

26th June 2023

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001.
Scrip code: 532343

National Stock Exchange of India Ltd.,
Exchange Plaza, 5th Floor,
Bandra-Kurla Complex,
Bandra (E), Mumbai 400 051.
Scrip code: TVSMOTOR

Dear Sir/Madam,

Sub: Submission of Annual Report for the FY 2022-23 under Regulations 34 and 53(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulations 34 and 53(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of the Company for the FY 2022-23.

The copy of the Annual Report is also available on the website of the Company viz., www.tvsmotor.com.

Kindly acknowledge receipt.

Thanking You,
Yours truly,

For TVS MOTOR COMPANY LIMITED

K S Srinivasan
Company Secretary

Encl :a/a

TVS MOTOR COMPANY LIMITED
31ST ANNUAL REPORT
2022-23





YAMAHA



The launch of the new TVS Raider SMARTXONNECT™ TFT variant took place in the virtual world of TVS Motoverse, making it the first motorcycle ever to be launched in the metaverse.



TVS MOTOR COMPANY LIMITED

Board of Directors	<p>PROF. SIR RALF DIETER SPETH <i>Chairman</i></p> <p>VENU SRINIVASAN <i>Chairman Emeritus & Managing Director</i></p> <p>SUDARSHAN VENU <i>Managing Director</i></p> <p>K.N. RADHAKRISHNAN <i>Director & CEO</i></p> <p>C. R. DUA</p> <p>R. GOPALAN</p> <p>LALITA D. GUPTA</p> <p>T. KANNAN *</p> <p>KUOK MENG XIONG</p> <p>HEMANT KRISHAN SINGH</p> <p>B SRIRAM</p> <p>DR. LAKSHMI VENU</p>
Audit Committee	<p>R. GOPALAN, <i>Chairman</i></p> <p>C. R. DUA</p> <p>T. KANNAN *</p>
Nomination and Remuneration Committee	<p>C.R. DUA, <i>Chairman</i></p> <p>T. KANNAN *</p> <p>KUOK MENG XIONG</p> <p>LALITA D. GUPTA [Effective 25.05.2023]</p>
Risk Management Committee	<p>T. KANNAN *</p> <p>SUDARSHAN VENU</p> <p>K.N. RADHAKRISHNAN</p> <p>LALITA D. GUPTA</p> <p>HEMANT KRISHAN SINGH</p> <p>K. GOPALA DESIKAN</p>
Stakeholders' Relationship Committee	<p>HEMANT KRISHAN SINGH, <i>Chairman</i></p> <p>VENU SRINIVASAN</p> <p>SUDARSHAN VENU</p> <p>C.R. DUA</p> <p>LALITA D. GUPTA</p>
Corporate Social Responsibility Committee	<p>VENU SRINIVASAN, <i>Chairman</i></p> <p>T. KANNAN *</p> <p>R. GOPALAN</p>
Chief Financial Officer	K. GOPALA DESIKAN
Company Secretary	K.S. SRINIVASAN
Statutory Auditors	<p>V. SANKAR AIYAR & Co., Chartered Accountants, 2-C, Court Chambers, 35 New Marine Lines, Mumbai - 400 020. Tel. : 022-22004465 E-mail : mumbai@vsa.co.in</p>
Cost Auditor	<p>A.N. RAMAN Cost Accountant, No. 10 P, Muthukumaraswami Salai, Off. Baby Nagar 1st Main Road, Velachery, Chennai - 600 042. Tel. 044-22433462 E-mail : anraman@gmail.com</p>

Secretarial Auditors	<p>S. KRISHNAMURTHY & CO., Company Secretaries, No. 16, Pattammal Street, Mandaveli, Chennai - 600 028. Tel. : 044-42074012 E-mail : skco.cs@gmail.com</p>
Shares listed with	<p>BSE Ltd., Mumbai. National Stock Exchange of India Ltd., Mumbai.</p>

Bankers
STATE BANK OF INDIA
Corporate Accounts Group Branch, Chennai.

Registered Office
"Chaitanya" No. 12, Khader Nawaz Khan Road,
Nungambakkam, Chennai 600 006, Tamil Nadu, India
Tel : 044-28332115 Fax : 044- 28332113
CIN No. L35921TN1992PLC022845
E-mail: contactus@tvsmotor.com
Website: www.tvsmotor.com

Share Transfer Agent
Integrated Registry Management Services Private Limited
2nd Floor, Kences Towers, No. 1, Ramakrishna Street,
North Usman Road, T Nagar, Chennai-600 017
Tel: 044-2814 0801-03; Fax: 044-2814 2479
Email:corpserv@integratedindia.in, srirams@integratedindia.in

Plant Locations

1. Post Box No. 4, Harita, Hosur - 635 109, Tamil Nadu, India.
Tel : 04344 - 276780
2. Post Box No. 1, Byathahalli Village,
Kadakola Post, Mysuru - 571 311, Karnataka, India.
Tel : 0821 - 2596561
3. Bhatian Village, Bharatgarh Road, Teh. Nalagarh,
Solani District - 174 101, Himachal Pradesh, India.
Tel : 01795 - 220492/93

Subsidiary Companies
Sundaram Auto Components Limited
TVS Housing Limited
TVS Motor Services Limited
TVS Credit Services Limited
TVS Electric Mobility Limited
TVS Motor (Singapore) Pte. Limited, Singapore
The Norton Motorcycle Co Limited, United Kingdom
TVS Motor Company (Europe) B.V., Amsterdam
PT TVS Motor Company Indonesia, Jakarta
Swiss E-Mobility Group (Holding) AG, Switzerland
The GO Corporation, Switzerland
TVS Digital Pte. Ltd, Singapore

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* Demise on 23.05.2023

Financial Highlights

Rupees in crores

Details	IGAAP		Ind AS							
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Sales & other income [@]	8,694	10,788	12,195	13,363	15,618	18,217	16,455	16,784	20,810	26,479
Profit before interest, depreciation, amortisation and tax *	536	669	914	1,030	1,274	1,441	1,378	1,462	1,981	2,775
Profit before tax *	355	456	629	699	879	961	787	826	1,243	2,003
Exceptional / Extraordinary Items	(3)	-	-	-	-	-	(32)	-	(30)	-
Profit after tax	262	348	489	558	663	670	592	612	894	1,491
Net fixed assets	1,174	1,419	1,751	2,046	2,503	2,837	3,185	3,289	3,731	4,224
Share capital	47.51	47.51	47.51	47.51	47.51	47.51	47.51	47.51	47.51	47.51
Reserves and surplus	1,368	1,598	1,911	2,361	2,833	3,300	3,571	4,123	4,775	6,000
Net worth	1,416	1,646	1,959	2,409	2,881	3,348	3,619	4,171	4,822	6,048
Total borrowings	528	970	924	1,107	1,189	1,400	2,022	1,106	1,601	2,245
Earnings per share (₹)	5.51	7.32	10.30	11.75	13.95	14.11	12.47	12.88	18.81	31.38
Dividend per share (₹)	1.40	1.90	2.50	2.50	3.30	3.50	3.50	3.50	3.75	5.00
Book value per share (₹)	29.81	34.65	41.23	50.71	60.64	70.47	76.18	87.79	101.50	127.30
Operating EBITDA (%)	6.35	6.36	7.29	7.06	7.74	7.87	8.19	8.53	9.44	10.14
Profit before tax* / Turnover (%)	4.10	4.24	5.20	5.30	5.66	5.28	4.79	4.93	5.98	7.59
Return on capital employed (%)	18.88	20.27	23.24	21.67	24.61	23.55	16.62	17.15	20.68	25.25
Return on net worth (%)	19.82	22.73	27.15	25.56	25.06	21.52	17.01	15.72	19.87	27.43

Notes:

[@] Sales includes Excise duty upto June 2017.

