 5	5.58	9.35
Years	29.95	54.56



Employee benefits (continued)

H. Actuarial Assumptions

Particulars	31 March 2024	31 March 2023
Discount Rate	7.00%	7.10%
Salary escalation rate	9.5% for first 2 years and 10% thereafter	9.5% for first 2 years and 10% thereafter
Expected Return on plan assets		
Attrition Rate - Age (Years)	7.00%	7.10%
21-30		
31-40	18.00%	18.00%
41-50	14.00%	14.00%
51-59	13.00%	13.00%
	10.00%	10.00%
Mortality rate	Indian Assured Life Mortality (2006-08)	Indian Assured Life Mortality (2006-08)
Retirement Age	Ultimate	Ultimate
	60 Years	60 Years

Assumptions regarding future mortality experience are set in accordance with published statistics and mortality tables. The defined benefit plan expose the Company to actuarial risks, such as longevity and Interest rate risk, Investment Risk, Liquidity Risk, Market risk and Legislative Risk. The weighted average duration of the defined benefit obligation was 6 years (PY 31 March 2023: 6.00 years).

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors. The overall expected rate of return on assets is determined based on market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Expected contribution to the funds next year

Particulars	(Amounts are in Rs. Million)	
	31 March 2024	31 March 2023
Gratuity Fund	6.75	3.82

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in weighted principal assumption are as below :

Gratuity

Particulars	31 March 2024		31 March 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (50 bps movement)	(1.84)	1.95	(1.50)	1.60
% change	-3.26%	3.45%	-3.32%	3.53%
Withdrawal rate (50 bps movement)	(0.35)	0.37	(0.29)	0.30
% change	-0.62%	0.66%	-0.64%	0.67%
Salary escalation rate (50 bps movement)	1.59	(1.54)	1.34	(1.30)
% change	2.82%	-2.73%	2.96%	-2.88%

Sensitivity of significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of defined benefit obligations by 50 basis points, keeping all the other actuarial assumptions constant. Although the analysis does not take into account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.



#### 41 Capital Management

The primary objective of the Company's capital management policy is to ensure compliance with regulatory capital requirements. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by RBI. Further, the Company's capital management policy focuses that the Company maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value. The funding requirements are met through equity, non convertible debentures, bank borrowings and other long-term/short-term borrowings. The Company's policy is aimed at appropriate combination of short-term and long-term borrowings. The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics. No changes have been made to the objectives and policies of the capital management from the previous years, however they are under constant review by the Board.

Regulatory capital consists of CET 1 capital comprises share capital, share premium, statutory reserve, retained earnings including current year loss, deduction of intangible assets and other regulatory adjustments relating to items that are not included in equity but are treated differently for capital adequacy purposes. The other component of regulatory capital is Tier 2 Capital comprises of impairment provision in respect of standard assets (Stage-1). Capital ratio is worked out as under :

<b>Regulatory Capital</b>		<b>(Amounts are in Rs. Million)</b>	
<b>Particulars</b>	<b>31 March 2024</b>	<b>31 March 2023</b>	
Common Equity Tier 1 (CET1) capital	25,453.17	18,843.61	
Tier 2 capital	889.42	693.49	
Total Capital	26,342.59	19,537.10	
Risk weighted assets	1,35,749.15	88,506.23	
CET1 capital ratio	18.75%	21.29%	
Total capital ratio	19.41%	22.07%	



42 Financial instruments-fair value and risk management

Accounting classification and fair values

The following table shows the carrying amount and fair value of financial assets and financial liabilities:

Fair value hierarchy

This section explains the judgement and estimates made in determining fair value of the financial instruments that are:

- recognised and measured at fair value and
- measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair values, 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 instruments measured at Fair Value Through Profit and Loss (FVTPL) for which fair values are disclosed

The table below presents information pertaining to the carrying amounts and fair values of financial instruments.

(Amounts are in Rs. Million)					
Particulars	Level 1	Level 2	Level 3	Total fair values	Total carrying amount
<b>31 March 2024</b>					
<b>Financial assets</b>					
<b>Derivative financial instruments (at FVTPL)</b>					
Cross Currency Interest Rate swap/Cross Currency swap/Forward*	-	173.58	-	173.58	173.58
<b>Financial liabilities</b>					
<b>Derivative financial instruments (at FVTPL)</b>					
Cross Currency Interest Rate swap/Cross Currency swap/Forward*	-	1,227.72	-	1,227.72	1,227.72

\*The swaps are priced based on interbank swap curve quoted against the corresponding IBOR tenor. Rupee cash flows are discounted using MIFOR curve.

<b>31 March 2023</b>					
<b>Financial assets</b>					
<b>Derivative financial instruments (at FVTPL)</b>					
Cross Currency Interest Rate swap/Cross Currency swap#	-	453.36	-	453.36	453.36
<b>Financial liabilities</b>					
<b>Derivative financial instruments (at FVTPL)</b>					
Cross Currency Interest Rate swap/Cross Currency swap#	-	62.42	-	62.42	62.42

# The swaps are priced based on interbank swap curve quoted against the corresponding IBOR tenor. Rupee cash flows are discounted using MIFOR curve.

Financial instruments measured at amortised cost for which fair values are disclosed

The table below summarizes the carrying amounts and fair values of those financial assets and liabilities not presented at fair value compared to carrying amounts shown in the financial statement.

(Amounts are in Rs. Million)					
Particulars	Level 1	Level 2	Level 3	Total fair values	Total carrying amount
<b>31 March 2024</b>					
<b>Financial assets</b>					
Cash and cash equivalents	3,121.19	-	-	3,121.19	3,121.19
Trade receivables	-	-	17.62	17.62	17.62
Loans	-	-	1,32,439.41	1,32,439.41	1,32,383.71
Investments	4,355.76	-	-	4,355.76	4,355.76
Other financial assets	-	-	41.24	41.24	41.24
<b>Financial liabilities</b>					
Trade Payables	-	-	2,260.36	2,260.36	2,260.36
Debt securities	-	37,407.33	1,978.02	39,385.35	39,209.25
Borrowings **	-	-	72,370.64	72,370.64	72,823.71
Lease Liabilities	-	-	96.64	96.64	96.64
Other financial liabilities	-	-	48.76	48.76	48.76
<b>31 March 2023</b>					
<b>Financial assets</b>					
Cash and cash equivalents	2,111.24	-	-	2,111.24	2,111.24
Trade receivables	-	-	36.73	36.73	36.73
Loans	-	-	86,130.92	86,130.92	86,516.54
Investments	2,547.48	-	-	2,547.48	2,547.48
Other financial assets	-	-	53.68	53.68	53.68
<b>Financial liabilities</b>					
Trade Payables	-	-	951.38	951.38	951.38
Debt securities	-	22,860.63	2,472.45	25,333.08	25,615.83
Borrowings **	-	-	46,295.85	46,295.85	46,822.18
Lease Liabilities	-	-	60.53	60.53	60.53
Other financial liabilities	-	-	4.32	4.32	4.32

\*\* Fair value has been calculated for fixed rate borrowings, which have an original tenor of greater than 1 year.



**Financial instruments-fair value and risk management (continued)**

**Valuation Framework**

The Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1 : Inputs that are quoted at market prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 : The fair value of financial instruments that are not traded in active markets is determined using valuation techniques which maximise the use of observable market data either directly or indirectly, such as quoted prices for similar assets and liabilities in active markets, for substantially the full term of the financial instruments but do not qualify as Level 1 inputs. 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, i.e. Level 3 inputs incorporate market participants' assumptions about risk and the risk premium required by market participants in order to bear the risk. The Company develops Level 3 inputs based on the best information available in the circumstances.

**Financial instruments valued at carrying value**

The respective carrying values of certain assets and liabilities on Balance Sheet financial instruments approximate their fair value. These financial instruments include cash in hand, trade receivables, trade payables, lease liabilities and certain other financial assets and liabilities. Carrying values were assumed to approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivables or payables on demand.

The respective carrying values of certain assets and liabilities on Balance Sheet including certain financial instruments approximate their fair value. These financial instruments include cash in hand, trade receivables, trade payables, lease liabilities and other financial assets and liabilities. Carrying values were assumed to approximate fair values for these financial instruments as they are short-term in nature and their recorded amounts approximate fair values or are receivables or payables on demand.

**Short-term financial assets and liabilities**

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the fair value are a reasonable approximation of their carrying cost. Such instruments include: commercial papers and short term borrowings. Such amounts have been classified as Level 3 on the basis that no adjustments have been made to the balances.

**Loans**

The fair values of loans and advances are estimated by discounted cash flow models. For fixed rate loans, the fair value represents the discounted value of the expected future cash flow. For floating rate interest loans, the expected cash flows represents the carrying amount of the loans.

**Borrowing and Debt Securities**

Non-Convertible Debentures have been valued based on Corporate bond spread matrix methodology prescribed by FIMMDA (under Corporate Bond Valuation Methodology)

The Fair value of fixed rate bank borrowings and ECB have been calculated through discounted cash flow methodology, discount rate being the exit price available in the market. Where the exit price is not available, the book value has been considered to be fair value.





#### 43 Financial Risk Management

The Company has exposure to the following risks from financial instruments:

- Credit risk
- Liquidity risk
- Market risk (currency risk, interest rate risk)
- Operational risk

This note presents information about the Company's objectives, policies and processes for measuring and managing such risks.

##### **Risk management framework:**

The Company's Board of Directors have overall responsibility for establishment and oversight of the Company's risk management framework. The Board of Directors have established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Board of Directors have also constituted the Asset Liability Management Committee (ALCO) to monitor and control liquidity risk and market risks.

The Company has a board approved Derivative (Foreign currency and Interest rate) risk management policy which guides the company on quantum of hedge and the hedging instruments that could be used and its reporting mechanism.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Measurement, monitoring and management of risk</b>
Credit Risk	Credit Risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises majorly from default of loans and advances to customers.	Credit Risk is measured mainly through Key Risk Indicators such as 30+ and 90+ days past due, Gross Non Performing Assets (GNPA), and Net Non Performing Assets (NPA)	Credit Risk is Monitored 1. Through the trend analysis, vintage analysis of respective Credit Risk Indicators. 2. Wherever there is a breach in defined threshold, root cause analysed and corrective action undertaken. 3. Red Threshold breach KRIs are presented to Board with counter measure, accountability and date of action. 4. The same is also managed through a robust policy framework, which outlines clear and consistent policies, principles and guidance for underwriters.
Liquidity Risk	Liquidity Risk is the risk that the Company will encounter difficulty in meeting obligations from its financial liabilities. Liquidity risk arises in the following situations: 1. when there is a mismatch between assets and liabilities which is caused by a difference in the maturity profile of such assets and liabilities. 2. from unexpected increases in the cost of funding and inability to liquidate investments in a timely manner without incurring unacceptable losses.	The Company uses various Key Risk Indicators (KRI) to measure Liquidity risk 1. Structural Liquidity Report (SLR) for static ALM, 2. Short Term Dynamic Liquidity report (STDLL) to monitor adequacy of liquidity to fund normal operations, 3. Other KRIs such as stock ratios 4. Liquidity Coverage Ratio (LCR).	The Company has constituted Asset Liability Management Committee (ALCO) to monitor the risks arising out of ALM. Liquidity risk being critical for NBFCs, management takes due care to manage it appropriately and conducts ALCO meeting at regular intervals : 1. The Company has treasury management guidelines which defines Key Treasury Risk and prescribes appropriate levels of KRIs to monitor and control. 2. Management ensures the borrowing profile of the company has diversified borrowings instrument wise, source wise, maturity wise. 3. The Company continuously monitors liquidity in the market; and as a part of its ALM strategy maintains a liquidity buffer to reduce this risk and sufficient available Bank Lines as backup. 4. The Company also has a contingency plan.





## 43 Financial Risk Management (Continued)

Risk	Exposure arising from	Measurement	Measurement, monitoring and management of risk
Market Risk - foreign currency exchange risk	Foreign currency exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency risk arise primarily on account of foreign currency receivables or payables and foreign currency borrowings.	Cash flow forecasting Sensitivity analysis	The Company has borrowed foreign currency loans under extant RBI regulations on External Commercial Borrowings and has hedged currency exposure including the interest payable in future through SWAPs/Cross Currency SWAPs/Cross Currency Interest Rate SWAPs/Forward. Hence the Company does not have any unhedged foreign currency exposure on any borrowings.  Apart from above the Company has foreign currency exposure towards its trade payables which are of relatively small value and hence the Company has not deployed any measures to quantify the losses arising out of fluctuation in foreign currency.
Market Risk - Interest Rate Risk	Exposure to interest rate risk is principally as a result of lending to customers at interest rates and in amounts and for periods, which may differ from its borrowing. In other words, the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. It covers Earnings Risk and Economic Value Risk. This may result in losses for the Company due to repricing.	Measurement of Earnings at Risk under traditional gap analysis - Interest rate sensitivity analysis (IRS) - analysis of the gap between assets and liability and classification of all assets and liabilities into various time period categories, according to contracted maturities or anticipated re-pricing dates. The difference in the assets and liabilities maturing or being repriced in any specific time period category is then used as an indication of the exposure of the Company to interest rate risk.	The Company seeks to match its interest rate positions to minimize interest rate risk. To reduce the risk of loss due to interest rate exposure the management undertakes the following: 1. Set and monitor the threshold levels of KRI. 2. Monitor Interest rate sensitivity as prescribed by RBI. 3. Analyze earnings at risk caused by a shift in the yield curve (100 bps parallel shift). 4. Cross Currency Interest rate SWAPs to hedge the risk of floating rate ECBs.
Operational Risk	Operational risk is the risk of loss arising from inadequate, or failed internal process & control, or improper systems, or from human error, technical error, fraud or from external events.	Operations Risk is measured through Key Risk Indicators like - RC Pendency %, Deposit of Cash within 48 hours %, First Credit Decision TAT and Employee Attrition % . There are several Information security related KRIs which are regularly monitored .	The operational risks of the Company are monitored and managed on on-going basis through continuous analysis of Ops Risk KRIs with its desired threshold. The same is being monitored through Risk Management Committee. The same is also presented to Board wherever the KRIs breached the red threshold. The board level Risk Management Committee also presents the trend analysis of previous six months with corrective action wherever required.



**Financial Risk Management (continued)**

**A. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from its customers. The carrying amounts of financial assets represent the maximum credit risk exposure.

**i) Credit risk management approach**

The Company has established Credit Committee to periodically review and monitor credit risk. The committee comprises of senior management of the Company. It periodically reviews performance of receivables portfolio across various segments. Further, the Company lends to various segments based on the established credit policies.

Retail credit analysis is based on risk and exposure associated to segments like salary/self-employed, personal use/fleet/driver cum owner, individual/non individuals etc. Origination based delinquency i.e. tracking the delinquency from on-boarding month is done segment wise and special programme wise (marketing schemes of the Company) which is used to enhance the credit assessment process. Further assessments are based on specific credit terms like tenor, loan to value etc. Credit bureau score for individual/non individual are considered further for the risk assessment. Exceptional risk approvals are based on hierarchy depending on the criticality of the risk.

The Company performs necessary due diligence on dealers viz. financial analysis, background checks, CIBIL, grading etc. to arrive at sanctioning of limit. The Company follows the grading tool where certain qualitative and quantitative factors are considered to arrive at grading which helps in ascertaining the credit risk of a particular dealer. This is used for decision making on limit sanction and precautions to be undertaken for a said dealer.

**ii) Credit Quality of Financial Loans**

The following table sets out information about credit quality of loans and investments measured at amortised cost based on days past due information. The amount represents gross carrying amount.

Particulars	Term loans *		Inventory Financing		Finance Lease	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<b>Gross carrying value of loan assets</b>						
Neither Past due nor impaired	1,16,318.70	75,922.18	6,294.38	2,984.30	753.27	180.78
Past Due but not impaired						
30 days past due	6,879.71	4,648.11	174.61	586.91	0.00	0.09
31-90 days past due	1,379.88	1,534.44	-	-	-	-
Impaired (more than 90 days)	3,163.35	2,778.48	909.28	870.03	-	-
	<b>1,27,741.64</b>	<b>84,883.21</b>	<b>7,378.27</b>	<b>4,441.24</b>	<b>753.27</b>	<b>180.87</b>

\* Term loan includes retail auto loans.

**iii) Expected Credit loss**

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

The Company measures ECL based out of a probability based outcome using a multiple scenario approach such as Best Case, Base Case and Worst Case and assigning weightages to each of the scenario. (Also refer Note 2 – Material Accounting Policy Information).

