

February 13, 2023

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: Independent Auditor's Report on maintenance of Security Cover including compliance with all the financial covenants in respect of non-convertible debt securities issued by Toyota Financial Services India Limited as of December 31, 2022

Kindly find attached the disclosures pursuant to Regulations 54(2) and 54(3) of the SEBI LODR and the Independent Auditor's Report on maintenance of Security Cover including compliance with all the financial covenants in respect of non-convertible debt securities issued by Toyota Financial Services India Limited as of December 31, 2022.

You are requested to kindly take the same on record.

Thanking You,

Yours Sincerely,

For Toyota Financial Services India Limited,

Nithya Prabhu R Company Secretary and Compliance Officer ICSI Membership No: F9087

Enclosure(s): As above

# MSKA & Associates Chartered Accountants

HO 602, Floor 6, Raheja Titanium Western Express Highway, Geetanjali Railway Colony, Ram Nagar, Goregaon (E) Mumbai 400063, INDIA Tel: +91 22 6238 0519

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

Independent Auditor's Report on maintenance of Security Cover including compliance with all the financial covenants in respect of non-convertible debt securities issued by Toyota Financial Services India Limited as at December 31, 2022.

- 1. This report is issued in accordance with the terms of our Engagement Letter dated September 26, 2022.
- The accompanying Statement of compliance showing 'Security Cover as per the terms of offer document/ Information Memorandum and/or Debenture Trust Deed and compliance with Financial Covenants' for Secured Non-Convertible Debentures (NCD's) issued by Toyota Financial Services India Limited (the "Company") which were outstanding as at December 31, 2022 (the "Statement"), is prepared by the Management of the Company for the purpose of submission to Vistra ITCL India Limited (the "Debenture Trustee"), as per the terms of the offer document/ Information memorandum and/ or Debenture Trust Deed as at December 31, 2022, in accordance with terms of Securities And Exchange Board Of India (the "SEBI") SEBI/HO/MIRSD/MIRSD\_CRADT/CIR/P/2022/67 dated May 19, 2022 (hereinafter referred as the "SEBI Circular") and in accordance with terms of regulation 56(1)(d) of the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred as the "SEBI Regulations").

### Management's Responsibility

- 3. The Management of the Company is responsible for the maintenance of the Security Cover and compliance with the covenants of debt securities, including the preparation of Statement and preparation and maintenance of all accounting and other records and documents supporting such compliance. This responsibility includes the design, implementation, and maintenance of internal control relevant to such compliance with the SEBI Regulation and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
- 4. The Company's management is also responsible for preparation and maintenance of covenants list and compliance with such covenants on a continuous basis as per the debenture trust deed and to ensure compliance with the requirements of Debenture Trust Deed and provide all relevant information to the debenture trustees.
- 5. The Management is also responsible for ensuring that the Company complies with the requirements of the Companies Act, 2013, Securities and Exchange Board of India Act, 1992, SEBI Regulations and other relevant circulars, guidelines and regulations as applicable to the Company and for providing all relevant information to the SEBI.

### **Auditor's Responsibility**

6. Pursuant to the requirements of the SEBI Regulations and SEBI Circular, it is our responsibility to obtain limited assurance and report whether the book value of assets charged against the Secured Non-Convertible Debentures (NCDs) issued by the Company mentioned in the accompanying Statement are in agreement with the unaudited books and records maintained by the Company for the period ended December 31, 2022 produced for our examination including the compliance with all the financial covenants as mentioned in the Debenture Trust Deed.

### MSKA & Associates

Chartered Accountants

- 7. For the purpose of the report we have performed the following procedures:
  - a. Traced and agreed the principal amount of the listed NCDs outstanding as at December 31, 2022 on a test check basis.
  - b. Verified the Security Cover details as per the Debenture Trust Deed/ Information Memorandum and the unaudited books and records of the Company on a test check basis;
  - c. arithmetically re-computed the Security Cover ratio as computed in the Statement;
  - d. Verified the charge creation forms filed with the Ministry of Corporate Affairs on a test check basis;
  - e. Verified the Financial covenants on a test check basis as per the Debenture Trust Deed/ Information Memorandum and the term sheet of NCD's issued by the Company; and
  - f. Obtained written representations from the Management in this regard.
- 8. The books and records referred to in paragraph 6 above are subject to audit pursuant to the requirements of the Companies Act, 2013.
- 9. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, as mentioned in paragraph 7 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
- 10. We conducted our examination of the Statement in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India (the "ICAI") (the "Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
- 11. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Conclusion

12. Based on the procedure performed by us as mentioned in paragraph 7 above and, to the best of our knowledge and according to the information, explanations and representation given to us, nothing has come to our attention that causes us to believe that the book value of assets charged against the Secured Non-Convertible Debentures (NCDs) issued by the Company mentioned in the accompanying Statement are not in agreement with the unaudited books and records maintained by the Company for the period ended December 31, 2022 produced for our examination including the compliance with all the financial covenants as mentioned in the Debenture Trust Deed.

### Restriction on Use

13. This report is addressed to the Board of Directors of the Company, pursuant to our obligations under the Engagement Letter for onward submission of this report to the Debenture Trustee as per the SEBI Regulation and SEBI Circular and should not be used by any other person or for any other purpose. M S K A & Associates shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment.

## MSKA & Associates

**Chartered Accountants** 

14. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this Report is shown or into whose hands it may come without our prior consent in writing.