* Figures stated are before exceptional and extraordinary items.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 31st Annual General Meeting of the Company (AGM) will be held on Monday, the 24th July 2023 at 3.30 P.M. [Indian Standard Time (IST)] through Video Conferencing / Other Audio Visual Means to transact the following businesses:

ORDINARY BUSINESS

- To consider passing the following resolution as an ordinary resolution:
"RESOLVED THAT the standalone and consolidated audited financial statements for the year ended 31st March 2023, together with the Board's Report and the Auditors' Report thereon as circulated to the Members and presented to the meeting be and are hereby approved and adopted."
- To consider passing the following resolution as an ordinary resolution:
"RESOLVED THAT Prof. Sir Ralf Dieter Speth (holding DIN 03318908), Director, who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company."
- To consider passing the following resolution as an ordinary resolution:
"RESOLVED THAT Mr Sudarshan Venu (holding DIN 03601690), Director, who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company."
- To consider passing the following resolution as an ordinary resolution:
"RESOLVED THAT pursuant to Sections 139, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (including any statutory modification(s) or re-enactment(s) thereof) and based on the recommendations of the Audit Committee and the Board of Directors, M/s Sundaram & Srinivasan, Chartered Accountants, Chennai, having Firm Registration No.004207S allotted by The Institute of Chartered Accountants of India, who have confirmed their eligibility and have also given their consent for appointment as

Statutory Auditors in terms of Sections 139 and 141 of the Companies Act, 2013 and applicable rules thereunder, be and are hereby appointed as Auditors of the Company for a term of five consecutive years to hold office from the conclusion of this (31st) Annual General Meeting till the conclusion of the 36th Annual General Meeting of the Company, in place of the retiring auditors M/s V. Sankar Aiyar & Co, Chartered Accountants, who hold such office till the conclusion of the 31st Annual General Meeting, on such remuneration as may be approved by the Board of Directors on the recommendation of the Audit Committee, from time to time during their tenure of appointment, in addition to applicable taxes and reimbursement of travelling and other out of pocket expenses incurred by them.

RESOLVED FURTHER THAT the Board of Directors and Audit Committee thereof, be and are hereby authorized to decide and finalize the terms and conditions of appointment, including remuneration of the Statutory Auditors and to do all such acts as may be necessary, proper and expedient to give effect to this resolution."

SPECIAL BUSINESS

- To consider passing the following resolution as an ordinary resolution:
"RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) remuneration of ₹ 8,00,000/- (Rupees eight lakhs only) plus applicable taxes and reimbursement of travelling and other out of pocket expenses incurred by them, payable to M/s C S Adawadkar & Co, Practicing Cost Accountants, having Firm Registration No. 100401 allotted by The Institute of Cost Accountants of India, who were appointed as Cost Auditors of the Company for the financial year ending 31st March 2024 by the Board of Directors of the Company, as recommended by the Audit Committee be and is hereby ratified."

By order of the Board of Directors

Chennai
4th May 2023K S Srinivasan
Company Secretary

Notes:

A Statement pursuant to Section 102 of the Companies Act, 2013 (the Act, 2013), setting out the material facts in respect of the special business to be transacted at the Annual General Meeting (AGM), as listed out in the Notice, is annexed hereto.

- Pursuant to the MCA Circular No. 10/2022 dated 28th December 2022 read with MCA Circulars No. 2/2022 and 20/2020 dated 5th May 2022 and 5th May 2020 respectively, issued by the Ministry of Corporate Affairs

(MCA) and all other relevant circulars issued from time to time, and SEBI Circulars No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 and SEBI/HO/CFD/CMD2/CIR/P/2021/697 dated 5th January 2023 and 22nd December 2021 respectively, issued by the Securities and Exchange Board of India (SEBI) and in compliance with the provisions of the Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), physical attendance of the

Members is not required at a common venue and AGM can be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the Circular No. 14/2020 dated 8th April, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives as Members to attend the AGM through VC/OAVM and participate and cast their votes through e-Voting.
3. The Members can join the AGM through VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1000 members on "first come first served" basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of "first come first served" basis.
4. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act, 2013.
5. Pursuant to the provisions of Section 108 of the Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the Listing Regulations, and the Circulars issued by the Ministry of Corporate Affairs dated 5th May, 2020, the Company is providing facility of remote e-Voting to its Members in respect of the business as to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as voting at the meeting will be provided by NSDL.
6. In line with MCA Circular No. 17/2020 dated 13th April, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.tvsmotor.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the remote e-Voting facility) i.e. www.evoting.nsdl.com.
7. AGM has been convened through VC / OAVM in compliance with applicable provisions of the Act, 2013,

read with Circulars issued by MCA and SEBI from time to time and the Company will provide one-way live webcast of the proceedings of the AGM, in terms of Regulation 44 of the Listing Regulations, being one of the top 100 listed Companies as at 31st March 2023.

Unclaimed Dividend

8. In terms of Section 124 of the Act, 2013, the dividend declared by the Company, for earlier years, which remain unclaimed for a period of seven years will be transferred on due dates to the Investor Education and Protection Fund (IEPF), established by the Central Government. The particulars of due dates for transfer of such unclaimed dividends to IEPF are furnished in the Report on Corporate Governance, forming part of the Annual Report.
9. Members who have not encashed their dividend warrants in respect of the above period are requested to make their claim(s) by surrendering the un-encashed warrants immediately to the Company.

Pursuant to The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is providing / hosting the required details of unclaimed amount referred to under Section 124 of the Act, 2013 on its website and also on the website of MCA viz., www.iepf.gov.in.

General

10. With a view to serve the Members better and for administrative convenience, Members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings into one folio.
11. Members may also note that the Annual Report will also be available on the Company's website viz., www.tvsmotor.com for their download.

Members holding shares in electronic form

12. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members are requested to submit their PAN to the Depository Participant(s) (DP) with whom they are maintaining their demat accounts.
13. Members are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC, Mandates, Nominations, Power of Attorney, Change of Address / Name / e-mail Address / Contact Numbers, etc., to their DP.
14. Electronic copy of the Annual Report and the Notice of the AGM *inter-alia* indicating the process and manner of e-Voting are being sent to all the Members whose e-mail IDs are registered with the Company / DPs for communication purposes.

Members holding shares in physical form

15. Members can submit their PAN details to the Company/ Share Transfer Agent (STA).
16. Members are requested to intimate all changes pertaining to their bank details such as bank account number, name of the bank and branch details, MICR code and IFSC, Mandates, Nomination as per Section 72 of the Act, 2013 by filling Form SH-13, Power of Attorney, Change of Address / Name / e-mail Address / Contact Numbers, etc., with the Company / STA. Blank forms (SH-13) will be sent by e-mail.
17. Members holding shares in physical form, in their own interest, are requested to dematerialize the shares to avail the benefits of electronic holding / trading.

Voting

18. The businesses set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. The Members may cast their votes using electronic voting system from a place other than the venue of the meeting ('remote e-Voting').
19. In case of joint holders attending AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
20. In terms of Section 108 of the Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, ('the Rules') and Regulation 44 of the Listing Regulations, the Company has provided facility to exercise votes through electronic voting system to the Members holding shares as on 17th July 2023 being the "Cut-off Date" ("Cut- Off" for the purpose of Rule 20(4)(vii) of the Rules) fixed for determining voting rights of the Members entitled to participate in the remote e-Voting process through the platform provided by NSDL viz., www.evoting.nsdl.com.

The voting rights of the Members / Beneficial Owners will be reckoned on the Equity Shares held by them as on Cut-off date. Members as on the Cut-off date only shall be entitled to avail the facility of remote e-Voting or voting at the meeting.

The instructions for remote e-Voting and voting at the meeting are as under:

The remote e-Voting period begins on 21st July 2023 at 9:00 A.M. (IST) and ends on 23rd July 2023 at 5:00 P.M. (IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Members who have not cast their vote on any of the resolutions using

the remote e- Voting facility can vote on those resolutions during the AGM. Once the vote on a resolution is cast by the Member, the member shall not be allowed to change it subsequently.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:





Step 1: Access to NSDL e-Voting system

- A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

In terms of SEBI Circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL <i>(continued)</i>	<p>www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p>NSDL Mobile App is available on</p> <p> </p> <p> </p>
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.</p> <p>2. After successful login of Easi/Easiest the user will also be able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4. Alternatively, the user can directly access e-Voting page by providing</p>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL <i>(continued)</i>	demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>

www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file.

Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email IDs are not registered.**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details / Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC / OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to sriram.krishnamurthy@rediffmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to NSDL official at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user ID and password and registration of e mail ids for e-Voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) by email to corpse@integratedindia.in
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAAR (self attested scanned copy of AADHAAR Card) to corpse@integratedindia.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-Voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
- ii. Only those Members / shareholders, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- iii. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- iv. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

- i. Members will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for access to NSDL e-Voting system. After successful login, Members can see link of "VC/OAVM link" placed under "Join General meeting" menu against the Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC / OAVM will be available in shareholder / members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- ii. Members are encouraged to join the Meeting through Laptops for better experience.
- iii. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

- iv. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker and send their request mentioning their name, demat account number / folio number, email ID, mobile number at srinivasan.ks@tvs-motor.com from 19th July 2023 (9.00 A.M. (IST)) to 21st July 2023 (5.00 P.M. (IST))
- vi. Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- vii. Members can submit questions with regard to the financial statements or any other matter to be placed at the AGM, from their registered e-mail address, mentioning their name, DP ID and Client ID number / folio number and mobile number, to reach the Company's e-mail address srinivasan.ks@tvs-motor.com at least 48 hours in advance before the start of the meeting. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail sriram.krishnamurthy@rediffmail.com with a copy marked to evoting@nsdl.co.in
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.
4. Mr K Sriram, Practicing Company Secretary (Membership No. 2215), has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and casting vote through the e-Voting system during the meeting in a fair and transparent manner.

5. In case of any queries, Members may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 2244 30 and send a request to NSDL official, Ms. Pallavi Mhatre Manager at evoting@nsdl.co.in.
6. The Scrutinizer shall after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such report shall then be sent to the Chairman or a person authorized in this regard, within 48 (forty eight) hours from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.
7. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.tvs-motor.com and on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to BSE Limited, Mumbai and The National Stock Exchange of India Limited, Mumbai.
8. Pursuant to the Circulars issued by MCA and SEBI, the Notice of the AGM and the Annual Report for the year 2022-23, are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the AGM and the Annual Report for the year 2022-23 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:
 - a) For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAAR) supporting the registered address of the Member, by email to the Company's email address corpse@integratedindia.in.
 - b) For Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

Further, as per Regulation 36 (1) (c) of the Listing Regulations, hard copy of the full annual report will be given to those shareholders who request for the same.

9. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the shareholders w.e.f. 1st April

2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at rates prescribed in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company by sending email to the Company's email address corpserv@integratedindia.in alongwith the documents as stated in Para No. 8.

10. In order to receive dividend/s in a timely manner, Members holding shares in physical form who have not updated their mandate for receiving the dividends directly in their bank accounts through Electronic Clearing Service or any other means ("Electronic Bank Mandate"), can register their Electronic Bank Mandate to receive dividends directly into their bank account electronically or any other means, by sending scanned copy of the following details / documents by email to reach the company's email ID srinivasan.ks@tvsmotor.com or the email ID of STA corpserv@integratedindia.in.

- a. Signed request letter mentioning your name, folio number, complete address and following details relating to bank account in which the dividend is to be received:
 - i. Name and Branch of Bank and Bank Account type;
 - ii. Bank Account Number allotted by your bank after implementation of Core Banking Solutions;
 - iii. 11 digit IFSC Code;
 - iv. Self-attested scanned copy of cancelled cheque bearing the name of the Member or first holder, in case shares are held jointly;
 - v. Self-attested scanned copy of the PAN Card; and
 - vi. Self-attested scanned copy of any document (such as AADHAAR Card, Driving Licence, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.
- b. For the Members holding shares in demat form, please update your Electronic Bank Mandate through your Depository Participant/s.

11. In accordance with the provisions of Article 66 of the Articles of Association of the Company, Prof. Sir Ralf Dieter Speth and Mr. Sudarshan Venu, Directors are liable for reappointment; and

12. In terms of the Regulation 36(3) of the Listing Regulations, read with Secretarial Standards on General Meeting, brief profile of the Directors, who are proposed to be re-appointed in this AGM, nature of their expertise in specific functional areas, other Directorships and Committee Memberships, their shareholding and relationship with other Directors of the Company alongwith listed entities from which the Director has resigned in the past three years are provided below:

Prof Sir Ralf Dieter Speth

Prof Sir Ralf Dieter Speth, aged 67 years, (DIN 03318908), Chairman and Non-Executive Director of the Company holds a Doctorate Degree in Engineering and is a Professor at the University of Warwick, United Kingdom.

Sir Ralf started his professional career with BMW where he stayed for 20 years before joining Ford Motor Company's Premier Automotive Group (PAG) and later Linde Group, the international gases, materials handling and engineering company.

In early 2010, Prof. Sir Ralf Dieter Speth became Chief Executive Officer, Jaguar Land Rover(JLR), and a member on Tata Motors' Board later that year.

In 2016, he was appointed as a member of the Supervisory Board of Tata Sons Ltd. Sir Ralf was nominated as a Non-Executive Director and Vice-Chairman of the JLR Board following his retirement in September, 2020.

He has been a member of the Royal Academy of Engineering since 2014. In 2015, he was appointed Honorary Knight of the British Empire (KBE) and in 2019 as Additional Knight Commander of the Most Excellent Order of the British Empire. In 2020, Sir Ralf was elected a Fellow of the Royal Society.

Sir Ralf has been bestowed with many awards and has spearheaded noteworthy initiatives in the automobile industry.

Recently, in January 2023, Sir Ralf, was conferred with an Honorary Doctorate in the field of Science (Doctor of Science, honoris causa) from the University of Warwick, United Kingdom.

He does not hold any share in the Company. He did not receive any remuneration except sitting fees of ₹ 2.20 lakhs during the year 2022-23. He was appointed as a Director on 24th March 2021. He is not related to any Directors and Key Managerial Personnel of the Board. He has resigned from Tata Motors Limited in October 2020. He has attended all the six Board Meetings held during the year 2022-23. He doesn't hold any committee membership in any company.

Details of his other Directorships are given below:

S. No.	Name of the Company	Position held
1.	Tata Sons Private Limited	Director
2.	TVS Electric Mobility Limited	Chairman
3.	Jaguar Land Rover Automotive plc., UK	Director
4.	FEV Group GmbH, Aachen	Director
5.	HambergerIndustriewerke GmbH, Rosenheim	Director
6.	Pegasus Digital Mobility	CEO and Chairman
7.	Swiss E-Mobility Group (Holding) AG	Chairman
8.	Swiss E-Mobility Group (Schweiz) AG	Chairman
9.	The Norton Motorcycle Co. Limited, UK	Director

Profile of Mr Sudarshan Venu

Mr Sudarshan Venu, aged 34 years, (DIN 03601690), Managing Director of TVS Motor Company Limited, holds a Graduate Degree with Honors in the Jerome Fisher Program in Management and Technology from the University of Pennsylvania, USA. He holds B.S. in Mechanical Engineering from the School of Engineering and Applied Sciences and B.S. in Economics from the Wharton School. He has also completed M.Sc. in International Technology Management from the Warwick Manufacturing Group attached to University of Warwick in U.K.

Mr Sudarshan Venu, being an automotive enthusiast, grew up amidst the roar of engines in India's oldest factory racing team. Driven by passion, he has motorbiked in five continents. These experiences suit him well, as he charts the future of one of India's leading two-wheeler manufacturers, TVS Motor Company. With his active intervention, TVS Motor has already seen a turnaround in its market share and has been the Most Awarded Two - Wheeler Company. It is a testimony to his focus, that TVS Motor has been voted No. 1 in Customer Satisfaction for four years in a row by the prestigious J.D. Power Awards.

Under Mr. Sudarshan Venu's leadership TVS Motor Company has acquired the iconic British brand Norton in Year 2020 with the vision of regaining Norton brand to its full glory in the international motorcycle landscape. He has been instrumental in steering the company with the broader sustainability agenda through electrification of its products, iQube - the first electric scooter launched in January 2020 and in building a strategic Personal e-Mobility eco-system through acquisition of Ego Movement- a swiss tech company providing e-mobility solutions. Mr. Sudarshan Venu has also played a pivotal role in TVS Motor Company's growth through expansion to new geographies in Africa, ASEAN & Latam.

He also has been instrumental in setting up and in the success of Emerald Haven Realty Ltd, TVS Credit Services - a non-deposit Non-Banking Finance Company and TVS Digital, a subsidiary of TVSM incorporated in Singapore, focused on providing technology solutions for digital transformation.