**Definition of Default**

The Company considers a financial instrument defaulted and therefore Stage3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 91 days overdue

**Probability of default (PD)**

Days past due (DPD) analysis is the primary input into the determination of the term structure of PD for exposures for retail loan and Finance lease. The Company collects performance and default information about its credit risk exposures analyzed by jurisdictions or region and type of product or borrower. For dealer loans, the Company assigns internal ratings (grading) to the borrower based on credit assessment and PD is computed based on the yearly transition of ratings. The Company employs statistical models to analyze the data collected and generate estimates of the PD of exposures and how these are expected to change as a result of passage of time.

**Exposure at Default (EAD)**

Exposure at default (EAD) is estimation of the extent that the Company is exposed to borrower in the event of default. EAD is arrived at take into account any expected changes in the exposure after the assessment date.

EAD in the case of facilities with no limits will be the outstanding exposure which will be calculated as "principal + principal over due+ due interest + Interest accrued but not due (as on reporting date)". To calculate the EAD for a Stage 1 loan, the Company assesses the possible default in future expected cashflows within 12 months for the calculation of the 12 months ECL. For Stage 2 and Stage 3 financial assets, the exposure at default is considered for future expected cashflows over the lifetime of the instruments. For undisbursed Inventory Finance lending commitments, the EAD includes the potential future amounts that may be drawn under the contract, which are estimated based on a credit conversion factor.

The Company determines EAD by modelling the range of possible exposure outcomes at various points in time, corresponding the multiple scenarios.

**Loss Given Default (LGD)**

Loss given default (LGD) represents estimated financial loss the Company is likely to suffer in respect of default account and it is used to calculate provision requirement on EAD along with PD. The Company uses collection details on previously defaulted cases and value of the available collateral against the loans for calculating LGD including estimated direct cost of collection from default cases. Appropriate discounting rates are applied to calculate present value of future estimated collection net of direct collection cost. LGD thus calculated is used for all stages, i.e. state 1, stage 2 and stage 3.



**Financial Risk Management (continued)**

**Significant increase in credit risk (SICR)**

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject 12 months ECL or life time ECL, the Company assesses whether there has been significant increase in credit risk since initial recognition. The Company also applies qualitative method for triggering a significant increase in credit risk for an asset, such as moving a customer / facility to the watch list, or the account becoming forborne. Regardless of the change in credit grades, if contractual payments are more than 30 days overdue, the credit risk is deemed to have increased significantly since initial recognition.

The Company has applied a three-stage approach to measure expected credit losses (ECL) on loans at amortised cost. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Assets migrate through following three stages based on the changes in credit quality since initial recognition.

(a) **Stage 1:** 12-months ECL: For exposures where there is no significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.

(b) **Stage 2:** Lifetime ECL, not credit-impaired: For credit exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired, a lifetime ECL is recognised.

(c) **Stage 3:** Lifetime ECL, credit-impaired: Financial assets are assessed as credit impaired upon occurrence of one or more events that have a detrimental impact on the estimated future cash flows of that asset. For financial assets that have become credit-impaired a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost.

The below table shows the gross carrying amount of financial assets by credit ratings along with corresponding expected credit losses and the net carrying amount:

(Amounts are in Rs. Million)					
Particulars	Asset group	Estimated gross carrying amount at default	Loss Rate	Expected credit losses	Carrying amount net of impairment provision
<b>31 March 2024</b>					
Stage 1 : Loss allowance measured at 12 month expected credit losses	Loans at Amortized cost	1,30,420.66	0.68%	889.42	1,29,531.24
Stage 2 : Loss allowance measured at life-time expected credit losses, not credit impaired	Loans at Amortized cost	1,379.88	23.10%	318.78	1,061.10
Stage 3 : Loss allowance measured at life-time expected credit losses, credit impaired	Loans at Amortized cost	4,072.64	56.01%	2,281.27	1,791.37
<b>31 March 2023</b>					
Stage 1 : Loss allowance measured at 12 month expected credit losses	Loans at Amortized cost	83,056.90	0.83%	693.49	82,363.41
Stage 2 : Loss allowance measured at life-time expected credit losses, not credit impaired	Loans at Amortized cost	2,799.91	9.50%	265.88	2,534.03
Stage 3 : Loss allowance measured at life-time expected credit losses, credit impaired	Loans at Amortized cost	3,648.51	55.62%	2,029.41	1,619.10

The Company has made additional provision for credit losses on account of increase in delinquency by way a management overlay.

**Concentration of Credit Risk:**

The Company is engaged primarily in the business of auto financing and related activities. The below table shows risk concentration of loan as at year end.

Particulars	31 March 2024	31 March 2023
Carrying value of loans	1,32,383.71	86,516.54
Auto loans and auto related loan	1,32,383.71	86,516.54
	<b>1,32,383.71</b>	<b>86,516.54</b>



**Financial Risk Management (continued)**

**Expected credit loss on Trade receivables and other financial assets**

Based on the past trends, the Company has not written off significant amount of receivable from the parties. Such receivables carry insignificant probability of default, hence the credit risk is low. Other financial assets primarily include security deposits. Security deposits are measured at amortised cost and hence the credit risk is already factored in the fair value.

**Cash and cash equivalents and Bank balance**

Credit risk on cash and cash equivalents, deposits with banks/financial institutions is generally low, as the said deposits have been made with banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

**Investments**

The Company has invested in Government Securities and Treasury Bills. Based on history of Government of India, there is no delay in servicing of interest/repayments. Hence, the credit risk is very low and the Company does not expect any delay in interest/redemption servicing in future (Refer Note 7).

An analysis of changes in gross carrying amount and corresponding ECL allowances is as follows:

**(i) Movements in the Gross Carrying Amount is as follows:**

(Amounts are in Rs. Million)

Particulars	12 month ECL	Lifetime ECL - not credit impaired	Lifetime ECL-credit impaired	Total
<b>Balance as at 1 April 2022</b>	<b>61,677.19</b>	<b>5,361.59</b>	<b>3,740.37</b>	<b>70,779.15</b>
Net remeasurement of loss allowance	(14,161.85)	(1,569.87)	(527.12)	(16,258.84)
Transfer to 12 Month ECL from lifetime	1,116.49	(808.09)	(308.40)	-
Transfer to lifetime ECL-not credit-impaired	(816.14)	847.12	(30.99)	-
Transfer to lifetime ECL-credit impaired	(766.08)	(1,141.60)	1,907.68	-
Financial assets derecognised	(8,290.27)	(484.00)	(1,313.54)	(10,087.81)
New financial assets acquired	44,297.56	594.75	180.51	45,072.82
<b>Balance as at 31 March 2023</b>	<b>83,056.90</b>	<b>2,799.91</b>	<b>3,648.51</b>	<b>89,505.32</b>
Net remeasurement of loss allowance	(16,834.53)	(363.37)	(179.03)	(17,376.93)
Transfer to 12 Month ECL from lifetime	1,736.71	(1,612.64)	(124.07)	-
Transfer to lifetime ECL-not credit-impaired	(772.38)	801.21	(28.83)	-
Transfer to lifetime ECL-credit impaired	(1,144.94)	(287.45)	1,432.39	-
Financial assets derecognised	(10,081.93)	(422.20)	(1,037.16)	(11,541.29)
New financial assets acquired	74,460.83	464.42	360.83	75,286.08
<b>Balance as at 31 March 2024</b>	<b>1,30,420.66</b>	<b>1,379.88</b>	<b>4,072.64</b>	<b>1,35,873.18</b>

**(ii) Movements in the allowance for impairment in respect of loans is as follows:**

Particulars	12 month ECL	Lifetime ECL - not credit impaired	Lifetime ECL-credit impaired	Total
<b>Balance as at 1 April 2022</b>	<b>490.25</b>	<b>590.75</b>	<b>2,145.36</b>	<b>3,226.36</b>
Net remeasurement of loss allowance	223.60	(129.19)	(277.33)	(182.92)
Transfer to 12 Month ECL from lifetime	55.97	(47.35)	(8.62)	-
Transfer to lifetime ECL-not credit-impaired	(99.58)	103.51	(3.93)	-
Transfer to lifetime ECL-credit impaired	(422.09)	(268.06)	690.15	-
Financial assets derecognised	(67.44)	(68.37)	(584.36)	(720.17)
New financial assets acquired	512.78	84.59	68.14	665.51
<b>Balance as at 31 March 2023</b>	<b>693.49</b>	<b>265.88</b>	<b>2,029.41</b>	<b>2,988.78</b>
Net remeasurement of loss allowance	454.62	5.37	(57.68)	402.31
Transfer to 12 Month ECL from lifetime	50.41	(47.08)	(3.33)	-
Transfer to lifetime ECL-not credit-impaired	(180.87)	186.84	(5.97)	-
Transfer to lifetime ECL-credit impaired	(514.07)	(136.52)	650.59	-
Financial assets derecognised	(83.19)	(63.21)	(489.27)	(635.67)
New financial assets acquired	469.03	107.50	157.52	734.05
<b>Balance as at 31 March 2024</b>	<b>889.42</b>	<b>318.78</b>	<b>2,281.27</b>	<b>3,489.47</b>





## Financial Risk Management (continued)

The below table shows the fair value of collateral for financial assets. It also shows the financial effect of the collateral held as security (quantification of the extent to which collaterals mitigate credit risk), and the net exposure to credit risk.

Financial assets	Fair value of the collateral				(Amounts are in Rs. Million)	
	Carrying Amount	Vehicles*	Land and buildings	Bank Guarantee & lien marked Fixed Deposits	Net Exposure	Associated expected credit losses
<b>31 March 2024</b>						
Cash and cash equivalents	3,121.19	-	-	-	3,121.19	-
Trade Receivables	17.62	-	-	-	17.62	-
Loans	1,35,873.18	1,30,782.95	6,157.68	191.20	(1,258.65)	(3,489.47)
Investments	4,355.76	-	-	-	4,355.76	-
Other financial assets	41.24	-	-	-	41.24	-
	<b>1,43,408.99</b>	<b>1,30,782.95</b>	<b>6,157.68</b>	<b>191.20</b>	<b>6,277.16</b>	<b>(3,489.47)</b>
<b>31 March 2023</b>						
Cash and cash equivalents	2,111.24	-	-	-	2,111.24	-
Trade Receivables	36.73	-	-	-	36.73	-
Loans	89,505.32	85,883.05	6,693.02	221.50	(3,292.25)	(2,988.78)
Investments	2,547.48	-	-	-	2,547.48	-
Other financial assets	53.68	-	-	-	53.68	-
	<b>94,254.45</b>	<b>85,883.05</b>	<b>6,693.02</b>	<b>221.50</b>	<b>1,456.88</b>	<b>(2,988.78)</b>

\*The gross carrying value has been considered as collateral without discounting.

## Gross value of total secured loans to value of collateral:

Loan To Value	Gross Value of Secured Retail loans		Gross Value of Secured Inventory Financing loans		Gross Value of Secured Finance Lease	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Upto 50%	4,282.33	2,906.18	2,297.96	288.30	-	-
51 - 70%	17,210.68	11,705.40	71.18	1836.45	-	-
71 - 100%	1,04,443.67	67,302.09	1,489.53	1569.17	753.27	180.87
Above 100%	458.55	1,318.96	4,866.01	2397.90	-	-
	<b>1,26,395.23</b>	<b>83,232.63</b>	<b>8,724.68</b>	<b>6091.82</b>	<b>753.27</b>	<b>180.87</b>

Gross Value of Secured Inventory Financing loans include term loan.

## Gross value of credit impaired loans to value of collateral:

Loan To Value	Gross Value of Retail loans in stage 3		Gross Value of Inventory Financing loans in stage 3		Gross Value of Finance Lease loans in stage 3	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Upto 50%	16.09	12.10	927.70	-	-	-
51 - 70%	138.64	129.58	-	812.90	-	-
71 - 100%	2,135.18	1714.75	542.15	542.15	-	-
Above 100%	80.75	186.62	232.13	250.41	-	-
	<b>2,370.66</b>	<b>2043.05</b>	<b>1,701.98</b>	<b>1605.46</b>	<b>-</b>	<b>-</b>

Gross Value of Secured Inventory Financing loans include term loan.

The below tables provide an analysis of the current fair values of collateral held for stage 3 assets. The value of collateral has not been considered while recognising the loss allowances.

Type of collateral	Fair value of the collateral			
	Maximum exposure to credit risk	Vehicles	Land and buildings	Net Exposure
<b>31 March 2024</b>				
Loans	4072.64	2,370.66	1660.14	41.84
Total credit-impaired financial assets	<b>4072.64</b>	<b>2,370.66</b>	<b>1660.14</b>	<b>41.84</b>
<b>31 March 2023</b>				
Loans	3,648.51	2,043.05	2,069.69	(464.23)
Total credit-impaired financial assets	<b>3,648.51</b>	<b>2,043.05</b>	<b>2,069.69</b>	<b>(464.23)</b>

## Write off

Financial assets are written off when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with Company's procedures for recovery of amounts due.

Below is the details of the financial assets that were written off during the reporting period and are still subject to enforcement activity.

Particulars	31 March 2024	31 March 2023
Actual outstanding	765.04	770.99
Amount written off during the year	765.04	770.99



Financial Risk Management (continued)

B. Liquidity risk

Liquidity Risk is the risk that the Company will encounter difficulty in meeting obligations from its financial liabilities. Liquidity risk arises in the following situations:

1. when there is a mismatch between assets and liabilities which is caused by a difference in the maturity profile of such assets and liabilities.
2. from unexpected increases in the cost of funding and inability to liquidate investments in a timely manner without incurring unacceptable losses.

i Liquidity risk management

Liquidity has to be tracked through maturity or cash flow mismatches. For measuring and managing net funding requirements, the use of a maturity ladder and calculation of cumulative surplus or deficit of funds at selected maturity dates is adopted as a standard tool. The Maturity Profile, is used for measuring the future cash flows of the Company in different time buckets. The time buckets distributed considered are as per RBI guidelines and monitored by Asset Liability management Committee (ALCO).

- The Statement of Structural Liquidity is prepared by placing all cash inflows and outflows in the maturity ladder according to the expected timing of cash flows. A maturing liability will be a cash outflow while a maturing asset will be a cash inflow.

- The Company strives to manage the negative gap (i.e. where outflows exceed inflows) in the particular time-bucket and cumulative gap up to selected maturity period should not exceed the prudential limits approved by the Board. The prudential limits for individual time buckets are based on a percentage of outflows of each time-bucket and the limit for the cumulative gaps are based on the percentage of cumulative gap to cumulative cash outflows up to the period.

- In order to enable the Company to monitor its short-term liquidity on a dynamic basis over a time horizon spanning from 1 day to 6 months, short-term liquidity profiles is estimated on the basis of business projections and other commitments for planning purposes which is effectively used as a predictive tool for its future ALM requirements.

- The Company has a board approved policy for Liquidity Risk Management Framework as per RBI Circular dated 4 November 2019 as a part of ALM policy which captures the Key Risk Indicators (KRIs). The ALCO monitors these KRIs and suggests changes if any. As per the circular, the Company has also started managing Liquidity Coverage Ratio from 1 December 2020.

ii Maturity of financial liabilities

The following are the expected maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest receipts and payments.

As at 31 March 2024 (Amounts are in Rs. Million)

Particulars	Note No	Carrying Amount	Gross Nominal Outflow/ Inflow	Expected cash flows							
				Up to one month	Over one month to 2 months	Over 2 months to 3 months	Over 3 Months upto 6 months	Over 6 Months upto 1 year	Over 1 year upto 3 years	Over 3 years & up to 5 years	Over 5 years
<b>Financial liabilities</b>											
Derivative financial instruments	4	1,227.72	1,227.72	-	0.26	-	0.27	0.54	1,226.65	-	-
Trade Payables	15	2,260.36	2,260.36	2,061.92	-	-	-	198.44	-	-	-
Debt securities	16	39,209.25	46,066.24	243.00	2,000.00	2,112.98	1,023.00	5,451.70	28,833.96	6,401.60	-
Borrowings (other than debt securities)	17	72,823.71	79,664.95	5,807.20	2,688.23	2,911.36	7,576.86	17,368.23	39,247.43	4,065.64	-
Lease Liability	18	96.64	96.64	4.21	4.34	4.36	13.64	28.10	41.99	-	-
Other financial liabilities	19	48.76	48.76	48.76	-	-	-	-	-	-	-

As at 31 March 2023

Particulars	Note No	Carrying Amount	Gross Nominal Outflow/ Inflow	Expected cash flows							
				Up to one month	Over one month to 2 months	Over 2 months to 3 months	Over 3 Months upto 6 months	Over 6 Months upto 1 year	Over 1 year upto 3 years	Over 3 years & up to 5 years	Over 5 years
<b>Financial liabilities</b>											
Derivative financial instruments	4	62.42	62.42	-	-	-	-	-	62.42	-	-
Trade Payables	15	951.38	951.38	627.73	145.79	-	177.86	-	-	-	-
Debt securities	16	25,615.83	28,046.61	1,000.00	-	3,138.84	113.25	10,398.60	11,864.69	1,531.23	-
Borrowings (other than securities)	17	46,822.18	51,611.60	2,611.74	2,240.15	337.10	6,877.59	4,249.22	35,295.80	-	-
Lease Liability	18	60.53	64.70	3.83	5.82	5.77	5.90	11.24	32.14	-	-
Other financial liabilities	19	4.32	4.32	0.92	-	-	-	-	3.40	-	-

Maturity pattern of liabilities has been compiled by the management on expected cashflows.