For MSKA& Associates

**Chartered Accountants** 

ICAI Firm Registration Number: 105047W

Swapnil Subhash

Digitally signed by Swapnil Subhash Kale Date: 2023.02.13 15:01:57 +05'30'

Kale

Swapnil Kale Partner

Membership Number: 117812 UDIN:23117812BGXQKP3108

Mumbai

February 13, 2023



FINANCIAL SERVICES Statement of maintenance of Asset Cover and compliance with specific covenants as on December 31, 2022, for the Non-Convertible Debenture (NCD)

A. SECURITY COVER CERTIFICATE	OVER CERTIF	ICATE										Rsin	Rs in Million	
Column A	Column B	Column C	Column D	Column E	Column F	Column	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
		Exclusive Charge	Exclusive		Fari- Passu Charge	Pari- Passu Charge	Assets not offered as Security	Eliminati on (amount in negative)	(Total C to H)		Related to only 1	those items cover	Related to only those items covered by this certificate	
Particulars	Descriptio n of asset for which this certificate relate	Debt for which this certificate being issued <sup>(4)</sup>	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder 'includes debt for which this certificate is issued & other debt with paripassu charge)	Other assets on which there is partipassu charge (exclud ing items covere d in column		debt amount considered more than once (due to exclusive plus pari passu charge)		Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value (=K+L+M+ N)
		Book Value	,	Yes/ No	Book Value	Book Value	Book Value					Relating	Relating to Column F	
ASSETS														
Property, Plant and Equipment							440.28		440.28					0.30
Capital Work-in-							0.00		0.00					0.30
Progress														
Right of Use Assets							21.54		21.54					00:00
Goodwill							00.0		0.00					00:0
Intangible Assets							135.01		135.01					00:00
Intangible Assets under							16.60		16.60		100	Service.		0.00



**TOYOTA FINANCIAL SERVICES INDIA LIMITED** 

dia Lin

Bangalore |

Euia

Registered Office: No. 21, Centropol s, First Floor, 5th Cross, Langroru nodu, Silving to Service of the Servic

<b>V</b> 0		0.00	25,700.64	000	0.00	0.00	0.00	00 0	25,700.64		23,361.04	0.00	0.00
TOYOTA FINANCIAL SERVICES									0.00				
FINANCI									0.00				SETVICES
			25,700.64						25,700.64		23,361.04		
									0.00				
		2,528.82	79,082.48	0.00	29.37	1,077.19	0.00	2,085.16	85,416.45		23,361.04	0.00	983.50
									0.00				
		2,528.82	53,381.84	0.00	29.37	1,077.19	0.00	2,085.16	59,715.81		i ä	£	983.50
									0.00				
									0.00			ď	
									0.00				
									0.00				
			25,700.64						25,700.64		23,361.04		
			Loans Receivabl es on Gross Basis (i.e. excluding ECL Provision)										
	Developmen t	Investments	Loans <sup>(1)</sup>	Inventories	Trade Receivables	Cash and Cash Equivalents	Bank Balances other than Cash and Cash	Others	Total	LIABILITIES	Debt securities to which this certificate pertains <sup>(2)</sup>	Other debt sharing pari- passu charge with above debt	Other Debt



# TOYOTA FINANCIAL SERVICES INDIA LIMITED

dia Lim

E Bangalore

Registered Office: No. 21, Centropolis, First Floor, 5th Cross, Langford Road, Shanti Nagar, Bangalore - 560 025 P: +91 80 4344 2800 | F: +91 80 4344 2930 | Info@toyotafinance.co.in | www.toyotafinance.co.in | CIN: U74900KA2011FLC058752



Cubordinato										LINAIN	FINANCIAL SERVICES	Ŋ
d debt						<u></u>		00.00				0.00
Borrowings												
Bank						41,472.51		41,472.51				00.0
Debt-								000				
Securities												00:00
Others						Ò		0.00				0.00
Trade payables						577.87		577.87				0.00
Lease Liabilities						24.56		24.56				0.00
Provisions <sup>(1)</sup>						3,102.76		3,102.76				0.00
Others <sup>(5)</sup>						40.27		40.27				0.00
Total	23,361.04			<b>(4)</b>	ă.	46,201.47	:00	69,562.51	23,361.04		5	23,361.04
Cover on												
Book Value <sup>(6)</sup>	1.10								1.10			1.10
Cover on												
Market												
Value												
	Exclusive Security	Security	<b>Q.</b>	Pari-Passu Security	curity							
		- Agric		במענו ממו								

Loan Receivables are considered on Gross basis and ECL provision of Rs. 2,996.47 million., are considered in liabilities for the purpose of computation of the asset

Debt securities to which this certificate pertains includes Principal Outstanding + Interest Accrued - IND AS Adjustment and inclusive of unlisted secured NCD.

The amount has been extracted from the unaudited financial results for nine month ended December 31, 2022.

This column includes book value of loans and receivables having exclusive charge and outstanding book value of debt for which this certificate is issued.

5. Other doesn't include equity share capital & other equity.

As per deed of hypothecation, the requirement of Security Coverage is 1 time of the outstanding NCD. However, presently the Company is maintaing at 1.10 times



dia Lin

Bangalore

FINANC

- TOYOTA FINANCIAL SERVICES INDIA LIMITED

P: +91 80 4344 2800 | F: +91 80 4344 2930 | info@toyotafinance.co.in | www.toyotafinance.co.in | CIN: U74900KA2011FLC058752 Registered Office: No. 21, Centropolis, First Floor, 5th Cross, Langford Road, Shanti Nagar, Bangalore - 560 025



# B. Compliance of all the covenants/terms of the issue in respect of listed debt securities of the listed entity:

We confirm that the covenants/terms of the issue of the listed debt securities (NCD's) have been complied by Toyota Financial Services India Limited except as stated below:

NIL (complied with all applicable covenants)

For Toyota Financial Services India Limited,

dia Lin Bangalore PINAnc **ANURAM VASDANI** 

Dated: February 13, 2023

CFO

Place: Bangalore