In addition to his role as Managing Director of TVS Motor Company Limited, he is also Chairman of TVS Credit Services Limited and Director in Sundaram-Clayton Limited, TVS Electric Mobility Limited, TVS Motor Singapore Pte Limited, TVS Digital Pte Limited, Swiss E-Mobility Group (Holding) AG (SEMG). He is also an Independent Director in Coromandel International Limited, the flagship company of the Murugappa Group.

He has received remuneration of ₹ 33.90 Cr during the year 2022-23. He was appointed as a Director on the Board on 1st February 2013.

He is the son of Mr Venu Srinivasan, Chairman Emeritus and Managing Director and brother of Dr Lakshmi Venu, Director of the Company. He does not hold any share in the Company. He has not resigned in any of the listed entities during the last three years.

He has attended all the six Board Meetings held during the year 2022-23. He is a member of Stakeholder's Relationship Committee and Risk Management Committee of the Company.

Details of his other Directorships / Memberships of Committees are given below:

S. No.	Name of the Company	Position held	Committee Membership
1.	Sundaram-Clayton Limited	Director	-
2.	TVS Credit Services Limited	Chairman	Asset Liability Management Committee, IT Strategy Committee, Nomination and Remuneration Committee, Credit Sanction Committee
3.	Coromandel International Limited	Director	Stakeholders' Relationship Committee*
4.	TVS Housing Finance Private Limited	Director	-
5.	TVS Electric Mobility Limited	Director	-
6.	S. Venu Trustee Private Limited	Director	-
7.	Cheema Educational Foundation	Director	-
8.	Veeyes Charities Foundation	Director	-
9.	Jupiter Cultural and Heritage Foundation	Director	-
10.	TVS Motor (Singapore) Pte Limited, Singapore	Director	-
11.	TVS Digital Pte Limited, Singapore	Director	-
12.	Swiss E- Mobility Group (Holding) AG, Switzerland	Director	-
13.	Swiss E- Mobility Group (Schweiz) AG, Switzerland	Director	-
14.	The Norton Motorcycle Co. Limited, UK	Director	-

(*) Indicates committee in which he holds the position as Chairman

Statement of material facts pursuant to Section 102 of the Companies Act, 2013

The following statement sets out all material facts relating to the ordinary / special businesses mentioned in the accompanying Notice dated 4th May 2023 and shall be taken as forming part of the Notice.

Item No. 4**Appointment of Auditors**

M/s V. Sankar Aiyar & Co., Chartered Accountants (ICAI Firm Registration No. 109208W), Mumbai, was re-appointed as Statutory Auditors of the Company for the second term of five consecutive years from the conclusion of 26th Annual General Meeting (AGM) till the conclusion of the 31st AGM and they would be completing their second term of office at the ensuing AGM.

Pursuant to Sub-Section (2) of Section 139 of the Companies Act, 2013 (the Act, 2013), no listed company shall appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years.

In compliance with the provisions of the said Section and based on the evaluation and recommendation of the Audit Committee, the Board of Directors at its meeting held on 4th May, 2023, recommended the appointment of M/s Sundaram & Srinivasan, Chartered Accountants, Chennai, having Firm Registration No.004207S in the place of M/s V. Sankar Aiyar & Co., Chartered Accountants, as Statutory Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the 36th Annual General Meeting for approval of the members, at a statutory audit fees of ₹ 85 Lakhs (Rupees eighty five lakhs only) excluding applicable taxes and reimbursement of travelling and out of pocket expenses incurred by them in connection with the statutory audit of the Company for the financial year 2023-24.

M/s Sundaram & Srinivasan, Chartered Accountants, a partnership firm founded in the year 1943 and it is one of the largest audit firms in South India with offices in Chennai, Madurai and Bangalore.

All the senior partners have rich and deep experience for over 7 decades in sectors like Automobile, Banks, General Insurance, Mutual Funds, NBFC, Charitable trust, Real Estate, Private Equity and Technology and rendering audit services for more than 300 clients.

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

The Auditors have reported their independence from the Company and its subsidiaries according to the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) and the ethical requirements relevant to audit.

There is no change in the fee payable to the newly appointed auditor from the fees paid to the outgoing auditor. The remuneration proposed to be paid to the Statutory Auditors during their term would be commensurate with the services to be rendered by them during the said tenure.

The Board of Directors on the recommendation of the Audit Committee may alter, vary and modify the terms and conditions of appointment and enhance remuneration, in such manner as may be mutually agreed with the Statutory Auditors.

M/s Sundaram & Srinivasan, Chartered Accountants, Chennai, having Firm Registration No.004207S, have furnished their consent to act as Statutory Auditors in terms of Section 139 of the Act, 2013 and have also provided a certificate to the effect that their appointment, if made, shall be in accordance with the conditions laid down and that they satisfy the criteria provided under Section 141 of the Act, 2013. Further, as required under Regulation 33 of the Listing Regulations, they have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The firm is a multi-disciplinary Audit Firm catering to various clients in diverse sectors.

The Board of Directors places on record its appreciation for the valuable services rendered by M/s V. Sankar Aiyar & co. during their tenure as auditors of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution as set out in Item No.4 of this Notice.

The Board recommends their appointment and accordingly, the approval of the Members is being sought by means of an Ordinary Resolution.

Item No. 5

As recommended by the Audit Committee, the Board at its meeting held on 4th May 2023, appointed M/s C S Adawadkar & Co, Practicing Cost Accountants, having Firm Registration No. 100401, as Cost Auditor of the Company, in the place of Mr A N Raman, Practicing cost accountant, in terms of Section 148 of the Companies Act, 2013 (the Act,2013) to

carry out an audit of cost records maintained for the production of goods covered under the specific Customs Tariff Act headings specified under Table B "Non-regulated sector" of Section 3 of the Companies (Cost Records and Audit) Rules, 2014, and fixed a sum of ₹ 8,00,000 (Rupees eight lakhs only) as remuneration payable to them for the financial year 2023-24, subject to ratification by the Shareholders of the Company.

In terms of Section 148 (3) of the Act, 2013, read with the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditor, as recommended by the Audit Committee and approved by the Board of Directors, is required to be ratified by the shareholders of the Company at the ensuing AGM of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested financially or otherwise, in the resolution as set out in Item No.5 of this Notice.

The Directors, therefore, recommend the ordinary resolution, as set out in Item No.5 of this Notice for ratification of remuneration payable to the Cost Auditor of the Company.

By order of the Board of Directors

Chennai
4th May 2023

K S SRINIVASAN
Company Secretary

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

The Directors have the pleasure in presenting the 31st annual report and the audited accounts of the Company for the year ended 31st March 2023.

1. COMPANY PERFORMANCE

Key Performance Snapshot

The Company registered sales of 35.13 lakh units of two-wheelers in 2022-23. The Company, in spite of headwinds, registered an all-time high turnover of ₹ 26,378 Cr and an all-time high profit before tax of ₹ 2,003 Cr.

Macro Overview: Indian economy outperforms global peers in Fiscal 2023

India was open for business throughout FY 23, this stability, was a welcome respite from the lockdown led disruptions of the previous 2 years. The remarkable and unprecedented rapid mass vaccination drive undertaken by the Government made this possible. India experienced a revival with improvement in markers of labour participation, income, consumption, savings and gross fixed capital formation.

The global geo-political strife, persisted unresolved. This led to global supply chain challenges, semiconductor shortages, commodity inflation. Advanced global economies also tightened their monetary policies with consequent cascade impacts on global markets especially on the economies of emerging and low income countries.

The growth trajectory of the Indian Economy has been better than global peers. This has been made possible by an active and prudent policy management by the government and also the inherent fundamentals of the Indian economy. The diverse growth drivers provided much needed stability in a globally volatile economic environment.

India recovery continued to demonstrate its strong economic fundamentals, a growing and young population, a skilled educated cost competitive workforce, access to vast natural resources, a consistent political leadership. Further, the low but rising penetration of discretionary consumption, increasing digitization, and a new wave entrepreneurship aided by the improved ease of doing business are also providing renewed impetus for growth.

Government has made significant push towards building infrastructure leading to ₹ 7.28 Lakh Cr public capital expenditure in FY 23 and has followed that up with the highest ever outlay for public capital expenditure at ₹ 10 Lakh Cr earmarked for FY24. This consistent infrastructure build will vitalize the economy in the short term and improve quality of life in the mid to long term.