Financial Risk Management (continued)

Liquidity risk (continued)

iii Liquidity Risk Management Framework

Disclosures required under Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies vide circular - RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20.

a. Funding Concentration based on significant counterparty				31 March 2024
Sr no	Number of significant counterparties *	Amount (INR Million)	% of Total deposits	% of Total Liabilities
1	14	1,04,983	N.A.	91%
				31 March 2023
Sr no	Number of significant counterparties *	Amount (INR Million)	% of Total deposits	% of Total Liabilities
1	15	72,438	N.A.	98%

\* The Company consider an exposure from a single counterparty or group of connected or affiliated counterparties of 1% and above to be significant counterparties.

b. Top 20 large deposits - The Company is a non deposit taking NBFC and hence not applicable.

c. Top 10 borrowings amounts to INR 35,357 millions and 32% of total borrowings.  
(Previous year: Top 10 borrowings amounts to INR 25,137 millions and 35% of total borrowings.)

d. Funding Concentration based on significant instrument/product				31 March 2024
Sr no	Name of the instrument/product *	Amount (INR Million)	% of Total Liabilities	
1	External commercial borrowings	20,182	17%	
2	Bank borrowings	52,642	45%	
3	Non Convertible debentures	37,231	32%	
4	Commercial Papers	1,978	2%	
				31 March 2023
Sr no	Name of the instrument/product *	Amount (INR Million)	% of Total Liabilities	
1	External commercial borrowings	15,760	21%	
2	Bank borrowings	31,062	42%	
3	Non Convertible debentures	23,143	31%	
4	Commercial Papers	2,472	3%	

\* The Company consider an exposure from an instrument of 1% and above to be significant.

e. Stock Ratios

Sr no	Particulars	Total Public Funds	Total Liabilities	Total Assets
1	Commercial papers as a % of	2%	2%	1%
2	Non-convertible debentures (original maturity of less than one year) as a % of	NIL	NIL	NIL
3	Other Short-term liabilities (excluding 1 & 2 above and including current maturities of long term debt and other liabilities), if any as a % of	38%	37%	30%
4	Other short-term liabilities (other than debt liabilities), if any as a % of	2%	2%	2%

For the computation of all the above disclosures the following has been considered:

- Public funds includes funds raised either directly or indirectly through bank finance and all funds received from outside sources such as funds raised by issue of Commercial Papers, debentures etc.
- Total liabilities means total assets less equity capital and other equity.
- Total asset means total of asset side of the balance sheet.
- Borrowings have been considered at their carrying value.

f. Institutional set-up for liquidity risk management

The Board of Directors has the overall responsibility of managing risk related to Asset Liability mismatches. The Board has constituted Asset Liability Management Committee ('ALCO') to identify & monitor the liquidity. The Company's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet, in accordance with the liquidity risk thresholds/ limits decided by the Board. The ALCO is comprised of MD & CEO (chairperson) and other senior management to enable effective ALM risk management strategy of the Company.

The Company has a Board approved Asset Liability Management policy 'ALM policy', defining the liquidity risk management framework in line with RBI's "guidelines on liquidity risk framework for NBFCs" which ensures that the Company maintains sufficient liquidity in line with the risk appetite framework, including a cushion of unencumbered, High Quality Liquid Assets to withstand a range of stress events, including those involving the loss or impairment of both unsecured and secured funding sources. The Board approves the prudential limits defined in the ALM policy. The Company is maintaining LCR in line with regulatory requirements from December 2020.



Financial Risk Management (continued)

C. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rate and interest rate.

i. Foreign currency risk

All foreign exchange exposure on account of foreign exchange borrowings is hedged to safeguard against exchange rate risk using Cross Currency Interest Rate Swaps/Cross Currency Swaps/Forwards. The Company does not have any material unhedged foreign currency transactions that would significantly impact the profitability of the Company.

a. Currency risk management

The Company does not have any material unhedged foreign currency transactions that would significantly impact the profitability of the Company. Any significant foreign exchange exposure on account of foreign exchange borrowings is hedged to safeguard against exchange rate risk.

b. Exposure to currency risk

The profile of currency exposure on financial assets and financial liabilities as at 31 March 2024 and 31 March 2023 are as below:

Particulars	(Amounts are in INR Million, except foreign currency)					
	31 March 2024					
	USD	JPY	SGD	USD in INR	JPY in INR	SGD in INR
<b>Derivative financial instruments</b>						
Foreign exchange derivative contracts	4,01,81,416.67	22,14,01,59,596.85	-	3,351.28	12,198.83	-
<b>Exposure to foreign currency risk (assets) - (a)</b>	<b>4,01,81,416.67</b>	<b>22,14,01,59,596.85</b>	<b>-</b>	<b>3,351.28</b>	<b>12,198.83</b>	<b>-</b>
<b>Financial liabilities</b>						
Payables	10,738.00	71,45,965.80	31,500.00	0.89	3.94	1.87
Foreign currency loan	4,00,00,000.00	22,12,76,75,000.00	-	3,336.15	12,191.95	-
Interest accrued on foreign currency loan	1,81,416.67	1,24,84,596.85	-	15.13	6.88	-
<b>Exposure to foreign currency risk (liabilities) (b)</b>	<b>4,01,92,154.67</b>	<b>22,14,73,05,562.65</b>	<b>31,500.00</b>	<b>3,352.17</b>	<b>12,202.77</b>	<b>1.87</b>
<b>Net exposure to foreign currency risk (c) = (b) - (a)</b>	<b>10,738.00</b>	<b>71,45,965.80</b>	<b>31,500.00</b>	<b>0.89</b>	<b>3.94</b>	<b>1.87</b>
Particulars	31 March 2023					
	USD	JPY	SGD	USD in INR	JPY in INR	SGD in INR
<b>Derivative financial instruments</b>						
Foreign exchange derivative contracts	7,04,60,158.17	8,75,06,29,095.89	-	5,790.60	5,413.05	-
<b>Exposure to foreign currency risk (assets) - (a)</b>	<b>7,04,60,158.17</b>	<b>8,75,06,29,095.89</b>	<b>-</b>	<b>5,790.60</b>	<b>5,413.05</b>	<b>-</b>
<b>Financial liabilities</b>						
Payables	24,674.59	31,89,010.00	52,043.52	2.02	1.95	3.20
Foreign currency loan	7,00,00,000.00	8,75,00,00,000.00	-	5,752.78	5,412.66	-
Interest accrued on foreign currency loan	4,60,158.17	6,29,095.89	-	37.82	0.39	-
<b>Exposure to foreign currency risk (liabilities) (b)</b>	<b>7,04,84,832.76</b>	<b>8,75,38,18,105.89</b>	<b>52,043.52</b>	<b>5,792.62</b>	<b>5,415.00</b>	<b>3.20</b>
<b>Net exposure to foreign currency risk (c) = (b) - (a)</b>	<b>24,674.59</b>	<b>31,89,010.00</b>	<b>52,043.52</b>	<b>2.02</b>	<b>1.95</b>	<b>3.20</b>

The Company has hedged all its foreign currency External Commercial Borrowings with Cross Currency Interest Rate Swaps/Cross currency swaps/Forwards to effectively hedge its cash flow positions. These External Commercial Borrowings being no more subject to volatility in exchange rate and their fair value being recorded through profit and loss a/c have been considered as liabilities not sensitive to exchange rate fluctuation and hence no sensitivity analysis has been performed on them.

Sensitivity analysis

A reasonably possible strengthening/ weakening of the Indian Rupee against foreign currency as at the year end would have affected the measurement of financial instruments denominated in foreign currency and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Impact on profit after tax		Impact on other components of equity	
	Strengthening	Weakening	Strengthening	Weakening
<b>Effect in INR</b>				
<b>31 March 2024</b>				
1% movement				
USD	(0.01)	0.01	(0.01)	0.01
JPY	(0.03)	0.03	(0.03)	0.03
SGD	(0.01)	0.01	(0.01)	0.01
	<b>(0.05)</b>	<b>0.05</b>	<b>(0.05)</b>	<b>0.05</b>
<b>31 March 2023</b>				
1% movement				
USD	(0.02)	0.02	(0.02)	0.02
JPY	(0.01)	0.01	(0.01)	0.01
SGD	(0.02)	0.02	(0.02)	0.02
	<b>(0.05)</b>	<b>0.05</b>	<b>(0.05)</b>	<b>0.05</b>



Financial Risk Management (continued)

Market Risk (Continued)

ii. Interest Rate Risk

Exposure to interest rate risk is principally as a result of lending to customers at interest rates and in amounts and for periods, which may differ from its borrowing. In other words, the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. It covers Earnings Risk and Economic Value Risk. This may result in losses for the Company due to repricing.

i. Interest rate risk management

The Company measures its interest rate exposure through the following:

1. Monitor Interest rate sensitivity as prescribed by RBI under IRS (Interest rate sensitivity) return
2. Analyze earnings at risk caused by a shift in the yield curve (100 bps parallel shift)

ii. Exposure to interest rate risk

Company's interest rate risk arises from variable rate financial assets or financial liabilities. The interest rate profile of the Company's interest bearing financial instruments is as follows.

(Amounts are in Rs. Million)		
Particulars	31 March 2024	31 March 2023
<b>Fixed-rate instruments (net of interest accrued, but not due)</b>		
Financial assets	1,32,458	86,885
Financial liabilities	(79,631)	(56,723)
<b>Net exposure</b>	<b>52,827</b>	<b>30,162</b>
<b>Variable-rate instruments (net of interest accrued, but not due)</b>		
Financial assets	6,726	3,664
Financial liabilities	(30,877)	(15,165)
Book debt	-	-
<b>Net exposure</b>	<b>(24,151)</b>	<b>(11,501)</b>

Financial assets consists of Loans, Investments and Fixed Deposit.

Financial liabilities consists of Debts securities, Borrowings (other than debt securities).

The Company has borrowed through External Commercial Borrowings and has hedged including the interest through Cross Currency Interest Rate Swaps/Cross currency swaps/Forwards. Hence the Company does not have any foreign exchange interest rate exposure on any ECB borrowings.

Fair value sensitivity analysis for fixed-rate instruments

Other than for derivatives the Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would affect the statement of profit and loss only to the extent of derivatives. The Company has hedged all its External Commercial Borrowings with Cross Currency Interest Rate Swaps/cross currency swaps to effectively hedge its cash flow positions at the time of every outflow. These External Commercial Borrowings being no more subject to interest rate volatility and their fair value being recorded through profit and loss a/c have been considered as liabilities not sensitive to interest rate fluctuation and hence no sensitivity analysis has been performed on them.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	Impact on profit after tax	
	31 March 2024	31 March 2023
Variable rate instruments (net)		
100 bps increase	(181)	(86)
100 bps decrease	181	86
<b>Impact on other components of equity</b>		
Particulars	31 March 2024	31 March 2023
Variable rate instruments (net)		
100 bps increase	(181)	(86)
100 bps decrease	181	86

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.



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(Amounts included herein are based on current and previous year financials as per Ind AS)

(a) Capital

S.No.	Particulars	31 March 2024	31 March 2023
i)	CRAR (%)	19.41	22.07
ii)	CRAR - Tier I Capital (%)	18.75	21.29
iii)	CRAR - Tier II Capital (%)	0.66	0.78
iv)	Amount of Subordinated debt raised as Tier-II Capital	-	-
v)	Amount raised by issue of Perpetual Debt Instruments	-	-

(b) Investments

(Amounts are in Rs. Million)

S.No.	Particulars	31 March 2024	31 March 2023
1	Value of investments		
	(i) Gross value of investments	-	-
	(a) In India	4,355.76	2,547.48
	(b) Outside India	-	-
	(ii) Provisions for depreciation	-	-
	(a) In India	-	-
	(b) Outside India	-	-
	(iii) Net value of investments	-	-
	(a) In India	4,355.76	2,547.48
	(b) Outside India	-	-
2	Movement of provisions held towards depreciation on investments		
	(i) Opening balance	-	-
	(ii) Add: Provisions made during the year	-	-
	(iii) Less : Write-off / write-back of excess provisions during the year	-	-
	(iv) Closing balance	-	-

(c) Derivatives

(i) Forward rate agreement/ Interest rate swap

S.No.	Particulars	31 March 2024	31 March 2023
(i)	The notional principal of swap agreements	-	-
(ii)	Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	-	-
(iii)	Collateral required by the NBFC upon entering into Swaps	-	-
(iv)	Concentration of credit risk arising from the swaps	-	-
(v)	The fair value of the swap book	-	-

(ii) Exchange traded interest rate (IR) derivatives

S.No.	Particulars	31 March 2024	31 March 2023
(i)	Notional principal amount of exchange traded IR derivatives undertaken during the year	-	-
(ii)	Notional principal amount of exchange traded IR derivatives outstanding as on 31st March of respective years	-	-
(iii)	Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective"	-	-
(iv)	Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective"	-	-





Disclosure as required by the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions 2023  
(Disclosures are made as per Ind AS financial statements except otherwise stated) (continued)

(Amounts included herein are based on current and previous year financials as per Ind AS)

(iii) Disclosures on risk exposure in derivatives

(A) Qualitative disclosures

The Company has formed a Derivative (Foreign Currency and Interest Rate) Risk Management Policy to enter into derivatives to manage the risk associated with external commercial borrowings. The following table highlights the key aspects of the policy:

- Treasury function is authorised to select appropriate derivative instrument;
- The Company shall fully hedge the risk on account of foreign currency fluctuation;
- The Company has put in place a reporting and monitoring mechanism for the risk associated with the derivative transaction;
- The Company has put in place accounting policy covering recording hedge transactions, premiums and discounts, valuation of outstanding contracts and provisioning (Also refer Note 2 – Material Accounting Policy Information).

(B) Quantitative disclosures

(Amounts are in Rs. Million)

S.No.	Particular	31 March 2024		31 March 2023	
		Currency Derivatives	Interest Rate Derivatives	Currency Derivatives	Interest Rate Derivatives
(i)	Derivatives (Notional Principal Amount)				
	For hedging	15,550.11	-	11,203.64	-
(ii)	Marked to Market Positions [1]*				
	a) Asset (+)	689.73	-	579.96	23.72
	b) Liability (-)	-	559.01	-	212.74
(iii)	Credit Exposure [2]	-	-	-	-
(iv)	Unhedged Exposures	-	-	-	-

\* The Company has taken Cross Currency Interest Rate swap/Cross currency swap/Forward. The MTM has been split between currency and interest portion.

(d) (i) Disclosures relating to Securitisation

S.No.	Particulars	31 March 2024	31 March 2023
1.	No of SPVs sponsored by the NBFC for securitisation transactions	-	-
2.	Total amount of securitised assets as per books of the SPVs sponsored	-	-
3.	Total amount of exposures retained by the NBFC to comply with MRR as on the date of balance sheet	-	-
	a) Off-balance sheet exposures	-	-
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures	-	-
	First loss	-	-
	Others	-	-
4.	Amount of exposures to securitisation transactions other than MRR	-	-
	a) Off-balance sheet exposures	-	-
	(i) Exposure to own securitizations	-	-
	First loss	-	-
	Loss	-	-
	(ii) Exposure to third party securitisations	-	-
	First loss	-	-
	Others	-	-
	b) On-balance sheet exposures	-	-
	(i) Exposure to own securitisations	-	-
	First loss	-	-
	Others	-	-
	(ii) Exposure to third party securitisations	-	-
	First loss	-	-



**(ii) Details of Financial Assets sold to Securitisation/Reconstruction Company for Asset Reconstruction**

S.No.	Particulars	31 March 2024	31 March 2023
(i)	No. of accounts	-	-
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
(iii)	Aggregate consideration	-	-
(iv)	Additional consideration realized in respect of	-	-
(v)	Aggregate gain / loss over net book value	-	-

**(iii) Details of Assignment transactions undertaken**

S.No.	Particulars	31 March 2024	31 March 2023
(i)	No. of accounts	-	-
(ii)	Aggregate value (net of provisions) of accounts sold	-	-
(iii)	Aggregate consideration	-	-
(iv)	Additional consideration realized in respect of	-	-
(v)	Aggregate gain / loss over net book value	-	-

**(iv) Details of Non performing financial assets purchased/sold**

**A. Details of non-performing financial assets purchased :**

S.No.	Particulars	31 March 2024	31 March 2023
1.	a) No. of accounts purchased during the year	-	-
	b) Aggregate outstanding	-	-
2.	a) Of these, number of accounts restructured during the year	-	-
	b) Aggregate outstanding	-	-

**B. Details of Non-performing Financial Assets sold :**

S.No.	Particulars	31 March 2024	31 March 2023
1.	No. of accounts sold	-	-
2.	Aggregate outstanding	-	-
3.	Aggregate consideration received	-	-





**Toyota Financial Services India Limited**  
**Notes to the financial statements for the year ended 31 March 2024**

Disclosure as required by the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions 2023 (Disclosures are made as per Ind AS financial statements except otherwise stated) (continued)

(Amounts included herein are based on current and previous year financials as per Ind AS)

**(e) Exposures**

**(i) Exposure to real estate sector**

(Amounts are in Rs. Million)

S.No. Category	31 March 2024	31 March 2023
<b>Direct Exposure</b>		
(i) Residential mortgages - Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented	-	-
(ii) Commercial real estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	-	-
(iii) Investments in mortgage backed securities(MBS) and other securitised exposures - a. Residential b. Commercial Real Estate	-	-
<b>Indirect Exposure</b> Fund based and non-fund-based exposures on National Housing Bank and Housing Finance Companies.	-	-

**Total Exposure to real estate sector**

-	-
-	-

**(ii) Exposure to capital market**

Particulars	31 March 2024	31 March 2023
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) Bridge loans to companies against expected equity flows / issues;	-	-
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
(ix) Financing to stockbrokers for margin trading	-	-
(x) All exposures to Alternative Investment Funds: (i) Category I (ii) Category II (iii) Category III	-	-

**Total exposure to capital market**

-	-
-	-

**(iii) Details of financing of parent Company products**

The Company is primarily engaged in vehicle/auto financing / leasing of fellow subsidiary products. Loans and Advances includes vehicle finance, which comprise primarily of either loans to customers for purchasing Toyota cars and accessories or loans to dealers engaged in dealing in Toyota cars and accessories.

**(iv) Details of Single Borrower Limit (SGL)/Group Borrower Limit (GBL) exceeded by the NBFC**

The Company has not exceeded the prudential exposure limits of Single Borrower Limit (SGL)/ Group Borrower Limit (GBL) during the year.

**(v) Unsecured advances**

The total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc. has been taken is Nil (Previous year: Nil).



Disclosure as required by the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions 2023 (Disclosures are made as per Ind AS financial statements except otherwise stated) (continued)

(Amounts included herein are based on current and previous year financials as per Ind AS)

(f) Miscellaneous

(i) Registration obtained from other financial sector regulators

The Company has obtained Corporate Agency license in February, 2019 from Insurance Regulatory and Development Authority of India for distributing insurance products. The same has been renewed for the period 18 Feb 2022 to 17 Feb 2025.

(ii) Disclosure of penalties imposed by RBI and other regulators

Penalties imposed by RBI and other regulators on the Company is Rs. Nil (Previous Year: Rs. Nil)

(iii) Ratings assigned by credit rating agencies and migration of ratings during the year

S. No.	Instrument	31 March 2024		31 March 2023	
		CRISIL	ICRA	CRISIL	ICRA
1	Redeemable Non-Convertible Debentures	AAA/Stable	AAA/Stable	AAA/Stable	AAA/Stable
2	Commercial Papers	A1+	A1+	A1+	A1+
3	Bank facility (Long term)	AAA/Stable	AAA/Stable	AAA/Stable	AAA/Stable
4	Bank facility (Short term)		A1+		A1+

There have not been any rating migrations during the year.

(iv) Net profit or loss for the period, prior period items and changes in accounting policies

There are no prior period items included in the current year's statement of profit and loss.

(v) Revenue recognition

There is no revenue which has been postponed pending the resolution of significant uncertainties.

(vi) Remuneration to Non-Executive Director

Refer note 39 of the financial statements.

(vii) Related Party transaction

Details of all material transactions with related parties has been given in note 39 of the financial statements.

(g) Additional disclosures

(i) Provisions and contingencies

(Amounts are in Rs. Million)

Break up of 'Provisions and Contingencies' shown in the statement of profit and loss	31 March 2024	31 March 2023
<b>Under 'Impairment on financial instruments'</b>		
Provision towards NPA	233.32	(105.09)
Contingent provision for standard assets, including future potential losses	153.55	(241.10)
<b>Under 'Tax expenses'</b>		
Provision made towards Income tax (including deferred tax)	203.52	410.36
<b>Under 'Employee benefit expenses'</b>		
Provision for gratuity and compensated absences	11.74	12.76

(ii) Draw Down from Reserves

The Company has not made any draw down from reserves.

(iii) Concentration of deposits, advances, exposures and NPAs

(A) Concentration of deposit

The Company is a non deposit taking NBFC and has not obtained any deposit.

(B) Concentration of advances

Particulars	31 March 2024	31 March 2023
Total Advances to twenty largest borrowers	9,047.74	6,427.18
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	6.66%	7.18%

(C) Concentration of exposures

Particulars	31 March 2024	31 March 2023
Total exposure to twenty largest borrowers /customers	12,903.69	10,422.42
Percentage of Exposures to twenty largest borrowers / customers to Total Exposure of the NBFC on borrowers / customers	9.02%	11.64%

(D) Concentration of NPAs

Particulars	31 March 2024	31 March 2023
Total exposure to top four NPA accounts	1,637.44	1,552.73



**Toyota Financial Services India Limited**  
**Notes to the financial statements for the year ended 31 March 2024**

**Disclosure as required by the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions 2023 (Disclosures are made as per Ind AS financial statements except otherwise stated) (continued)**

(Amounts included herein are based on current and previous year financials as per Ind AS)

**(g) Additional disclosures (continued)**

**(E) Sector-wise NPAs**

S. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		31 March 2024	31 March 2023
1	Agriculture & allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	-	-
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans*	3.00%	4.14%
7	Other personal loans	-	-

\* Includes financing to Dealers / Other corporate customers on cars and accessories.

**(F) Movement of NPAs**

		(Amounts are in Rs. Million)	
S.No.	Sector	31 March 2024	31 March 2023
(i)	Net NPAs to net advances (%)	1.34	1.90
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	3,706.11	3,804.73
	(b) Additions during the year#	1,892.59	2,118.46
	(c) Reductions during the year *	1,526.06	2,217.08
	(d) Closing balance	4,072.64	3,706.11
(iii)	Movement of Net NPAs		
	(a) Opening balance	1,658.15	1,651.69
	(b) Additions during the year	918.22	1,292.60
	(c) Reductions during the year	785.00	1,286.14
	(d) Closing balance	1,791.37	1,658.15
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	2,047.95	2,153.04
	(b) Provisions made during the year	974.37	825.86
	(c) Write-off / write-back of excess provisions *	741.05	930.95
	(d) Closing balance	2,281.27	2,047.95

# Additions does not include cases which have become NPA during the year and subsequently moved out of NPA in the same year.

\* Balancing figure.

**(iv) Overseas assets (for those with Joint Ventures and Subsidiaries abroad)**

The Company does not have any Overseas Assets (for those with Joint Ventures and Subsidiaries abroad).

**(v) Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)**

The Company does not have any off-balance sheet SPVs sponsored.

**(vi) Disclosure of Frauds reported during the year vide DNBS,PD,CC NO.256/03.10.042/2011-12 Dated 2 March 2012**

		(Amounts are in Rs. Million)	
Particulars		31 March 2024	31 March 2023
<b>a. Persons involved</b>			
Customers		3.45	7.90
Employee		-	-
Collection Agency		-	-
Dealer		-	-
<b>Total</b>		<b>3.45</b>	<b>7.90</b>
<b>b. Type of Fraud</b>			
Misappropriation and criminal breach of trust		-	-
Fraudulent encashment/ manipulation of books of account		-	-
Cheating and forgery		3.45	7.90



Toyota Financial Services India Limited  
Notes to the financial statements for the year ended 31 March 2024

Disclosure as required by the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions 2023  
(Disclosures are made as per Ind AS financial statements except otherwise stated) (continued)  
(Amounts included herein are based on current and previous year financials as per Ind AS)

(vii) Schedule to the Balance Sheet of a Non-Deposit Taking Non-Banking Financial Company

(Amounts are in Rs. Million)

Particulars	31 March 2024		31 March 2023	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
<b>Liabilities Side</b>				
(1) Loans and advances availed by the NBFC inclusive of interest accrued thereon but not paid:				
(a) Debentures # : Secured*	37,231.23	-	23,143.38	-
: Unsecured	-	-	-	-
(other than falling within the meaning of public deposits)				
(b) Deferred credits	-	-	-	-
(c) Term loans*	64,753.94	-	41,409.13	-
(d) Intercompany loans and borrowing	6,696.60	-	5,413.05	-
(e) Commercial paper	1,978.02	-	2,472.45	-
(f) Other loans (working capital loans from banks and book overdraft)	1,373.17	-	-	-
(2) Break-up of (1)(f) above (outstanding public deposits inclusive of interest accrued thereon but not paid):				
(a) In the form of unsecured debentures	-	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	-	-	-	-
(c) Other public deposits	-	-	-	-
* Including interest accrued but not due				
# Balances as per financials as computed under IND AS under Effective Interest Rate 'EIR'				
<b>Asset Side</b>				
Particulars	31 March 2024		31 March 2023	
(3) Break-up of loans and advances including bills receivables [other than those included in (4) below]:				
(a) Secured			1,31,633.46	86,336.40
(b) Unsecured*			-	-
(4) Break-up of leased assets and stock on hire and other assets counting towards asset financing activities				
(i) Lease assets including lease rentals under sundry debtors:				
(a) Financial lease			750.25	180.14
(b) Operating lease			4.99	17.75
(ii) Stock on hire including hire charges under sundry debtors:				
(a) Assets on hire			-	-
(b) Repossessed assets			-	-
(iii) Other loans counting towards asset financing activities			-	-
(a) Loans where assets have been repossessed			-	-
(b) Loans other than (a) above			-	-
(5) Break-up of investments :				
Current investments:				
1. Quoted				
(i) Shares: (a) Equity			-	-
(b) Preference			-	-
(ii) Debentures and bonds			-	-
(iii) Units of mutual funds			1,001.85	-
(iv) Government securities			3,353.91	2,547.48
(v) Others			-	-
2. Unquoted				
(i) Shares: (a) Equity			-	-
(b) Preference			-	-
(ii) Debentures and bonds			-	-
(iii) Units of mutual funds			-	-
(iv) Government securities			-	-
(v) Others			-	-

\* Excludes advance income tax/tax deducted at source (net of provisions) and other advances (not related to lending activity)



(Amounts are in Rs. Million)

Particulars	31 March 2024	31 March 2023
Long term investments		
1. Quoted		
(i) Shares: (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others	-	-
2. Unquoted		
(i) Shares: (a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others	-	-

Borrower group wise classification of assets financed in (3) and (4) above (gross) :	31 March 2024			31 March 2023		
	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
(c) Other related parties	34.42	-	34.42	0.77	-	0.77
2. Other than related parties*	1,32,349.29	-	1,32,349.29	86,515.77	-	86,515.77
Total	1,32,383.71	-	1,32,383.71	86,516.54	-	86,516.54

\*Provision for impairment of loans have been bifurcated on weighted average basis of secured and unsecured loan amount as disclosed in the financials.

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):

Category	31 March 2024		31 March 2023	
	Market Value/ Break-up or fair value or NAV	Book Value (Net of Provisions)	Market Value/ Break-up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
(c) Other than related parties	-	-	-	-
2. Other than related parties				
Total	-	-	-	-

(7) Other Information

Particulars	31 March 2024	31 March 2023
(i) Gross non performing assets		
(a) Related parties	-	-
(b) Other than related parties	4,072.64	3,706.11
(ii) Net non-performing assets		
(a) Related parties	-	-
(b) Other than related parties	2,281.27	2,047.95
(iii) Assets acquired in satisfaction of debt	-	-





Disclosure as required by the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions 2023 (Disclosures are made as per Ind AS financial statements except otherwise stated) (continued)

(Amounts included herein are based on current and previous year financials as per Ind AS)

(g) Additional disclosures (continued)

(viii) 1. Sectoral Exposure

(Amounts are in Rs. Million)

S.No. Sectors	31 March 2024			31 March 2023		
	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector	Total Exposure (includes on balance sheet and off-balance sheet exposure)	Gross NPAs	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and Allied Activities	-	-	-	-	-	-
2. Industry	-	-	-	-	-	-
3. Services	-	-	-	-	-	-
4. Personal Loans/Vehicle Loan	-	-	-	-	-	-
Includes financing to Dealers / Other corporate customers on cars and accessories.	1,35,873.18	4,072.64	3.00%	89,505.32	3,706.11	4.14%
5. Others, if any (please specify)	-	-	-	-	-	-

2 Intra-group exposures

Particulars	31 March 2024	31 March 2023
(i) Total amount of intra-group exposures	-	-
(ii) Total amount of top 20 intra-group exposures	-	-
(iii) Percentage of intra-group exposures to total exposure of the NBFC on borrowers/customers	-	-

3 Unhedged foreign currency exposure

Particulars	31 March 2024	31 March 2023
Unhedged foreign currency exposures*	6.70	7.18

\*refer Note 2 – Material Accounting Policy Information and Note 43-Financial Risk Management

4 Corporate governance

Disclosure is placed under the Corporate Governance section of the Annual Report.

5 Breach of Covenant

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

6 Divergence in Asset Classification and Provisioning

No additional provisioning requirements have been assessed by RBI. Also, no additional Gross NPAs were identified by RBI in respect to any years. Hence, in regard to asset classification and provisioning, there exists no divergence.





Disclosure as required by the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions 2023 (Disclosures are made as per Ind AS financial statements except otherwise stated) (continued)  
(Amounts included herein are based on current and previous year financials as per Ind AS)

(g) Additional disclosures (continued)

7 RELATED PARTY DISCLOSURE (Amounts are in Rs. Million)

Related Party	Parent	Subsidiaries	Associates/ Joint ventures	Key Management Personnel <sup>(a)</sup>	Relatives of Key Management Personnel <sup>(a)</sup>	Others*	Total
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024
Borrowings <sup>1</sup>	-	-	6694.33	-	-	-	6694.33
Borrowings (maximum during)	-	-	5,412.66	-	-	-	5,412.66
Deposits	-	-	6694.33	-	-	-	6694.33
Placements of deposits <sup>2</sup>	-	-	-	-	-	-	-
Advances <sup>3</sup>	-	-	34.43	-	-	-	34.43
Advances (maximum during)	-	-	34.43	0.77	-	-	34.43
Investments <sup>4</sup>	-	-	-	1.00	-	-	1.00
Purchase of fixed/other assets	-	-	239.40	-	-	-	239.40
Sale of fixed/other assets	-	-	15.83	-	-	-	15.83
Interest paid	-	-	20.71	-	-	-	20.71
Interest received	-	-	0.02	0.04	-	-	0.06
Other incomes	-	-	6.87	-	-	-	6.87
Others Expense	3.39	1.79	58.73	-	-	-	62.12
			40.35	-	-	-	42.14

# The outstanding at the year end. Also the maximum during the year are disclosed separately

(a) Disclosures for directors and relatives of directors made separately in separate columns from other KMPs and relatives of other KMPs.

\* Transactions exceeding 5 per cent of total related party transactions. Related parties would include trusts and other bodies in which the NBFC can directly or indirectly (through its related parties) exert control or significant influence.