The Service sector growth was robust in fiscal 2023 and offset the moderation in manufacturing sector. Despite external pressures, India's service exports have continued to increase. The agricultural sector grew by 3.5%, and also strengthened the Company's position as a net exporter of agricultural products.

In fiscal 2023, the overall growth of rural was slower than urban due to relatively slower recovery in the rural non-agricultural sector.

RBI has been actively intervening to contain rising inflation which showed signs of moderation by the end of the fiscal. The inflation was driven by core and food inflation which adversely impacted the low income consumers however, there was buoyant private consumption, particularly among higher income earners.

As India emerges as the most populous nation in the world, a milestone it will cross in mid FY 24, it also retains its position as the fastest growing global economy. The large demand base, strong infrastructure buildout, robust fundamentals, diversified strength across manufacturing, services, agricultural and export sectors are poised for continued sustenance of India growth story ahead of all global peers.

Mobility Industry Performance - India overview

In a vital step towards e-governance, VAHAN 4.0 portal, records registrations of all automotive vehicles barring 1 state in India. This flagship project of the National Transport project, has become a reliable indicator of automotive retail trends. Andhra Pradesh & Madhya Pradesh states registration details started flowing in from Q2 of 2022-23. 16.1% two-wheeler industry retail growth in 2022-23 was recorded on VAHAN. (excluding Andhra Pradesh, Madhya Pradesh & Telangana).

The VAHAN retail industry growth trends across quarters, over comparable periods year on year saw sharp changes, Q1 2022-23 growth of 54.5% was driven primarily by the low Q1 2021-22 base, Q2 decline of 3.7%, however there was a positive inflation, as Q3 and Q4 2022-23 grew by 13.5% and 10.7% respectively.

The two-wheeler Industry wholesale stood at 15.5 million units compared to 13.4 million units in last fiscal. While this reflects a growth of 15.5%, it should also be in the context that this is still less than the 8 years ago level of 16 million units in 2014-15 and a long way off from Industry high of 21.2 million in 2018-19. This juxtaposition reflects both the healthy growth momentum and the ample headroom for future growth.

Compared to the Industry growth of 15.5%, the Company recorded a growth of 22.8%.

Mobility Industry Performance - International Business overview

In the International Business, Industry exports of two-wheelers in 2022-23 were at 3.65 million units, a decline of 18% over 2021-22. The Company outperformed the industry, however declined by 16%. The industry was affected by liquidity crunch, currency devaluations and country specific local socio-political and economic disturbances.

In terms of movement across the quarters, the year began with Q1 2022-23 showing small positive growth which progressively weakened each quarter, as more of the headwinds across geographies mounted. This led to lowered exports to these markets. We are circumspect yet optimistic that while its taking longer than expected, but by the second half of the forthcoming fiscal the industry will find its way back to a growth trajectory.

The Company's two wheeler exports stood at 0.91 million units down from 1.09 million in the previous year. Three-wheeler exports during the year reached 1.53 lakh units, a decline of 6.1% compared to 2021-22.

Mobility Industry Performance - Electric Vehicles (EV) Overview

The two wheeler EV retail Industry on VAHAN reached 7.18 lakh units FY 2023-24 up from 2.3 lakh units of FY 2022-23 that is a 3x growth over last year. The penetration of EV two wheelers for the year stood at 4.7%, with exit of 5.4% for Q4 2022-23.

The consumer demand remained overwhelmingly in favour of the scooter format.

In course of the year, there was a consistent policy and regulatory interventions to ensure standardized quality and enhanced safety levels for the consumers. This also led to the formalization of the industry, and the result product mix moved from low quality, low cost options in favour of the offerings meeting quality and safety requirements.

The accelerated pace of EV adoption as witnessed by the 3x growth in industry volumes have been driven by the support extended in form of FAME II and PLI support from the Central Government. In addition, state specific support policies have also been rolled out by the State Governments. The vision of accelerated EV adoption is being driven by the government and the Company is responding with investments in technology and building capacity to help realize this vision.

The Company retailed 0.91 lakh units vehicles for the year with a ~10x growth. In Q4 2022-23 approximately 1 in 5 EV two wheelers retailed was a TVS iQUBE. The Company increased its geographical presence to 130 towns, while its ICE distribution network covers 600+ towns. The phased expansion is to ensure that the Company's customer receives the intended usage experience. In this year, through a series of ecosystem partnerships the public charging network available to TVS iQUBE owners now exceeds 2000.

In a short time, the Company has cumulative of over 1 lac delighted customers.

New Product Launches

The Company's new product launches have been well received by consumers, experts and trade.

In July '22, the Company launched TVS Ronin in a segment of its own to cater to the #unscripted new-age rider. It's a

225cc lifestyle motorcycle which refuses to be typecast in any segment.

The Company clocked a global sales milestone of 5 million units for the TVS Apache.

In the year 2022, TVS Apache RTR 160 and RTR 180 were updated with striking style elements and attractive graphics that are in line with its racing DNA.

TVS Racing went beyond the racetrack and right into the virtual gaming world with the introduction of the Apache RR 310 in Gameloft's Asphalt 8: Airborne. Gamers and racing enthusiasts will get to virtually ride the Apache RR 310, making it the first Indian two-wheeler company to bring its motorcycle to a popular gaming franchise.

TVS Jupiter, clocked the Fastest Five Million milestone for the TVS Jupiter series.

A new refresh was also launched as the new TVS Jupiter Classic. TVS Jupiter was consistently one of the top 10 selling two wheelers in India.

TVS NTORQ 125 XT was launched with TFT screen coupled with its SmartXconnect connectivity platform including new age features like VOICE ASSIST. This has created a new benchmark first-in-class features for its connected GenZ customers.

The Company built upon its TVS RAIDER franchise with the new TVS RAIDER SMARTXCONNECT with TFT CLUSTER. This was a truly WICKED UPDATE, and line with its new age consumers, this became the first two wheeler in the world to be launched in the metaverse, on TVS Motor's proprietary metaverse platform, TVS Motoverse. In the second half of the year TVS Raider has broken into the TOP 10 selling two wheeler in India.

TVS XL 100 retained its place amongst the top 10 selling two wheelers in the country. Its continuous innovation of providing usable and relevant technology innovation to the utility user has seen it maintain a dedicated consumer franchise.

TVS HLX series celebrates its 3 million global sales milestone. TVS HLX series has been instrumental in transforming millions of lives across Africa and has been offering easy mobility solutions in personal commute, motorcycle taxi and delivery segments. It has delivered to the brand's promise of being a sturdy product that is highly reliable across rugged terrains.

The JD Power (JDP) syndicated studies assess each of the industry offerings on JDP APEAL (Automotive Performance Execution and Layout) and JDP IQS (Initial Quality Study). The Company has been adjudged No. 1 in ICE Scooter and Motorcycle in the JDP APEAL study. The Company has been adjudged No. 1 in Scooter and No. 2 in Motorcycle in the JDP IQS study. The Company continued its winning streak of over 8 years.

These new offerings, with TVS DNA of customer-centric innovation and quality, ensured, that they have become the most awarded launches in their respective categories. TVS Ronin was recognised at various fora in categories like "Bike of the Year" and "Roadster of the Year". TVS Jupiter 125 was awarded "Scooter of the Year". TVS electric scooter iQUBE was awarded as "The Green two-wheeler of the year" by Autocar.

BMW Association

The BMW association has crossed its 10 year milestone. A cumulative sale of 1.4 lakh units have been jointly achieved. The offerings have enabled BMW to access newer markets and younger consumer cohorts. This partnership was further strengthened in 2021 with the expansion of the Cooperation Agreement for Future Technologies and Electric Vehicles.

Company's scope includes the design and development of future BMW Motorrad products and delivering world-class quality, supply chain management and industrialisation. Under this enhanced cooperation, both companies have identified a range of products and technologies to deliver significant business benefits.

Corporate Social Responsibility

The Company recognizes social responsibility as an integral and a critical part of its value system. Through its CSR arm, the Srinivasan Services Trust (SST) the Company has been successfully driving positive change in rural communities in the areas of Health, Education, Environment and Economic Empowerment. SST has a matured model centred on community participation in all its projects. It also brings the practices of Total Quality Management (TQM) to cooperatives and Self Help Groups (SHGs) empowering them to improve quality. This allows them to find newer markets, better prices and hence enabling local job creation and enhanced prosperity in a sustainable manner.