Disclosure as required by the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions 2023  
(Disclosures are made as per Ind AS financial statements except otherwise stated) (continued)

(Amounts included herein are based on current and previous year financials as per Ind AS)

(g) Additional disclosures (continued)

8 Disclosure of complaints

Complaints received by the NBFC from its customers

	31 March 2024	31 March 2023
1 Number of complaints pending at beginning of the year	22	7
2 Number of complaints received during the year	1107	1220
3 Number of complaints disposed during the year	1115	1205
3.1 Of which, number of complaints rejected by the NBFC	317	116
4 Number of complaints pending at the end of the year	14	22

Maintainable complaints received by the NBFC from Office of Ombudsman

5 Number of maintainable complaints received by the NBFC from Office of Ombudsman		
5.1 Of 5, number of complaints resolved in favour of the NBFC by Office of Ombudsman	43	44
5.2 Of 5, number of complaints resolved through conciliation/mediation/advisories issued by Office of Ombudsman	-	-
5.3 Of 5, number of complaints resolved after passing of Awards by Office of Ombudsman against the NBFC	-	-
6 Number of Awards unimplemented within the stipulated time (other than those appealed)	-	-

Top five grounds of complaints received by the NBFCs from customers

Grounds of complaints, (i.e. complaints relating to)	Number of complaints pending at the beginning of the year	Number of complaints received during the year	% increase/ decrease in the number of complaints received over the previous year	Number of complaints pending at the end of the year	Of 5, number of complaints pending beyond 30 days
Current Year					
Ground - 1 -Collection	2	222	60.86%	4	-
Ground - 2 -Sales	1	156	132.83%	-	-
Ground - 3 -No Objection Certificate	-	97	-37.41%	2	-
Ground - 4 -Charges Waiver	2	90	25.00%	-	-
Ground - 5 -EMI Moratorium/ Restructure	2	83	12.16%	3	-
Previous Year					
Ground - 1 -No Objection Certificate	-	155	125.00%	-	-
Ground - 2 -Collection	-	138	-3.00%	2	-
Ground - 3 -Refund	-	101	102.00%	1	-
Ground - 4 -ACH Mandate	-	98	292.00%	-	-
Ground - 5 -EMI Moratorium/ Restructure	1	74	-16.00%	2	-



Disclosure as required by the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions 2023 (Disclosures are made as per Ind AS financial statements except otherwise stated) (continued)

(Amounts included herein are based on current and previous year financials as per Ind AS)

(b) Disclosure on restructured advances

31 March 2024			(Amounts are in Rs. Million)			
S. No.	Type of restructuring → Asset classification → Details		Standard	Sub Standard	Others* Doubtful    Loss	Total
1	Restructured accounts as on April 1 of the year (opening figures) *	No. of borrowers	-	2.00	-	2.00
		Amount outstanding	-	57.60	-	57.60
		Provision thereon	-	18.54	-	18.54
2	Fresh restructuring during the year	No. of borrowers	-	1.00	-	1.00
		Amount outstanding	-	1.62	-	1.62
		Provision thereon	-	0.01	-	0.01
3	Recovery during the year	No. of borrowers	-	(1.00)	-	(1.00)
		Amount outstanding	-	(56.55)	-	(56.55)
		Provision thereon	-	(18.30)	-	(18.30)
4	Upgradations to restructured standard category during the year	No. of borrowers	-	-	-	-
		Amount outstanding	-	-	-	-
		Provision thereon	-	-	-	-
5	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of the next year	No. of borrowers	-	-	-	-
		Amount outstanding	-	-	-	-
		Provision thereon	-	-	-	-
6	Down gradations of restructured accounts during the year	No. of borrowers	-	-	-	-
		Amount outstanding	-	-	-	-
		Provision thereon	-	-	-	-
7	Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-
		Amount outstanding	-	-	-	-
		Provision thereon	-	-	-	-
8	Restructured accounts as on March 31 of the year (closing figures)	No. of borrowers	-	2.00	-	2.00
		Amount outstanding	-	2.67	-	2.67
		Provision thereon	-	0.25	-	0.25

\*excluded restructured accounts as per RBI circular pertaining to Resolution Framework for COVID-19-related Stress.

31 March 2023						
S. No.	Type of restructuring → Asset classification → Details		Standard	Sub Standard	Others* Doubtful    Loss	Total
1	Restructured accounts as on April 1 of the year (opening figures)	No. of borrowers	-	5.00	-	5.00
		Amount outstanding	-	153.52	-	153.52
		Provision thereon	-	53.55	-	53.55
2	Fresh restructuring during the year	No. of borrowers	-	-	-	-
		Amount outstanding	-	-	-	-
		Provision thereon	-	-	-	-
3	Recovery during the year	No. of borrowers	-	-	-	-
		Amount outstanding	-	(74.47)	-	(74.47)
		Provision thereon	-	(32.78)	-	(32.78)
4	Upgradations to restructured standard category during the year	No. of borrowers	-	(3.00)	-	(3.00)
		Amount outstanding	-	(21.45)	-	(21.45)
		Provision thereon	-	(2.23)	-	(2.23)
5	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the year and hence need not be shown as restructured standard advances at the beginning of the next year	No. of borrowers	-	-	-	-
		Amount outstanding	-	-	-	-
		Provision thereon	-	-	-	-
6	Down gradations of restructured accounts during the year	No. of borrowers	-	-	-	-
		Amount outstanding	-	-	-	-
		Provision thereon	-	-	-	-
7	Write-offs of restructured accounts during the year	No. of borrowers	-	-	-	-
		Amount outstanding	-	-	-	-
		Provision thereon	-	-	-	-
8	Restructured accounts as on March 31 of the year (closing figures)	No. of borrowers	-	2.00	-	2.00
		Amount outstanding	-	57.60	-	57.60
		Provision thereon	-	18.54	-	18.54

\*excluded restructured accounts as per RBI circular pertaining to Resolution Framework for COVID-19-related Stress.



Disclosure as required by the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions 2023 (Disclosures are made as per Ind AS financial statements except otherwise stated) (continued)

(Amounts included herein are based on current and previous year financials as per Ind AS)

(i) Asset liabilities management maturity pattern of certain items of asset and liabilities (at book values) as at 31 March 2024 and 31 March 2023.

(Amounts are in Rs. Million)											
31 March 2024	1 to 7 days	8 to 14 days	Over 14 days to one month	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 months & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
Particulars											
<b>Liabilities</b>											
Borrowings	1,493.12	1,000.00	3,282.18	4,236.63	4,567.68	7,089.45	13,704.64	47,183.15	9,294.47	-	91,851.32
Foreign currency borrowings	-	-	49.85	76.89	15.79	-	6,179.08	13,860.02	-	-	20,181.63
<b>Assets *</b>											
Advances (net of provision)	3,347.96	2,402.24	3,932.28	4,295.03	3,780.40	10,522.68	19,819.80	55,676.13	24,412.99	4,194.20	1,32,383.71
Cash and cash equivalents	1,219.12	650.47	1,251.60	-	-	-	1,434.93	-	-	-	3,121.19
Investments	1,001.85	898.84	-	-	-	1,020.14	-	-	-	-	4,355.76
Foreign currency assets #	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities #	-	-	6.70	-	-	-	-	-	-	-	6.70
<b>31 March 2023</b>											
Particulars	1 to 7 days	8 to 14 days	Over 14 days to one month	Over 1 month upto 2 Month	Over 2 months upto 3 months	Over 3 months & up to 6 month	Over 6 Month & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
<b>Liabilities</b>											
Borrowings	522.42	-	3,383.07	1,566.44	3,111.60	5,447.46	11,079.33	34,593.12	1,498.32	-	61,201.76
Foreign currency borrowings	-	-	34.11	31.54	5.17	821.83	1,643.65	8,699.95	-	-	11,236.25
<b>Assets *</b>											
Advances (net of provision)	1,539.04	1,381.05	2,758.28	3,287.13	2,866.46	7,600.89	13,664.96	35,677.00	15,616.32	2,125.41	86,516.54
Cash and cash equivalents	410.53	700.13	1,000.58	-	-	-	-	-	-	-	2,111.24
Investments	349.69	-	517.04	1,039.64	247.16	393.95	-	-	-	-	2,547.48
Foreign currency assets #	-	-	-	-	-	-	-	-	-	-	-
Foreign currency liabilities #	-	-	7.18	-	-	-	-	-	-	-	7.18

\* Includes advance income tax/ tax deducted at source (net of provisions) and other advances (not related to lending activity).

# The Company does not have any foreign currency assets and liabilities in relation to its principal operations except ECBs.

Cashflows denote expected cashflow of financial liabilities and assets. The amounts includes accrued interest payments & interest income.





45 Disclosure as required by the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions 2023 (Disclosures are made as per Ind AS financial statements except otherwise stated) as per Appendix II-A

31 March 2024

(Amounts are in Rs. Million)

Asset classification as per RBI norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowances (provisions) as required under Ind AS 109	Net carrying amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
<b>Performing assets</b>						
Standard	Stage 1	1,30,419.04	889.41	1,29,529.63	512.30	377.11
	Stage 2	1,379.88	318.78	1,061.10	5.55	313.23
<b>Subtotal for performing assets (A)</b>		<b>1,31,798.92</b>	<b>1,208.19</b>	<b>1,30,590.73</b>	<b>517.85</b>	<b>690.34</b>
<b>Non-performing assets (NPA)</b>						
Substandard	Stage 1	1.62	0.01	1.61	0.01	-
Substandard	Stage 3	1,882.50	854.27	1,028.23	187.65	666.62
<b>Doubtful</b>						
up to 1 year	Stage 3	1,320.97	585.59	735.38	476.42	109.17
1 to 3 years	Stage 3	20.90	12.64	8.26	7.07	5.57
More than 3 years	Stage 3	133.95	114.45	19.50	114.45	-
Loss	Stage 3	714.32	714.32	-	714.32	-
<b>Subtotal for NPA (B)</b>		<b>4,074.26</b>	<b>2,281.28</b>	<b>1,792.98</b>	<b>1,499.92</b>	<b>781.36</b>
<b>Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms</b>						
	Stage 1	724.17	0.67	723.50	-	0.67
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Subtotal (C)</b>		<b>724.17</b>	<b>0.67</b>	<b>723.50</b>	<b>-</b>	<b>0.67</b>
	Stage 1	1,31,144.83	890.09	1,30,254.74	512.31	377.78
	Stage 2	1,379.88	318.78	1,061.10	5.55	313.23
	Stage 3	4,072.64	2,281.27	1,791.37	1,499.91	781.36
<b>Total (A+B+C)</b>		<b>1,36,597.35</b>	<b>3,490.14</b>	<b>1,33,107.21</b>	<b>2,017.77</b>	<b>1,472.37</b>

The Company has assessed its Expected Credit Loss in line with the RBI circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020. Accordingly, no impairment reserve is required to be created.

31 March 2023

(Amounts are in Rs. Million)

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
<b>Performing assets</b>						
Standard	Stage 1	83,056.90	693.49	82,363.41	343.56	349.93
	Stage 2	2,742.31	247.33	2,494.98	11.50	235.83
<b>Subtotal for performing assets (A)</b>		<b>85,799.21</b>	<b>940.82</b>	<b>84,858.39</b>	<b>355.06</b>	<b>585.76</b>
<b>Non-performing assets (NPA)</b>						
Substandard	Stage 2	57.60	18.55	39.05	5.88	12.67
Substandard	Stage 3	2,684.02	1,083.24	1,600.78	267.17	816.07
<b>Doubtful</b>						
up to 1 year	Stage 3	111.71	108.60	3.11	105.89	2.71
1 to 3 years	Stage 3	26.89	26.63	0.26	26.48	0.15
More than 3 years	Stage 3	123.27	103.51	19.76	103.51	-
Loss	Stage 3	702.62	707.43	(4.81)	702.58	4.85
<b>Subtotal for NPA (B)</b>		<b>3,706.11</b>	<b>2,047.96</b>	<b>1,658.15</b>	<b>1,211.51</b>	<b>836.45</b>
<b>Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms</b>						
	Stage 1	683.21	2.86	680.35	-	2.86
	Stage 2	135.17	1.88	133.29	-	1.88
	Stage 3	-	-	-	-	-
<b>Subtotal (C)</b>		<b>818.38</b>	<b>4.74</b>	<b>813.64</b>	<b>-</b>	<b>4.74</b>
	Stage 1	83,740.11	696.35	83,043.76	343.56	352.79
	Stage 2	2,935.08	267.76	2,667.32	17.38	250.38
	Stage 3	3,648.51	2,029.41	1,619.10	1,205.63	823.78
<b>Total (A+B+C)</b>		<b>90,323.70</b>	<b>2,993.52</b>	<b>87,330.18</b>	<b>1,566.57</b>	<b>1,426.95</b>

The Company has considered 5% additional provision in respect of accounts which are default but standard upon extending asset classification benefit based on RBI circular DOR.No.BP.BC.63/21.04.048/2020-21 dated 17 April 2020 pertaining to Asset Classification and provisioning in terms of COVID19 Regulatory package.



46 Disclosure as required by the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions 2023 (Disclosures are made as per Ind AS financial statements except otherwise stated)  
(continued)

Particulars	Quarter ended 31 March 2024			Quarter ended 30 September 2023			Quarter ended 30 June 2023			Quarter ended 31 March 2023		
	Total Unweighted Value (average)*	Total Weighted Value (average)**	Total Unweighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)**	Total Unweighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)**	Total Unweighted Value (average)*	Total Unweighted Value (average)*	Total Weighted Value (average)**	Total Weighted Value (average)**
<b>High quality liquid assets</b>												
1 Total high quality liquid assets	3,453.43	3,453.43	2,807.24	2,807.24	2,648.91	2,648.91	2,844.97	2,844.97	2,661.53	2,661.53	2,661.53	2,661.53
- Cash	106.38	106.38	107.71	107.71	118.44	118.44	275.98	275.98	107.83	107.83	107.83	107.83
- Government Securities	3,347.05	3,347.05	2,699.53	2,699.53	2,530.47	2,530.47	2,568.99	2,568.99	2,553.70	2,553.70	2,553.70	2,553.70
<b>Cash outflows</b>												
2 Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-	-	-	-	-
3 Unsecured wholesale funding	3,404.77	3,915.49	3,125.43	3,824.25	3,635.61	4,180.95	2,931.56	3,371.30	3,826.64	4,400.64	4,400.64	4,400.64
4 Secured wholesale funding	2,416.54	2,779.02	1,010.15	1,161.68	53.95	62.04	540.28	621.32	686.29	789.23	789.23	789.23
5 Additional requirements, of which	-	-	-	-	-	-	-	-	-	-	-	-
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-	42.50	48.88	48.88	48.88
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-	-	-	-	-
6 Other contractual funding obligations	754.57	867.76	698.51	803.28	657.68	756.33	660.89	760.02	576.43	662.89	662.89	662.89
7 Other contingent funding obligations	1,092.46	1,256.32	1,035.75	1,191.12	770.22	883.75	880.74	1,012.85	709.79	816.26	816.26	816.26
8 Total cash outflows	7,668.34	8,818.59	6,069.84	6,980.33	5,117.46	5,885.07	5,013.47	5,765.49	5,841.55	6,717.90	6,717.90	6,717.90
<b>Cash inflows</b>												
9 Secured lending	4,568.17	3,426.13	4,300.82	3,225.62	3,895.19	2,921.39	3,451.34	2,588.51	3,279.10	2,459.48	2,459.48	2,459.48
10 Inflow from fully performing exposures	20,862.91	15,647.18	21,167.50	15,875.63	20,734.72	15,551.04	15,606.59	11,704.95	13,044.18	9,783.29	9,783.29	9,783.29
11 Other cashflows***	25,431.08	19,073.31	25,468.32	19,101.25	24,629.91	18,472.43	19,057.93	14,293.46	16,323.88	12,242.77	12,242.77	12,242.77
12 Total cash inflows	3,453.43	3,453.43	2,807.24	2,807.24	2,648.91	2,648.91	2,844.97	2,844.97	2,661.53	2,661.53	2,661.53	2,661.53
13 Total HQLA	2,704.65	2,704.65	1,745.08	1,745.08	1,471.27	1,471.27	1,441.37	1,441.37	1,579.47	1,579.47	1,579.47	1,579.47
14 Total net cash inflows/(outflows)	157%	157%	161%	161%	180%	180%	197%	197%	158%	158%	158%	158%
15 Liquidity coverage ratio (%)												

\* The average unweighted amounts are calculated by taking the simple average of Daily observations for calendar quarter.

\*\* The average weighted amounts are calculated by applying the RBI predefined stress percentage to cash inflows and outflows.

\*\*\* Other cash inflows include available committed lines of credit.

Notes:

1 In order to strengthen and raise the standard of the Asset Liability Management (ALM) framework applicable to NBFCs, Reserve Bank of India ("RBI") has decided to revise the extant guidelines on liquidity risk management for NBFCs. RBI has issued a circular in that aspect vide circular RBI/2019-20/88, DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 dated 4 November 2019 which requires NBFCs to adhere to guidelines of liquidity coverage ratio. Liquidity coverage ratio (LCR) standard is introduced in order to ensure that a NBFC has an adequate stock of unencumbered high quality liquid assets (HQLA) to survive a significant liquidity stress lasting for a period of 30 days. LCR is defined as a ratio of HQLA to the total net cash outflows estimated for the next 30 calendar days. Total net cash outflows is defined as the total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days.

2 As per the RBI guidelines, all non-deposit taking NBFCs with asset size of ₹ 5,000 crore and above but less than ₹ 10,000 crore, shall be required to minimum LCR in the phased manner from 1 December, 2020 as given below.