It follows an integrated, holistic and participatory approach to village development, women empowerment, working very closely with the communities and the Government for sustainable development in villages. So far in the last 27 years, across the working areas of SST, more than 60,000 women have been organized into SHGs, 2,500 village government infrastructures have been repaired and renovated and 350 water conservation projects including desilting of tanks and irrigation channels have been implemented.

SST has won the FICCI CSR AWARDS 2022 for "Fight against COVID - 19" during the year. The FICCI (Federation of Indian Chambers of Commerce & Industry) CSR Awards recognize individuals and organizations that have made significant contributions to India's development and growth.

The Company is the First Indian 2W & 3W maker to have become a signatory to the world's largest sustainability initiative, the United Nations Global Compact (UNGC). This will ensure enhanced collaborations and actions towards wider development of goals, particularly the Sustainable Development Goals (SDGs).

Cost & Price Management

It was only in the second half of the year, that there was broader softening in the commodity cost shocks and in semi-conductor availability. The Company however, was able to alleviate most, though not all, of the margin pressures through active cost management and targeted premium realisations in specific categories. Due to its continuous and structured approach of derisking through alternate sourcing, the semi-conductor availability issues were mitigated early. Premiumisation across all product categories and improving the product mix in favour of premium segments led to improvement in realisation. In spite of all headwinds the Company was able to deliver all time high profit performance.

2. FINANCIAL HIGHLIGHTS

Details	Year ended 31-03-2023	Year ended 31-03-2022
SALES		
Quantitative (Numbers in lakhs)		
Motorcycles	17.33	17.32
Mopeds	4.46	4.83
Scooters	13.34	9.23
Three Wheelers	1.69	1.72
Total vehicles sold	36.82	33.10
Financials (Rupees in Crores)		
Revenue from operations	26,378.09	20,790.51
Other Income	100.57	18.99
Profit / loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	2,775.26	1,980.73
Less:		
Depreciation / Amortization / Impairment	631.23	611.44
Profit / loss before Finance Costs, Exceptional items and Tax Expense	2,144.03	1,369.29
Less: Finance Costs	140.66	125.92
Profit / loss before Exceptional items and Tax Expense	2,003.37	1,243.37
Add / (less): Exceptional items	-	(30.16)
Profit / loss before Tax Expense	2,003.37	1,213.21
Less: Tax Expense (Current & Deferred)	512.34	319.65
Profit / loss after Tax	1,491.03	893.56
Total Comprehensive Income / loss	(27.68)	(64.31)
Total	1,463.35	829.25
Less: Dividend on Equity Shares	237.54	178.16
Balance carried forward	1,225.81	651.09

3. DIVIDEND

The Board of Directors of the Company (the Board) at their meeting held on 24th January 2023, declared an interim dividend of ₹ 5/- per share (500%) on 47,50,87,114 equity shares of ₹ 1/- each for the year 2022-23 absorbing a sum of ₹ 237.54 Cr. The same was paid on 9th February 2023.

The Board does not recommend any further dividend for the year under consideration. The dividend pay-out is in accordance with the Company's Dividend Distribution Policy.

The Board is not considering any transfer of amount to General Reserves for the year under review, as it is not mandatorily required.

4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

Two-wheeler

The domestic two-wheeler ICE industry posted a sale of 15.5 Mn units in 2022-23, with a growth of 15.5% from 13.4 Mn units in 2021-22.

The dispatch industry growth trends across quarters, over comparable periods year on year saw sharp changes, Q1 2022-23 growth of 52.8% was driven primarily by the low base of Q1 2021-22, followed by Q2 2022-2023 growth of 11.7%, Q3 2022-23 and Q4 2022-23 grew by 5.3% and 4.5% respectively.

The ICE scooter industry grew by 21.9%, 4.86 Mn units sold in 2022-23 compared to 3.98 Mn units in 2021-22. The category share came up to 31.3% from 29.7% in FY 2022-23. This was led by a strong pick up in urban demand with uptick in economic activities and opening of schools and offices in urban centres.

The Motorcycle industry grew by 13.9% over last year and reached a category share of 65.8% down from 66.8% of last year.

Although Premium motorcycles industry declined in Q1 of 2022-23 impacted by semi-conductor shortages, but as these challenges were mitigated the industry rebounded to post a growth of 16.6% for the year 2022-23 over 2021-22. Premium motorcycle sales was 1.21 Mn units in 2022-23 compared to 1.04 Mn units in 2021-22. The category share moderately increased to 7.8% from 7.7% of 2021-22.

Commuter motorcycle volumes increased by 10.6% to 7.91 Mn in 2022-23 from 7.16 Mn units in 2021-22. The category share continued to be a dominant 51% of the two wheeler industry. This resilient category share is a clear indicator of the critical role played by this segment in meeting India's mobility needs. The growth was driven by the Executive segment in Commuter motorcycles which has greater skew to relatively affluent customers and urban skew as opposed to the economy motorcycle segment.

The Economy motorcycles and mopeds, showed a muted demand growth as they have been the most severely impacted

by the rising vehicle and fuel prices. These customer segments are yet to fully recover from depleted savings. These segment of customers also have a higher dependence on rural economy. While the rural agricultural segment saw a healthy growth of 3.5%, the rural non-agrarian economy remained muted.

Three-wheeler

The overall three-wheeler small passenger industry (3 plus 1 segment) declined by 5.0% in 2022-23 (from 5.82 lakh units in 2021-22 to 5.53 lakh units in 2022-23). The domestic small passenger industry doubled over a low base. Exports market declined by 26% in 2022-23 over last year.

Electric two-wheelers

The penetration of EV two wheelers for the year stood at 4.7%, with exit of 5.4% for Q4 2022-23.

The heightened consumer interest is driven by the attractive Total Cost of Operation (TCO) and technology proposition that EVs offer. This is made even more relevant with increasing fuel prices.

However, 3x growth in industry volumes, this accelerated pace of EV adoption has been made possible by the FAME II and PLI support from the Central Government. In addition, state specific support policies have also been rolled out by the State Governments.

The enhanced safety, localization and quality norms have a threefold impact. First, they enhance the quality of products received by the customers. Second they aid the formalization of the sector, ensuring quality players. Thirdly, product quality is on par with global levels, enabling the industry to export overseas. Like in ICE two wheelers, India will emerge as a major hub for EV two wheeler exports in addition to the large domestic market.

BUSINESS OUTLOOK & OVERVIEW

As we step into fiscal 2024, the Company maintains its cautiously optimistic view to the future. GDP growth for fiscal 2024 is expected to be around 5.5% by various sources, in spite of the difference in the specific forecast, the almost common agreement is that India GDP growth will remain highest among all major economies.

This performance would be based on underlying socio-economic fundamentals with active policy management. Some of the key active drivers would be :

- Pick-up in urban discretionary consumption demand especially on services such as travel, tourism, and hospitality.
- Improving consumer sentiment as indicated by RBI's Consumer Confidence survey.
- Moderate global crude oil prices.
- Higher disposable income among mid-income group by introducing tax reforms driving higher consumption.

- Improved investment climate for economies with well-regulated banking and financial markets like India.
- Highest ever capex outlay of ₹ 10L Cr in the Central Government budget FY24.

The focus of the Union Budget for fiscal 2024 on increasing Capital Expenditure (CapEx) along with reducing fiscal deficit, creates a platform for higher growth with lower future liabilities. The lift in the consumption cycle is tied to broad based pick-up in economic activity, which the Indian Government is supporting through focus on investments.

Rural recovery continues to be slow and this significantly impacts the growth trajectory of the economy. El-Nino arriving early and affecting monsoon may lead to a weaker performance of the rural agricultural sector impacting the already weakened rural demand. Domestic Moped and Economy motorcycle segments have seen constrained demand due to weak performance in the rural non-agricultural sector, a poor monsoon could further adversely impact demand.

Company is positive about the performance of the Premium motorcycle segment and scooter segment with improved urban demand.

Over the long term, the Indian economy is expected to increase by ~2.5x to \$6.5 trillion by 2030, with a real GDP growth rate in the range of 6-6.5%. Per capita income and vehicle ownership is expected to double by 2030, ushered in by formalization, digitization and urbanization.

The improving road infrastructure and economic environment with our current mass transit systems will further drive the demand for mobility for the masses. This demand is today best served by the 2-wheeler segment, making its fundamentals very attractive considering a resurgent India.

Export of two-wheelers is likely to see a growth during the year after the weak performance in 2022-23. The Africa market is expected to perform better in 2023-24 recovering from the global slowdown and with moderation of inflation. Expansion programs in LATAM, ASEAN and Middle East will add further momentum. Falling freight rates and better availability of containers are likely to support exports from India this year.

Overall the India long term growth trajectory is based on a few persistent and unique but socio economic assets or drivers:

- A large population supporting the domestic demand
- A growing and youthful skilled educated cost competitive workforce
- A vibrant private sector with large enterprises and MSMEs eager for growth
- Access to vast natural resources
- A consistent political leadership
- Rising penetration of discretionary consumption

- Rapid adoption of digitization across all strata of society increasing velocity through reducing wastage
- A new wave of entrepreneurship aided by the improved ease of doing business.

Due to the above fundamentals and its strong product line-up, unwavering focus on consumer, quality, cost, the Company is confident going into FY 2023-24.

Electric two-wheeler

The EV industry will continue to grow rapidly as the consumer interest is buttressed with active policy support from the Central and State Governments through PLI, FAME II and State specific support policies. Continued support will ensure a smooth lift off for the industry volumes.

The Company will deliver the "power of choice" as we enhance our offerings to provide relevant options to new consumer cohorts, in doing so, expand the portfolio to new variants within iQUBE and introduce new brands. This portfolio expansion will also see introduction of new innovative features and technology. The choice will be made available in new geographies within India, beyond the current 130 towns, and outside India as the Company's EV exports kick in. All of this, would be also see a steady increase in the ecosystem presence and the 2000 plus public charging options grow further.

In addition, with the strategic association with BMW, the Company is involved in joint design and development of urban EV options for the global markets.

New Product Launches and Initiatives

During the year 2022-23, the following new products and variants were launched.

TVS RONIN:



Launch - TVS first entry in the Classic/ Retro space

TVS RONIN, launched in July '22 to cater the requirements of a #unscripted new-age rider, it has been a category builder and refuses to be slotted in an existing framework. The bike

has cutting-edge features like rain and urban riding modes, dual channel ABS, a 3-step adjustable lever, gold-toned USD front forks, all LED lamps, a fully connected asymmetric digital speedometer, voice assist, and more. Along with that, it has been winning hearts with its retro design.

TVS RONIN has also created a community of like-minded people and call it the TVS RONIN CuLT which is adding to the ownership experience. Here the riders experience varied cultures, explore different lifestyles and travel to the most #Unscripted places. All this is done through #Unscripted breakfast rides, overnight rides and marquee rides.

TVS Apache:



TVS Apache RTR 160/180 Refresh, RTR 160 4V Special Edition Launch

Designed as "The All-New Racer's Choice", the 2022 TVS Apache RTR 160 and RTR 180 are updated with striking style elements and attractive

graphics that are in line with its racing DNA. The motorcycles also get segment leading features like an all-new LED head lamp and tail lamp. The power increase coupled with weight reduction has resulted in an enhanced power-to-weight ratio, offering an unravelling riding experience.

Building on the unparalleled trust of TVS Apache customers, the thoroughbred race derived Apache RTR 160 4V launched its special edition. Inbuilt with features that are pinnacle of performance and technology along with new dual tone colour and sporty bullpup exhaust with powerful throatier note. The increased power-to-weight ratio adds cherry to the cake.

TVS Raider SmartXconnect:



The motorcycle comes with first-in-segment features such as TFT display. The wicked ride now offers a slew of new age features like a segment first 5 inch TFT cluster and advanced connectivity tech like Bluetooth connectivity, navigation assist,

voice assist, ride reports and call alerts. This along with its distinctly naked street style, high performance engine, delivering best-in-class acceleration, is committed to continue delighting its customers with connected features as well.

TVS Raider Uniseat:



TVS Raider, India's most award-winning 125 cc motorcycle, has continuously lived up to its promise of being a thrilling ride with cutting-edge technology, exceptional performance and sporty style. There was sustained interest from young families and they

were seeking a Uniseat option for family riding comfort. TVS RAIDER DISC WITH UNISEAT, which comes with two colour options, red and black. Similar to the existing disc variant, TVS Raider disc uniseat also boasts a striking animalistic LED headlamp, front disc brake, ride modes and reverse LCD cluster. With the introduction of the new Raider disc uniseat the riders now have additional options to choose from for their wicked ride.

NTORQ XT:



The new variant TVS Ntorq 125 XT coupled with its SmartXconnect connectivity platform created a new benchmark in the segment with first-in-class features for its connected customers.

One of the key features of the scooter includes its segment-first hybrid SmartXconnect™ with coloured TFT and LCD console. This, along with a host of other 60+ hi-tech features, makes the new TVS Ntorq 125 XT, the most tech-advanced scooter on sale in the country. The first-of-its-kind Voice Assist feature can now accept voice commands directly. The scooter also features the TVS IntelliGO technology with silent, smooth, and superior start-stop function. Additionally, it has lighter, sportier alloy wheel enabling to deliver enhanced vehicle performance and fuel-saving.

NTORQ Race Edition:



TVS Ntorq 125 Race Edition launched in Marine Blue colour. The TVS Ntorq 125 Race Edition Marine Blue will come packed with the best features of the Race Edition series. 60 Connected Features Powered by TVS SmartXconnect 0-60 in

9.2 seconds 3-valve 125 CVTi-Revv Engine stealth aircraft inspired styling among many others.

Jupiter Classic:



TVS Jupiter celebrated "Fastest Five Million Vehicles On Road" milestone with the launch of the New TVS Jupiter Classic.

The TVS Jupiter Classic gets a premium rendition with black theme across its mirror highlights, fender garnish, tinted visor, and a 3D black premium logo. It also gets handlebar ends, diamond cut alloy wheels, and rich dark brown inner panels. In keeping with the theme, it comes with premium suede leatherette seats with back rest. The decals, dial art depict the timeless classic charm. This variant is decked out in two exclusive colours Mystic Grey and Regal Purple. Staying true to the philosophy of Zyada ka Fayda, the variant delivers the promise of Zyada safety with disc brakes & engine kill switch and Zyada convenience with all-in-one lock, USB charger and pillion back rest making it a unique offering with style and substance.

Radeon Digi Cluster:



TVS Radeon has delighted customers with its excellent performance, best in class features and strong customer-centric designs. TVS Radeon comes with next-gen Eco thrust Fuel injection (ET-Fi) technology, which delivers 15% better mileage and enhanced

engine performance, better durability, and a smoother riding experience.

TVS Motor Company launched a New TVS Radeon with 1st in segment Reverse LCD Cluster with Real-Time Mileage Indicator (RTMI). The new TVS Radeon is India's 1st 110 cc motorcycle to flaunt the multi-colour reverse LCD Cluster. Class-leading Reverse LCD cluster comes with Real-Time Mileage Indicator (RTMi) feature, which enables the user to control the mileage according to riding conditions. Apart from RTMi, there are 17 other useful features in-built into the digital cluster like Clock, Service indicator, Low battery indicator, Top Speed & Average speed.

TVS Radeon ensures the comfort for the long-distance riders owing to its longest seat in the category and a host of practical features including a USB charger. It also comes loaded with distinct Premium chrome headlamp, chrome rear view mirrors, front disc brakes and robust thigh pad design.

TVS Sport:



TVS Sport - MILEAGE KA BAAP introduced new ELS. As the record holder on mileage, the promise of mileage and remains intact, some of the key features of this new variant are:

All Gear Electric Start, Fresh Colour Options All Black & All

Grey, Long Seat, Black Alloy Wheels, Premium 3D chrome logo. Within 6 months of launch the new variant has sold 61k units. This delivers on its core proposition for the economy segment of an Electric Start with unbeatable mileage at an unbelievable price.

ELECTRIC - TVS IQUBE



Launched in January 2020, The iQUBE has been lauded on its dependable performance, reliable range, and silent comfortable driving experience. The connected features like turn-by-turn navigation, live charge status, geo fencing and multiple vehicle function alerts,

along with the convenience of a carry along charger, have also made everyday commute much more comfortable and worry free.