From	1 December 2020	1 December 2021	1 December 2022	1 December 2023	1 December 2024
Minimum LCR	30%	50%	60%	85%	100%
As per the RBI guidelines, all non-deposit taking NBFCs with asset size of ₹ 10,000 crore shall be required to minimum LCR in the phased manner from 1 December, 2020 as given below.					
From	1 December 2020	1 December 2021	1 December 2022	1 December 2023	1 December 2024
Minimum LCR	50%	60%	70%	85%	100%

Liquidity management is driven by the ALM Policy, approved by the Board. The Treasury department of the Company reports to Asset Liability Management Committee (ALMC).

The Company has HQLA in form of Cash balances, Government Securities & T-bills issued by Central Government. No haircut is required on these assets for the purpose of LCR as per RBI circular.

Primary components of the outflows are repayment of existing debts, undrawn uncommitted lines, other contractual funding obligations, etc. Primary components of the inflows are collection from business receivables, fixed deposits with bank







Disclosures as required by the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions 2023 (Disclosures are made as per Ind AS financial statements except otherwise stated)

(Continued)

Particulars	Quarter ended 31 March 2023		Quarter ended 31 December 2022		Quarter ended 30 September 2022		Quarter ended 30 June 2022		Quarter ended 31 March 2022	
	Total Value	Total Weighted Value (average)**	Total Value	Total Weighted Value (average)**	Total Value	Total Weighted Value (average)**	Total Value	Total Weighted Value (average)**	Total Value	Total Weighted Value (average)**
High quality liquid assets										
1 Total high quality liquid assets	2,661.53	2,661.53	2,773.44	2,773.44	2,526.70	2,526.70	2,532.57	2,532.57	2,104.20	1,033.77
- Cash	107.83	107.83	108.75	108.75	67.89	67.89	72.58	72.58	125.61	190.93
- Government Securities	2,553.70	2,553.70	2,664.69	2,664.69	2,458.81	2,458.81	2,459.99	2,459.99	1,978.59	842.84
Cash outflows										
2 Deposits (for deposit taking companies)	-	-	4,047.79	4,654.96	-	-	-	-	-	-
3 Unsecured wholesale funding	3,826.64	4,400.64	80.61	92.70	3,880.10	4,462.11	1,881.26	2,163.44	2,720.17	3,128.19
4 Secured wholesale funding	686.29	789.23	-	-	540.70	621.80	713.52	820.55	571.47	657.19
5 Additional requirements, of which	42.50	48.88	50.76	58.37	37.54	43.18	22.86	26.29	-	-
(i) Outflows related to derivative exposures and other	-	-	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt	-	-	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	576.43	662.89	492.10	565.91	490.14	563.66	518.36	596.11	392.97	451.92
6 Other contractual funding obligations	709.79	816.26	714.41	821.57	603.29	693.78	561.05	645.20	639.94	735.93
7 Other contingent funding obligations	-	-	-	-	-	-	-	-	-	-
8 Total cash outflows	5,841.65	6,717.90	5,385.67	6,193.51	5,551.77	6,384.53	3,697.05	4,251.59	4,324.55	4,973.23
Cash inflows										
9 Secured lending	3,279.30	2,459.48	3,058.18	2,293.64	2,961.11	2,215.09	2,980.62	2,235.47	2,915.40	2,186.55
10 Inflow from fully performing exposures	13,044.38	9,783.29	14,908.64	11,181.48	17,098.99	17,035.53	22,970.74	17,228.06	25,252.62	18,939.47
11 Other cash inflows***	16,323.68	12,242.77	17,966.82	13,475.12	20,060.10	19,250.62	25,951.36	19,463.53	28,168.02	21,126.02
12 Total cash inflows	31,647.36	24,485.54	35,933.64	26,950.24	40,120.20	36,491.24	51,902.72	38,727.06	53,336.04	42,252.04
13 Total HQLA	2,661.53	2,661.53	2,773.44	2,773.44	2,526.70	2,526.70	2,532.57	2,532.57	2,104.20	1,033.77
14 Total net cash inflows/(outflows)	1,679.47	1,588.11	1,548.38	1,548.38	1,596.13	1,596.13	1,062.90	1,062.90	1,243.31	83%
15 Liquidity coverage ratio (%)	158%	158%	179%	179%	158%	158%	238%	238%	83%	83%

\* The average unweighted amounts are calculated by taking the simple average of Daily observations for calendar quarter.

\*\* The average weighted amounts are calculated by applying the RBI predefined stress percentage to cash inflows and outflows.

\*\*\* Other cash inflows include available committed lines of credit.

#### Notes:

1 In order to strengthen and raise the standard of the Asset Liability Management (ALM) Framework applicable to NBFCs, Reserve Bank of India (RBI) has decided to revise the extant guidelines on liquidity risk management for NBFCs. RBI has issued a circular in that aspect vide circular RBI/2019-20/88, DOR NBFC (PD) CC. No.102/03.10.001/2019-20 dated 4 November 2019 which requires NBFCs to adhere to guidelines of liquidity coverage ratio.

Liquidity coverage ratio (LCR) standard is introduced in order to ensure that a NBFCs has an adequate stock of unencumbered high quality liquid assets (HQLA) to survive a significant liquidity stress lasting for a period of 30 days. LCR is defined as a ratio of HQLA to the total net cash outflows estimated for the next 30 calendar days. Total net cash outflows is defined as the total expected cash outflows minus total expected cash inflows for the subsequent 30 calendar days.

2 As per the RBI guidelines, all non-deposit taking NBFCs with asset size of ₹ 5,000 crore and above but less than ₹ 10,000 crore, shall be required to maintain LCR in the phased manner from 1 December, 2020 as given below.

From	1 December 2020	1 December 2021	1 December 2022	1 December 2023	1 December 2024
Minimum LCR	30%	50%	60%	85%	100%

3 Liquidity management is driven by the ALM Policy approved by the Board. The Treasury department of the Company reports to Asset Liability Management Committee (ALCO).

4 The Company has HQLA in form of Cash balances, Government Securities & T-bills issued by Central Government. No haircut is required on these assets for the purpose of LCR as per RBI circular.

5 Primary components of the outflows are repayment of existing debts, undrawn uncommitted lines, other contractual funding obligations, etc. Primary components of the inflows are collection from business receivables, fixed deposits with bank etc.



47 Disclosure pursuant to SEBI Circular SEBI/HO/DDHS/P/CIR/2021/613, dated 10 August 2021, as amended for the year ended 31 March 2024.

Initial Disclosure made by the Company as a Large Corporate

(Amounts are in Rs. Million)

S.No.	Particulars	Details
1	Name of the Company	Toyota Financial Services India Limited
2	CIN	U74900KA2011FLC058752
3	Outstanding borrowing of company as on 31st March, 20223	72,438.01
4	Highest Credit Rating During the previous FY along with name of the Credit Rating Agency	CRISIL AAA (Stable) & CRISIL A1+ by CRISIL Limited ICRA AAA (Stable) & ICRA A1+ by ICRA Limited
5	Name of Stock Exchange (*) in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	National Stock Exchange of India Limited (NSE)

Annual Disclosure made by the Company as a Large Corporate

1	Name of the Company	Toyota Financial Services India Limited
2	CIN	U74900KA2011FLC058752
3	Financial year	2023-24
4	Details of the current block	
i	3-year block period	2023-24, 2024-25, 2025-26
ii	Incremental borrowing in the current FY (a)	42,500.00
iii	Mandatory borrowing through debt securities in the current FY (b) = 25% of (a)	10,625.00
iv	Actual borrowings done through debt securities in the current FY 2023-24 (c)	24,000.00
v	Shortfall in the borrowing through debt securities, if any, for FY 2022-23 carried forward to FY 2023-24 and FY 2024-25 (d)	Nil
vi	Quantum of (d), which has been met from (c): (e)	Nil
vii	Shortfall, if any, in the mandatory borrowing through debt securities for FY 2023-24 {after adjusting for any shortfall in borrowing for FY 2022-23 which was carried forward to FY 2023-24} (f) = (b)-(c)-(e)}	Nil
5	Details of penalty to be paid, if any, in respect to previous block	
i	3-year block period	2021-22, 2022-23 and 2023-24
ii	Amount of fine to be paid for the block, if applicable Fine = 0.2% of {(d)-(e)}	Nil
6	Compliance Status	Complied

48 Disclosure pursuant to RBI Circular DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 and RBI/2021-22/31DOR.STR.REC.11/21.04.048/2021-22 dated 5 May 2021 pertaining to Resolution Framework for COVID-19-related Stress

(Amounts are in INR Million, except Number of accounts)

Type of borrower*	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at 30 September 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half year ended 31 March 24	Of (A) amount written off during the half year ended 31 March 2024	Of (A) amount paid by the borrowers during the half year ended 31 March 2024	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the 31 March 2024
Personal Loans	130.10	-	-	45.90	84.20
Corporate persons**	66.83	0.60	-	31.16	35.07
of which MSMEs	64.04	0.60	-	30.76	32.68
Others	-	-	-	-	-
Total	196.93	0.60	-	77.06	119.27

\*Vehicle/Auto loans and related loans

\*\* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

49 The Indian Parliament has approved the Code on Social Security, 2020 which may impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be determined. The Company will complete its evaluation and will give appropriate impact in the financial statements in the year in which, the Code becomes effective and the related rules to determine the financial impact are notified.



**Toyota Financial Services India Limited**  
**Notes to the financial statements for the year ended 31 March 2024**

- 50 The Company has not transferred and acquired loans to/from other entities during the year as prescribed under Master Direction – Reserve Bank of India (Transfer of Loan Exposures) Directions, 2021 vide ref. no. RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24 September 2021.
- 51 The Company does not have any undisclosed transactions which is not recorded in the books of account that has been surrendered or disclosed as income during the current year and previous year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- 52 The Company has not traded or invested in Crypto currency or Virtual Currency during the current year and previous year.
- 53 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under Benami Transactions (Prohibition) Act, 1988.
- 54 The Company has not advanced or loaned or invested funds to any other persons or entities, 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 Beneficiaries.
- 55 The Company has not received any fund from any persons or entities, 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.
- 56 The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 57 The below table shows transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

Name of struck off Company	Nature of transactions with struck-off Company	(Amounts are in Rs. Million)		
		Balance outstanding as at	Balance outstanding as at	Relationship with the Struck off Company, if any
		31 March 2024	31 March 2023	
DVS DEVELOPERS PRIVATE LIMITED	Loans	0.88	-	Customer
S B INFRABUILD PRIVATE LIMITED	Loans	0.43	-	Customer
CABZ UTILITIES PRIVATE LIMITED	Loans	0.22	-	Customer
M I BUILDWELL PRIVATE LIMITED	Loans	0.96	-	Customer
VARDAH BUILDERSPRIVATE LIMITED	Loans	0.74	-	Customer
LETMEDRIVE INDIA PRIVATE LIMITED	Loans	0.61	-	Customer
SHUBH NIVESH REALTORS PRIVATE LIMITED	Loans	2.36	-	Customer
SAPTESHU TRADELINK PRIVATE LIMITED	Loans	1.23	-	Customer
RED LEAF EDUCATIONAL CONSULTANTS PVT LTD	Loans	3.23	-	Customer
ZAMINSHAKTI INFRACON PRIVATE LIMITED	Loans	1.98	-	Customer
SRI LAKSHMI SAI TELECOM CONSTRUCTIONS PVT LTI	Loans	1.45	-	Customer
OCEANGREEN CITY PRIVATE LIMITED	Loans	2.82	-	Customer
ECOADDITIVES INDIA PRIVATE LIMITED	Loans	0.05	-	Customer
TITAN BIOTECH LIMITED	Loans	5.76	-	Customer
SHRUTI MOTORS PRIVATE LIMITED	Loans	1.59	-	Customer
BCC FUBA INDIA LIMITED	Loans	1.75	-	Customer
A R AUTOMOBILES PRIVATE LIMITED	Loans	-	0.17	Customer
AMRITVARSHA CONSTRUCTIONS PRIVATE LIMITED	Loans	0.42	0.59	Customer
AP MANAGEMENT CONSULTANTS PVT LTD	Loans	-	1.52	Customer
AS ELECTROMECH PVT LTD	Loans	-	0.21	Customer
CLEAR TOURS PVT LTD	Loans	-	0.63	Customer
CREAM PACKS PRIVATE LIMITED	Loans	2.21	4.33	Customer
CREATIVE HYGIENE PVT LTD	Loans	-	0.75	Customer
GLOMANTIX PRIVATE LIMITED	Loans	0.86	1.22	Customer
GODWIN RESORTS AND HOTELS PRIVATE LIMITED	Loans	0.80	1.34	Customer
MANISH DUGGAL TELECOM PRIVATE LIMITED	Loans	-	0.18	Customer
MMVA INDIA PRIVATE LIMITED	Loans	0.73	0.89	Customer
SWAPNIL INDIA INFRATECH LIMITED	Loans	-	1.35	Customer
TRIMAAX TECHNOLOGIES PRIVATE LIMITED	Loans	-	0.11	Customer
UBAH INSTRUMENTS PVT LTD	Loans	-	0.59	Customer
IND AUD INFRASTRUCTURE PVT LTD	Loans	-	-	Customer
OMKARNI INFRASTRUCTURE PVT LTD	Loans	-	-	Customer
GATIK BUSINESS SOLUTIONS PVT LTD	Loans	-	-	Customer
MJB INFRATECH PVT LTD	Loans	-	-	Customer
EZONE CARS PRIVATE LIMITED	Loans	-	-	Customer



**Toyota Financial Services India Limited**  
**Notes to the financial statements for the year ended 31 March 2024**

- 58 The Company is not a declared wilful defaulter by any bank or financial institution or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, during the year ended 31 March 2024 and 31 March 2023.
- 59 The figures of previous year have been regrouped/reclassified/recasted wherever necessary to confirm to current year presentation.
- 60 There have been no events after the reporting date that require disclosure in these financial statements.

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As per our report of even date attached

For **M S K A & Associates**  
Chartered Accountants

  
**Swapnil Kale**  
Partner  
Membership No. 117812



Mumbai  
23 May 2024

For and on behalf of the Board of Directors of  
**Toyota Financial Services India Limited**

  
**P B Venugopal**  
Managing Director & CEO  
DIN: 10387035

Bangalore  
23 May 2024

  
**Anupam Vaidani**  
Chief Financial Officer  
Bangalore  
23 May 2024

  
**Sunita Rajiv Handa**  
Director  
DIN: 08215176

Delhi  
23 May 2024

  
**Ganesh Chandrasekaran**  
Company Secretary  
Membership No. A23703  
Chennai  
23 May 2024





## NOTICE OF THE THIRTEENTH ANNUAL GENERAL MEETING OF TOYOTA FINANCIAL SERVICES INDIA LIMITED

**NOTICE** is hereby given that the Thirteenth Annual General Meeting (AGM) of the Members of Toyota Financial Services India Limited will be held on Friday, September 13, 2024, at 2.00 PM (IST), through Video Conferencing ("VC") via Microsoft Teams / Other Audio-Visual Means (OAVM), deemed to be held at the registered office of the Company at No. 21, Centropolis, First Floor, 5th Cross, Langford Road, Shanti Nagar, Bengaluru - 560025 (Karnataka, India) to transact the following business:

### Ordinary Business:

- 1. To receive, consider and adopt the Audited Financial Statements of the Company as on March 31, 2024, together with Reports of Board of Directors (Boards' Report) and Auditors thereon**
- 2. To appoint a Director in place of Mr. Kazuo Noda (DIN: 09823103), who retires by rotation and being eligible, offers himself for re-appointment**
- 3. To approve appointment of Statutory Auditors of the Company**

To consider and if thought fit, to pass, with or with modification, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the rules made thereunder, Reserve Bank of India (RBI) guidelines on appointment of Statutory Auditors of Non-Banking Financial Companies (NBFCs) issued on April 27, 2021, and any other applicable laws (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the recommendation of the Audit Committee and the Board of Directors of the Company, M/s. Price Waterhouse LLP, Chartered Accountants (ICAI Firm Registration No. 301112E/E300264) be and is hereby appointed as the Statutory Auditors of the Company, to hold the office for a period of 3 (three) consecutive years from the conclusion of the Thirteenth Annual General Meeting held in the year 2024, till the conclusion of the Sixteenth Annual General Meeting of the Company to be held in the year 2027, subject to the firm satisfying the eligibility norms each year, at a remuneration of INR 9 Million for the Financial Year 2024-25, including fees payable for Limited Review Reports, Regulatory Certificates and Tax Audit but excluding fees for additional certifications / new regulatory requirements, actual travelling and out of pocket expenses incurred in connection with the audit, fees for other non-audit services / certifications, taxes as applicable, during the appointed period, with a power to the Board/Audit Committee to alter, vary and finalise the terms and conditions of appointment and remuneration, as may be deemed necessary, including any revision in remuneration during the tenure of three years.

**RESOLVED FURTHER THAT** the Board of Directors or the Audit Committee of the Board be and are hereby severally authorised do all such other acts, matters, deeds and things as may be deemed necessary or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto."

**Special Business:**

**4. To approve appointment of Ms. Rajni Anil Mishra (DIN: 08386001) as an Independent Director of the Company**

To consider and if thought fit, to pass, with or with modification, the following resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the rules made thereunder and Schedule IV to the Act, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Reserve Bank of India (RBI) regulations, any other applicable laws (including any statutory modification(s) or re-enactment thereof for the time being in force), the provisions of the Articles of Association of the Company, and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Ms. Rajni Anil Mishra (DIN: 08386001), who was appointed as an Additional Director of the Company with effect from September 10, 2024, and holds office up to the date of the ensuing Annual General Meeting (“AGM”) and is eligible for appointment and in respect of whom the Company has received a notice under provisions of Section 160 of the Act, proposing her candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for first term of one year effective from September 10, 2024 to September 9, 2025.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby severally authorised do all such other acts, matters, deeds and things as may be deemed necessary or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto.”

**5. To approve the overall Borrowing limit of the Company**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**“RESOLVED THAT** in supersession of the Special Resolution passed by the Members of the Company at the Twelfth Annual General Meeting of the Company held on September 26, 2023, and pursuant to the provisions of Section 180(1)(c) of Companies Act, 2013 ('the Act') and rules made thereunder and all other applicable provisions of the Act, the Securities Exchange Board of India regulations, the Reserve Bank of India (RBI) regulations, any other applicable laws (including any statutory modification(s) or re-enactment thereof for the time being in force), the provisions of the Articles of Association of the Company, if any, the consent of the Members be and is hereby accorded, to borrow and raise, any sum or sums of monies inter alia by way of loan / financial assistance from various from bank(s), financial institution(s) and/ or other lenders (as permitted under applicable laws) such as non-banking financial companies, corporates, in the form of term loans (short term / long term), cash credit, overdraft facility, working capital demand loan, guarantees etc., External Commercial Borrowings in Indian Rupees or equivalent thereof in any foreign currency(ies), Rupee Denominated Bonds issued outside India / overseas or otherwise or in any foreign currency(ies) as permitted by the applicable laws,



by issue of Commercial Paper and by issue of Non-Convertible Debentures in one or more tranches / series, from time to time, on such terms and conditions and with or without security, including commercial terms as may be determined by the Board of Directors on the basis of the prevailing market conditions, and as may be required for the purposes of the business of the Company, in excess of the aggregate of the paid-up capital of the Company, free reserves of the Company, that is to say, reserves not set apart for any specific purpose and the securities premium, provided that such borrowings together with monies already borrowed, shall not at any point of time exceed INR 225,000 Million (Rupees Two Hundred and Twenty-Five Thousand Million only) excluding all temporary loans obtained by the Company from its bankers in the ordinary course of its business.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 180(1)(a) of Companies Act, 2013 and rules made thereunder, if any (including any statutory modification or re-enactment thereof for the time being in force) the consent of the Members be and is hereby accorded, to the Board of Directors of the Company to create / modify any mortgage, pledge, hypothecation or other charge or encumbrances, from time to time, over the whole or substantially whole of the Company's undertaking including all present and future immovable and movable properties and assets of the Company whosoever situated, in favour of the banks, financial institutions, and other persons, whether in India or overseas, for securing loans, credits, guarantees or other facilities provided or to be provided by them to the Company and/or to secure debentures issued / to be issued by the Company and / or to secure offshore bonds (whether rupee denominated or otherwise) issued / to be issued by the Company whether in India or outside India, which borrowings and facilities and debentures and offshore bonds together with the existing ones shall not exceed an aggregate limit of INR 225,000 Million (Rupees Two Hundred and Twenty-Five Thousand Million only).

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take all the requisite, incidental, consequential steps to implement the above resolution and to perform all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, any question, query, or doubt that may arise in this regard, and to execute/publish all such notices, deeds, agreements, papers and writings as may be necessary and required for giving effect to this resolution."

## **6. To approve issuance of Non-Convertible Debentures**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** subject to the provisions of Section 180 (1) (c), Section 42, Section 71 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and rules made thereunder, Securities Exchange Board of India regulations, Reserve Bank of India (RBI) regulations, any other applicable laws, the provisions of the Articles of Association of the Company, including any amendment, modification, variation or re-enactment to any of the foregoing and other applicable laws, regulations guidelines, direction, the consent of the Members of the Company be and is hereby accorded, to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee(s) constituted / to be constituted by the Board, from time to time, to exercise its powers conferred by this resolution), for a period of 1 (one) year from

the date hereof, to raise funds for eligible activities as per applicable laws, by way of issuance of Non-Convertible Debentures, secured or unsecured, fixed rate or market / benchmark linked, on private placement basis, in one or more tranches / series, on such terms and conditions including the price, coupon, premium / discount, tenor etc., as may be determined by the Board of Directors, based on the prevailing market condition, provided that the aggregate amount to be raised through the issuance of the Non-Convertible Debentures pursuant to the authority under this resolution along with the Non-Convertible Debentures already issued by the Company remains below the limit of INR 100,000 Million (Rupees One Hundred Thousand Million only).

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee(s) constituted / to be constituted by the Board, from time to time to exercise its powers conferred by this resolution thereof), be and is hereby authorized to do all such acts, deeds, matters and things and to execute all such agreements, documents, instruments, applications etc. as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the aforesaid Resolution as it may in its sole discretion deem fit and to delegate all or any of its powers herein conferred to any of the Directors and/or Officers of the Company, to give effect to this Resolution.”

#### **7. To approve Material Related Party Transactions with Toyota Kirloskar Motor Private Limited (TKM)**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** in supersession of the resolution passed by the Members of the Company at the Extraordinary General Meeting held on July 30, 2024 and pursuant to the provisions of Regulations 2(1)(zb), 2(1)(zc), 23(4) and other applicable Regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’), the applicable provisions of the Companies Act, 2013 (‘Act’), if any, read with related rules, if any, as amended from time to time, and other applicable laws / statutory provisions, if any, the Company’s Policy on Related Party Transactions as well as subject to such approval(s), consent(s) and / or permission(s), as may be required and based on the recommendation of the Audit Committee and the Board of Directors, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the ‘Board’, which term shall be deemed to include the Audit Committee or any other Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this Resolution) to enter / continue to enter into Related Party Transaction(s) / Contract(s) / Arrangement(s) / Agreement(s) with a Toyota Kirloskar Motor Private Limited (TKM), a Group Company and a ‘Related Party’ of the Company on such terms and conditions as may be mutually agreed between TKM and the Company, for an aggregate value of up to INR 1,331.89/- Million, to be entered during the Financial Year 2024-25 for sale of cars, leasing of cars, purchase of cars, Integration Interface maintenance services, offer GFV / buy-back based financing, pay-out for disbursement of retail Loan, availing of shared services, renting of premises, procurement of Lexus cars, execution of associate agreement, intercompany transfers, renting of workstations etc. subject to such contract(s) / arrangement(s) / transaction(s) being carried out at arm’s length and in the ordinary course of business of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as 'Board' which term shall be deemed to include the Audit Committee of the Company and any duly constituted/ to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorized to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and to take all such steps as may be required in this connection including any material modifications (including modification of individual limits for the transactions within the aggregate overall limit as specified above), finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, and to take all such actions herein conferred to, without being required to seek further consent or approval of the Members of the Company or otherwise to that end and intent that the Members of the Company shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred in favour of any other person / official of the Company as they may deem necessary and also authorized to do all such things acts, deeds, things, matters as they may consider necessary and expedient to give effect to the above resolution including but not limited to filing of necessary statutory documentation with the statutory authorities, as applicable.

**RESOLVED FURTHER THAT** all actions taken by the Board, or any person so authorized by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects."

By order of the Board of Directors  
**For Toyota Financial Services India Limited**

**Sd/-**

Date: August 19, 2024  
Place: Bangalore

P B Venugopal  
**Managing Director & Chief Executive Officer**  
DIN: 10387035

**NOTES:**

1. The Explanatory Statements pursuant to Section 102 of the Companies Act, 2013 (the Act), relating to item number 3 to 7 to be transacted at the Meeting is annexed hereto.
2. In compliance with the provisions of the Companies Act & MCA Circulars, the AGM of the Company is being held through VC on Friday, September 13, 2024, at 2.00 PM (IST). The procedure for joining the AGM through VC / OAVM is mentioned in this Notice.
3. The deemed venue for the Thirteenth AGM will be the registered office of the Company.
4. As the AGM will be conducted through VC / OAVM, the facility for appointment of Proxy by the Members of the Company is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
5. Corporate Members intending to have their authorized representatives to attend and vote at the Meeting are requested to send a scanned copy of authorizing their representative to attend and vote on their behalf at the Meeting to the Company at the following email ID: [cs@tfsin.co.in](mailto:cs@tfsin.co.in)
6. In line with MCA Circulars, the Notice calling the AGM along with the Annual Report for FY 2023-24 and Statement under Section 102 of the Companies Act, 2013, is being sent through electronic mode to those Members of the Company whose email addresses are registered with the Company / Depositories. The Members of the Company may note that the Notice and the Annual Report will also be available on the website of the Company at [www.toyotafinance.co.in](http://www.toyotafinance.co.in)
7. The statutory registers maintained under the Act, all documents referred to in the accompanying notice and the statement shall be open for inspection at the Registered Office of the Company during normal business hours from 11 AM to 1 PM (IST) on all working days, up to and including the date of the AGM of the Company and will also be available for inspection at the Meeting.

**Instructions for Members of the Company for attending the AGM through VC are as under:**

1. The Members of the Company will be provided with a facility to attend the AGM through two-way VC through the Microsoft Teams system, and they may access the same through the link to be shared by the Company separately before the Meeting. The attendance of the Members of the Company attending the AGM through VC will be counted for the purpose of reckoning the quorum under Section 103 of the Act. The Notice convening the Thirteenth AGM will be uploaded on the website of the Company at [www.toyotafinance.co.in](http://www.toyotafinance.co.in)
2. Members of the Company may join the Meeting through Laptops, Smartphones, Tablets and iPads. Further, Members of the Company will be required to use the Internet with a good speed to avoid any disturbance during the Meeting.

3. Members of the Company are encouraged to submit their questions in advance with respect to the Accounts or the business to be transacted at the AGM. These queries may be submitted from their registered e-mail address, mentioning their name to reach the Company's e-mail address at [cs@tfsin.co.in](mailto:cs@tfsin.co.in) before 1.30 PM (IST) on Thursday, September 12, 2024. The designated email ID for casting vote, if demanded for poll at AGM will be [cs@tfsin.co.in](mailto:cs@tfsin.co.in).
4. Members of the Company who would like to express their views or ask questions during the AGM may pre-register themselves as a speaker by sending their request from their registered e-mail address mentioning their name at [cs@tfsin.co.in](mailto:cs@tfsin.co.in) before 1.30 PM (IST) on Thursday, September 12, 2024. Those Members of the Company who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.
5. Further, Members may join the AGM through VC facility through Microsoft Teams link to be shared separately, by following the instructions provided here. Such facility shall be kept open for the Members 15 minutes before the scheduled time of the commencement of the AGM and would be kept open 15 minutes after the meeting also.
6. Members of the Company who need assistance before or during the AGM, can contact IT Service Desk of the Company on +1-800-258-9099 / [itservicedesk@tfsin.co.in](mailto:itservicedesk@tfsin.co.in) or Mr. P B Venugopal on +91-80 4344 2800 / [cs@tfsin.co.in](mailto:cs@tfsin.co.in).

By order of the Board of Directors  
**For Toyota Financial Services India Limited**

**Sd/-**

Date: August 19, 2024  
Place: Bangalore

P B Venugopal  
**Managing Director & Chief Executive Officer**  
DIN: 10387035

**Annexure to Notice:**

**Explanatory Statements pursuant to Section 102 of the Companies Act, 2013:**

**Item no. 3:**

As per the RBI guidelines, the Company can appoint Statutory Auditors for a continuous period of a maximum of three years, subject to the firm satisfying the eligibility norms on a continuous basis. Further, the Audit Firm completing tenure of three financial years in the NBFC are not eligible to continue to hold office as Statutory Auditors of the NBFC.

Accordingly, the Members of the Company at their Tenth Annual General Meeting (AGM) held on September 28, 2021, had approved appointment of M/s. MSKA & Associates, Chartered Accountants (ICAI Firm Registration No. 105047W) as Statutory Auditors of the Company for a continuous period of three years until the conclusion of the Thirteenth AGM of the Company to be held in year 2024, in terms of the Circular issued by Reserve Bank of India (RBI) vide no. RBI/2021-22/25 Ref. No. DoS. CD.ARG/SEC.01/08.91.001/2021-22 dated April 27, 2021 ('RBI guidelines').

The tenure of appointment of M/s. MSKA & Associates, as Statutory Auditors of the Company, will come to an end at the conclusion of this AGM and they are ineligible to continue as Statutory Auditors of the Company in terms of the extant RBI guidelines.

Therefore, the Audit Committee and Board of Directors of the Company at their respective Meetings held on August 12, 2024, have proposed appointment of M/s. Price Waterhouse LLP, Chartered Accountants (ICAI Firm Registration No. 301112E/E300264) as Statutory Auditors of the Company from the conclusion of the Thirteenth AGM (this AGM) till the conclusion of the Sixteenth AGM of the Company to be held in year 2027.

As per the requirement of the Companies Act, 2013 ('the Act'), M/s. Price Waterhouse LLP, Chartered Accountants, have confirmed that the appointment, if made, would be within the limits specified under Section 141 of the Act and they are not disqualified to be appointed as Statutory Auditors under the Act and applicable rules and regulations thereunder.

Moreover, M/s. Price Waterhouse LLP, Chartered Accountants, have also confirmed their eligibility as per the RBI guidelines.

The fees payable to M/s. Price Waterhouse LLP, Chartered Accountants, shall be determined by the Board of Directors or the Audit Committee of the Board and the proposed Audit fees is INR 9 Million for the Financial Year 2024-25 including fees payable for Limited Review Reports, Regulatory Certificates and Tax Audit but excluding fees for additional certifications / new regulatory requirements, actual travelling and out of pocket expenses incurred in connection with the audit, fees for other non-audit services or certifications, taxes as applicable, during the period, with a power to the Board of Directors or the Audit Committee of Board to alter, vary and



finalize the terms and conditions of appointment and remuneration, as may be deemed necessary, including any revision in remuneration during the tenure of three years.

None of the Directors, Key Managerial Personnel and their respective relatives are in any way concerned or interested, either directly or indirectly, financially, or otherwise, in passing the Resolution at Item No. 3 of the accompanying Notice.

The Board of Directors and Audit Committee of the Board recommend the Resolution at Item No. 3 of the accompanying Notice for approval of the Members of the Company as an Ordinary Resolution.

**Item no. 4:**

On August 12, 2024, the Board of Directors have appointed Ms. Rajni Anil Mishra (DIN: 08386001) as an Additional Director of the Company effective September 10, 2024, in the capacity of Independent Director till the conclusion of the ensuing Annual General Meeting of the Company.

The Nomination and Remuneration Committee and the Board of Directors of the Company have recommended the appointment of Ms. Rajni Anil Mishra as an Independent Director in the ensuing Annual General Meeting of the Company pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013, Securities Exchange Board of India (SEBI) Regulations, RBI Regulations and other applicable laws.

The Company has also received a notice in writing under Section 160 of the Companies Act, 2013, from a Member proposing the candidature of Ms. Rajni Anil Mishra to be appointed as Director of the Company. The Company has received a declaration from Ms. Rajni Anil Mishra confirming that she meets the criteria of independence under the Companies Act, 2013, SEBI Regulations and other applicable laws and regulations.

Further, the Company has also received her consent to act as a Director in terms of Section 152 of the Companies Act, 2013 and a declaration that she is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Ms. Rajni Anil Mishra fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder, SEBI Regulation and RBI Regulations for her appointment as an Independent Director of the Company and is independent of the Management. A brief profile of Ms. Rajni Anil Mishra is given below:

Ms. Rajni Anil Mishra has done M. Com from M S University, Vadodara. She has nearly four decades of insightful experience as a Banker. She has worked for the largest public sector bank in the country, State Bank of India and in two of its erstwhile Associate banks, State Bank of Saurashtra and State Bank of Hyderabad, from November 1979 to January 2017. During her tenure, she had held various assignments in leadership roles in different offices of State Bank of India and its Associate Banks. She last served as the Chief General Manager of SBI Bangalore Circle comprising of entire Karnataka State overseeing 1000+ branches and 1 lac crore+ business. She has been instrumental in the Circle, being recognized as the top performer in Retail as well as MSME Credit growth. She facilitated the launch of the first dedicated Start up Branch of the Bank in Bangalore. She has also served as

General Manager and Secretary to the Central Board at Corporate Headquarters in Mumbai handling all the Board level Credit Committees. As a Zonal Head and as Head of large branches she has been instrumental in identifying potential areas and products for business expansion and revenue growth. As Branch Head and Regional Head, she has successfully implemented various digital and IT enabled initiatives towards improved productivity. She was a regular invitee at the SIDBI, FICCI, RBI, COWE and NABARD workshops for interacting with the industry and providing guidance and support.

The Board of Directors is of the opinion that it would be in the interest of the Company to appoint her as an Independent Director for a period of one year with effect from September 10, 2024.

Additional information in respect of Ms. Rajni Anil Mishra pursuant to the Secretarial Standards on General Meetings is provided at Annexure A to this Notice.

The draft letter of appointment of Ms. Rajni Anil Mishra setting out the terms and conditions of appointment is being made available for inspection by the Members through electronic mode.

Except Ms. Rajni Anil Mishra, none of the other Directors and Key Managerial Personnel (KMP) of the Company or their respective relatives are concerned or interested, financial or otherwise, in the resolution set out in Item No 4 of the accompanying Notice.

The Board of Directors recommends the resolution proposing the appointment of Ms. Rajni Anil Mishra as an Independent Director of the Company, as set out in Item No. 4, for approval of the Members by way of a Special Resolution.

#### **Item no. 5:**

Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Director of a Company cannot borrow money in excess of the amount of the paid-up capital of the Company and its free reserves without the approval of the Members of the Company by way of Special Resolution.

Accordingly, the Members of the Company at their Meeting held on September 26, 2023, have approved the borrowing limit of INR 225,000 Million along with separate sub-limit for borrowing from Bank/other lenders including External Commercial Borrowings (ECB).

However, considering the growing business and liquidity market opportunities, the Company propose to utilize up to the overall borrowing limit of INR 225,000 Million for availing loan / financial assistance from various from bank(s), financial institution(s) and/ or other lenders (as permitted under applicable laws) such as non-banking financial companies, corporates, in the form of term loans (short term / long term), cash credit, overdraft facility, working capital demand loan, guarantees etc., External Commercial Borrowings in Indian Rupees or equivalent thereof in any foreign currency(ies), Rupee Denominated Bonds issued outside India / overseas or otherwise or in any foreign currency(ies) as permitted by the applicable laws, by issue of Commercial Paper and by issue of Non-Convertible Debentures in one or more tranches / series, from time to time, on such terms and conditions

and with or without security, including commercial terms as may be determined by the Board of Directors on the basis of the prevailing market conditions and as may be required for the purpose of the business of the Company.

Accordingly, the Members of the Company are requested to authorize the Board of Directors of the Company to borrow in excess of the aggregate of the paid-up capital of the Company, free reserves of the Company, that is to say, reserves not set apart for any specific purpose and the securities premium, provided that such borrowings together with monies already borrowed, shall not at any point of time exceed INR 225,000 Million (Rupees Two Hundred and Twenty-Five Thousand Million only) excluding all temporary loans obtained by the Company from its bankers in the ordinary course of its business.

The borrowings of the Company are, in general, may be required to be secured by mortgage, pledge, hypothecation or other charge or encumbrances on all or any of the movable and / or immovable properties of the Company in such form, manner and ranking as may be determined by the Board of Directors of the Company, from time to time, in consultation with the lender(s). Pursuant to the provisions of Section 180(1)(a) of Companies Act, 2013, to create / modify any mortgage, pledge, hypothecation or other charge or encumbrances, from time to time, over the whole or substantially whole of the Company's undertaking including all present and future immovable and movable properties and assets of the Company whosoever situated, in favour lenders for securing loans, credits, guarantees or other facilities provided or to be provided by them to the Company and/or to secure debentures issued / to be issued by the Company and / or to secure offshore bonds (whether rupee denominated or otherwise) issued / to be issued by the Company whether in India or outside India, requires approval of the Members of the Company.

Accordingly, the consent of the Members is being sought to borrow and if required, to secure such borrowings by mortgage, pledge, hypothecation or other charge or encumbrances on any of the movable and / or immovable properties and / or the whole or any part of the undertaking(s) of the Company as set out in the Special Resolution at Item No. 5 of the accompanying Notice.

None of the Directors, Key Managerial Personnel and their respective relatives are in any way concerned or interested, either directly or indirectly, financially or otherwise, in passing Resolution Item No. 5 of the accompanying Notice.

The Board of Directors recommends the resolution set forth in Item no. 5 for the approval of the Members as a Special Resolution.

**Item no. 6:**

The Company has been raising funds by issuing redeemable Non-Convertible Debentures, secured or unsecured (hereinafter referred to as "Debt Securities"), on private placement basis, from time to time.

In terms of Section 71 which deals with the issue of debentures read with Section 42 of the Companies Act, 2013, which deals with the offer or invitation for subscription of Debt Securities of the Company on private placement basis read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company can make private placement of its Debt Securities only after receipt of prior approval of the Members of the Company by way of a Special Resolution. The Companies (Prospectus and Allotment of Securities) Rules, 2014, further provides that the said Special Resolution must be passed in respect of all offers / invitations for the Debt Securities to be issued during a year and such a Special Resolution is required to be passed every year.

Accordingly, the Members of the Company are requested to provide necessary approvals to the Board of the Company for raising funds through the issuance of Debt Securities for a period of one year, within the borrowing limits approved by the Members of the Company. The proceeds of the Issue will be utilized for eligible activities as per applicable laws and shall not be used for investment in capital markets and real estate or any other restricted purpose specified by the RBI.

The said approval shall be the basis for the Board to determine the terms and conditions of any issuance of Debt Securities by the Company including the issue price, interest, repayment, security, use of proceeds or otherwise, as it may deem expedient and to do all such acts, deeds, matters and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, for a period of one year from the date on which the Members of the Company have provided the approval by way of Special Resolution. All Debt Securities issued by the Company pursuant to such authority granted by the Members of the Company shall be priced on the basis of the prevailing market conditions and as may be approved by the Board at such time.

The Members of the Company are requested to approve the issuance of Debt Securities by the Company for a period of one year, up to INR 100,000 Million.

The Debt Securities proposed to be issued by the Company will be issued for cash either at par or premium or at a discount to face value depending upon the prevailing market conditions.

None of the Directors, Key Managerial Personnel and their respective relatives are in any way concerned or interested, either directly or indirectly, financially or otherwise, in passing the Resolution at Item No. 6 of the accompanying Notice.

The Board of Directors recommends the Resolution at Item No. 6 of the accompanying Notice for approval of the Members of the Company as a Special Resolution.

#### **Item no. 7:**

Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), inter alia, states that all Material Related Party Transactions ('RPT') shall require prior approval of the Members of the Company, even if such transaction(s) are in the ordinary course of business and at an arm's length basis. The transactions with a Related Party shall be considered material, if the

transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds INR 1,000/- Crore (10,000 Million) or 10% of the annual turnover of a listed entity as per the last audited financial statements of the listed entity, whichever is lower.

Toyota Kirloskar Motor Private Limited (TKM) is an Indian subsidiary of Toyota Motor Corporation, Japan and is one of the leading automobile manufacturers in India. TKM is a Related Party of the Company in terms of SEBI Listing Regulations and Companies Act. As part of business operations, the Company enters into various transactions with TKM with the approval of the Audit Committee and the Board. The transactions with TKM for Financial Year 2024-25 are expected to cross the materiality threshold of 10% of the annual turnover of the Company as per the last audited financial statements and hence in view of the same Resolution at item No. 7 is proposed for approval by the Members of the Company. The Company vide resolution passed in the Extraordinary General Meeting of the Company held on July 30, 2024, has obtained approval of the Members of the Company for entering into the transactions with TKM during Financial Year 2024-25 for an aggregate value of up to INR 1293.89 Million. However, considering business requirements, the Company propose to take approval for an increased amount of an aggregate value of up to INR 1,331.89/- Million for transactions with TKM during Financial Year 2024-25. The Audit Committee and the Board, after reviewing all necessary information, has granted its approval for entering into the transactions with TKM during Financial Year 2024-25 for an aggregate value of up to INR 1,331.89/- Million, for sale of cars, leasing of cars, purchase of cars, Integration Interface maintenance services, offer GFV / buy-back based financing, pay-out for disbursement of retail Loan, availing of shared services, renting of premises, procurement of Lexus cars, procurement of Toyota execution of associate agreement, intercompany transfers, renting of workstations etc. The said transaction(s) are at an arm's length basis and are in the ordinary course of business of the Company. The details of the proposed transactions with TKM including the Information pursuant to the SEBI Listing Regulations are provided at Annexure B to this notice and forms part of the Explanatory Statements.

None of the Directors, Key Managerial Personnel and their respective relatives are in any way concerned or interested, either directly or indirectly, financially or otherwise, in the Resolution at Item No. 7 of the accompanying Notice.

The Board recommends the Resolution set forth in Item no. 7 for the approval of the Members of the Company as an Ordinary Resolution.

By order of the Board of Directors  
**For Toyota Financial Services India Limited**

**Sd/-**

Date: August 19, 2024  
Place: Bangalore

P B Venugopal  
**Managing Director & Chief Executive Officer**  
DIN: 10387035

**ANNEXURE A: Details of Ms. Rajni Anil Mishra (DIN: 08386001), Director seeking appointment at the Thirteenth AGM to be held on September 13, 2024:**

Name of the Director	Ms. Rajni Anil Mishra
Date of Birth	January 23, 1957
Age	67 years 6 months
Date of First appointment on the Board	September 10, 2024
Relationship with Directors and Key Managerial Personnel	Nil
Expertise in specific functional area	Ms. Rajni Anil Mishra has nearly four decades of insightful experience as a Banker. She has worked for the largest public sector bank in the country, State Bank of India and in two of its erstwhile Associate banks, State Bank of Saurashtra and State Bank of Hyderabad, from November 1979 to January 2017. She has also served as General Manager and Secretary to the Central Board at Corporate Headquarters in Mumbai handling all the Board level Credit Committees. As a Zonal Head and as Head of large branches she has been instrumental in identifying potential areas and products for business expansion and revenue growth. As Branch Head and Regional Head, she has successfully implemented various digital and IT enabled initiatives towards improved productivity.
Qualification(s)	M. Com from M S University, Vadodara.
Number of Meetings of the Board attended during the year	Nil since there was no Board Meeting held since her appointment
Board Membership of other Companies	Four Companies as below: 1. INDO-MIM Limited 2. Cupid Limited 3. Aspinwall And Company Limited 4. Ujjivan Small Finance Bank Limited
Chairmanships / Memberships of the Committees of other public limited companies	Three as Chairperson and eleven as Member of the Committees
Number of equity shares held in the Company	Nil



**Brief profile of Ms. Rajni Anil Mishra:**

Ms. Rajni Anil Mishra has done M. Com from M S University, Vadodara. She has nearly four decades of insightful experience as a Banker. She has worked for the largest public sector bank in the country, State Bank of India and in two of its erstwhile Associate banks, State Bank of Saurashtra and State Bank of Hyderabad, from November 1979 to January 2017. During her tenure she had held various assignments in leadership roles in different offices of State Bank of India and its Associate Banks. She last served as the Chief General Manager of SBI Bangalore Circle comprising of entire Karnataka State overseeing 1000+ branches and 1 lac crore+ business. She has been instrumental in the Circle, being recognized as the top performer in Retail as well as MSME Credit growth. She facilitated the launch of the first dedicated Start up Branch of the Bank in Bangalore. She has also served as General Manager and Secretary to the Central Board at Corporate Headquarters in Mumbai handling all the Board level Credit Committees. As a Zonal Head and as Head of large branches she has been instrumental in identifying potential areas and products for business expansion and revenue growth. As Branch Head and Regional Head, she has successfully implemented various digital and IT enabled initiatives towards improved productivity. She was a regular invitee at the SIDBI, FICCI, RBI, COWE and NABARD workshops for interacting with the industry and providing guidance and support.

**ANNEXURE B: Details of proposed transactions with Toyota Kirloskar Motor Private Limited (TKM) for Financial Year 2024-25, are as follows:**

S No.	Particulars	Information																												
1	Name of Related Party	Toyota Kirloskar Motor Private Limited.																												
2	Nature of relationship	Group Company																												
3	The nature, duration of the contract and particulars of the contract or arrangement	<p>Nature of transactions: Sale of cars, leasing of cars, purchase of cars, Integration Interface maintenance services, offer GFV / buy-back based financing, pay-out for disbursement of retail loan, availing of shared services, renting of premises, procurement of Lexus cars, execution of associate agreement, intercompany transfers, renting of workstations etc.</p> <p>Duration of Transactions: Financial Year 2024-25.</p>																												
4	Whether in Ordinary Course of Business	Yes.																												
5	Whether at Arm’s Length basis	Yes.																												
6	Monetary Value / Total Amount involved	<p>Aggregate estimated value of transactions with TKM up to INR 1,331.89 Million for Financial Year 2024-25 for the following transactions: -</p> <table><thead><tr><th>Related Party Transactions FY 2024-25</th><th>Limit in INR Million *</th></tr></thead><tbody><tr><td>Sale of cars to TKM</td><td>70.00</td></tr><tr><td>Sale of cars to TUCO TKM</td><td>50.00</td></tr><tr><td>Leasing of vehicles to TKM for use by their employees</td><td>50.00</td></tr><tr><td>Purchase of Vehicles</td><td>949.60</td></tr><tr><td>Purchase of Lexus ES cars</td><td>17.00</td></tr><tr><td>Purchase of cars for employee car scheme</td><td>122.00</td></tr><tr><td>Integration interface maintenance services from TKM with regards to wholesale funding business</td><td>0.15</td></tr><tr><td>Arrangement with TKM - Offer GFV /Buy-back based financing to the customers of Toyota cars and Lexus cars</td><td>4.00</td></tr><tr><td>Pay-out for disbursement of Retail Loan</td><td>10.00</td></tr><tr><td>Availing of shared services</td><td>1.69</td></tr><tr><td>Renting of Premises from TKM for Alternate Space / Office as per “Business Continuity Management Plan”</td><td>0.20</td></tr><tr><td>Availing of valuation service from TKM through their sub-contractors</td><td>3.25</td></tr><tr><td>Transaction with TKM in connection with execution of Associate Agreement with TKM</td><td>0.00</td></tr></tbody></table>	Related Party Transactions FY 2024-25	Limit in INR Million *	Sale of cars to TKM	70.00	Sale of cars to TUCO TKM	50.00	Leasing of vehicles to TKM for use by their employees	50.00	Purchase of Vehicles	949.60	Purchase of Lexus ES cars	17.00	Purchase of cars for employee car scheme	122.00	Integration interface maintenance services from TKM with regards to wholesale funding business	0.15	Arrangement with TKM - Offer GFV /Buy-back based financing to the customers of Toyota cars and Lexus cars	4.00	Pay-out for disbursement of Retail Loan	10.00	Availing of shared services	1.69	Renting of Premises from TKM for Alternate Space / Office as per “Business Continuity Management Plan”	0.20	Availing of valuation service from TKM through their sub-contractors	3.25	Transaction with TKM in connection with execution of Associate Agreement with TKM	0.00
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		Transaction with TKM in connection with ICT 6.00 Transaction with TKM in connection with ICT 27.00 Transaction with TKM in connection ICT - outward 0.00 Transaction with TKM in connection with ICT – outward 16.00 Transaction with TUCO in connection with renting of workstations 5.00 * Limit is subject to modification by the Board / ACB as per business requirements within the aggregate overall limit of INR 1,331.89 Million for FY 2024-25.
7	Justification as to why the RPT is in the interest of the listed entity	TKM is an Indian subsidiary of Toyota Motor Corporation, Japan and is one of the leading automobile manufacturers in India. TKM is a Group Company of Toyota and the transactions with TKM will be in the best interest of the Company considering business opportunity, synergy, cost effectiveness, ease of business, mutual support, and collaboration. The transactions are in ordinary course of business and at arm's length basis.
8	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided)	12.73% (Basis turnover of Financial Year 2023-24).
9	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary the details to be provided as specified in the regulation	No
10	Where any director is interested in any contract or arrangement with a related party,	None of the Director or Key Managerial Personnel is interested
11	Valuation and other Reports etc.	Nil
12	Any other information that may be relevant	All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013, forming part of this Notice.