The iQUBE brand was expanded into 3 offerings - the iQUBE, iQUBE S and iQUBE ST in May 2022, and was received with great excitement. The iQUBE has also expanded its presence to 130+ towns and 230+ dealers across India that offer sales and after sales service for iQUBE.

The iQUBE S was acknowledged as the "Green scooter of the year" by Autocar India.

Domestic Sales

The Company achieved sales of 25.01 lakh units against 20.37 lakh units of two-wheeler ICE in the domestic market compared to sales of 20.3 lakh units in 2021-22. The Company outperformed the broader Industry which increased by 15.5%.

In domestic motorcycles, Company achieved sales of 9.1 lakh units and registered a growth of 28.7% over 2021-22. The premium segment was affected by semiconductor shortages early in the year which the Company overcame and logged in 3.46 lakh units of sale primarily in the TVS Apache series. The Company sold 5.56 lakh units of commuter motorcycles in 2022-23 which is growth of 48% over 2021-22. The TVS Raider is the flagship executive motorcycle offering and was the primary growth driver.

In domestic scooters, the Company achieved sales of 11.49 lakh units with TVS scooters growth of 34.3%. The Jupiter brand was the primary growth driver.

International Business sales - two-wheeler and three-wheeler

The Company's two-wheeler exports in 2022-23 were 9.15 lakh units, a decline of 16% over 2021-22 due to global industry slowdown.

Three-wheeler exports during the year reached 1.53 lakh units, a decline of 6% over 2021-22.

RISKS AND CONCERNS

Environmental & Geopolitical Factors:

The geo political strife that emerged last year, though localized, had global ramifications. This situation remains persistent and unresolved. This spectre of strife hangs over the global economy and trade. Any escalation or delayed resolution would impact global liquidity, food and energy demand supply. These could adversely impact many low income and emerging markets. Even though the India story remains buoyant, the speed of growth may be impacted by global factors.

The global liquidity and inflationary trends could also lead to slowdown in private investments and consumption. These could adversely impact the global economy and slow down the Indian recovery. The Indian urban consumption which has seen a smart recovery may be susceptible to challenges on liquidity, especially in the emerging start up ecosystem.

In international business, there is risk of slower than expected recovery due to currency depreciation, inflation, forex shortage and socio-political turmoil in select geographies. Additionally, the two and three wheeler export industry is influenced by changing regulatory policies in some markets like Egypt and Iraq.

Strong two wheeler markets like Sri Lanka, Bangladesh, Afghanistan and Myanmar are taking longer than expected time for recovery, owing to one or more country specific factors.

Supply Side Factors

The broader risk of supply chain disturbances is expected to be lower than previous years. However, some EV specific components may continue to face challenges leading to delayed service levels and impacted financial performance. The Company manages a diversified, multi-source, global supply chain. Any new developments arising out of geo political strife, which impact the global supply chain, causing short-term or mid-term disruptions in the supply of essential raw materials or utilities could also have an impact.

Demand Side Factors

Demand growth in India will need to be preceded by an improvement in consumer sentiment. The consumer sentiment index, though on the mend, is yet to recover to pre-COVID levels. This could be adversely impacted by slower than projected GDP growth. The consumption demand may also be impacted by persistent high inflation directly and by raising of interest rates by RBI to counter inflation.

Monsoon still delivers majority of the irrigation needs of Indian agriculture. This year due to predicted El-Nino conditions if the monsoons are less than normal, this could significantly impact and delay recovery in rural demand further.

A large section of the Indian two wheeler buyers rely on retail finance to access their mobility needs. Any increase in cost of credit could impact two wheeler Sales. Over the last few years a combination of factors have led to anywhere between 35 - 45 % increase in the price of two wheeler in India. This affordability challenge has already impacted demand. The low and mid segment of the market have low headroom for further price increases. Any further price increases would have further demand ramifications.

Country specific retail prices may be adversely impacted by currency devaluations due to global inflation, supply disruptions and liquidity situation.

RISK MANAGEMENT POLICY

Company's risk management framework is well embedded and continually reviewed by the Risk Management Committee. It enables the Board, to identify, evaluate and monitor principal risks and where possible, actively mitigate the risks that could affect the achievement of the Company's target.

As a process, risks associated with the business are identified and prioritized based on the Company's overall risk appetite, strategy, severity, and probability of occurrence.

The Board is satisfied that there are adequate systems and procedures in place to identify, assess, monitor, and manage risks. The Company's Risk Management Committee is overseeing all the risks that the organization faces such as

strategic, financial, market, IT, legal, regulatory, reputational, and other risks and recommends suitable action. Risk mitigation policy has been approved by the Board.

OPERATIONS REVIEW

Total Quality Management (TQM)

Total Quality Management (TQM) continues to be the key focus in the organization for performance excellence and to mitigate the business risks amidst an uncertain industry environment. This consistency has ensured the organization stays steadfast on its the growth path over the years.

Digitalisation and analytics initiatives are used to continuously improve customer experience processes, and forecasting accuracy in the front end. The Company maintains a lean stock with trade and employs a cash and carry system to ensure freshness of stocks for consumers and enhanced profitability for its extended enterprise, the channel partners. Periodic Change management workshops are conducted by senior management with dealer partners to strengthen the culture of Process for Results, executional excellence through rigorous Daily Work Management towards achieving breakthrough targets on customer satisfaction, market share and profits.

Supplier excellence team is a continuous program to institutionalize the TVS production system amongst suppliers. The objective is to improve maturity levels, Quality and Delivery performance ratings of selected prioritized suppliers through establishing sustainable manufacturing system and focused war on waste. New age tools like Vision AI and predictive maintenance algorithms are some of the best practices being horizontally deployed. This program will be extended to an expanded number of suppliers this year.

CoP (Community of Practice) groups are informally bound together by shared expertise and passion in a specific area. CoPs of OR, TRIZ and Taguchi methods are being leveraged to drive strategy, solve complex problems quickly, optimise solutions, transfer best practices, develop professional skills and competencies across the Company. CoP projects are aligned towards achievement of business objectives.

Total Employee Involvement culture was significantly permeated towards profitability of the organization by promoting 'Profit Improvement Plan' initiatives. Theme of 'waste elimination' in areas of inventory management and asset management helped the Company to significantly enhance working capital management.

Cost Management

The Company is committed to delivering a value intensive offering to the consumers. This ensures that the Company continually focus on aggressive waste elimination with quality upgradation through value engineering, modularity, light weighting, alternate material, alternate sourcing, localization and process innovation. This is done not only within the Company but across the entire supply chain, via productivity

improvements and process improvements and low cost automation.

The Company's focus is reflected by each of its employees leading to one of the most prolific Employees suggestion programme, in the industry. Workmen, executives and managers significantly focused on implementing cost reduction towards operational improvements and waste elimination during the year.

In the area of fixed cost increasing digitalization of internal processes are employed to eliminate waste and enhance speed.

This rigorous focus on cost management has allowed the Company to withstand the commodity price inflation, and yet deliver its highest ever profit performance while delighting consumers as evidenced in the JD Power APEAL and IQS study wins.

Research and Development

The Company has a strong philosophy of Design, Technology and is committed to "Make in India". The Company is continually investing in building upon its world class in-house skill set on technology research, product design and development. The Company prioritizes building core technology for EV, such as battery, e-power train, controller. The Company also recognizes that the future is connected and hence is significantly building capabilities in Telematics, OTA, smart connected cluster & infotainment, connected services, cyber security, and Software product platform.

The Company's R&D retains its key focus on in-depth customer understanding, technology development and design innovations, while adding an agile, vigorous trans disciplinary approach towards creating the future of mobility solutions led by cutting-edge, deep technology innovations. This is evidenced by more than 900 cumulative domestic patents granted. The Company's R&D remains one of the most prolific generator of innovations patents, not only in India but globally.

In 2022-23, TVS R&D demonstrated prowess in new launches TVS Ronin and upgraded generation of smart electric scooter platform TVS iQube.

TVS Ronin is a motorcycle with Glide through technology, modern functionality, ride modes, energetic, state-of-the-art-connectivity and mood ready performance, that created a new genre of motorcycling.

TVS iQube is a smart electric scooter platform with three variants that offer a variety of capabilities like additional range, TFT touchscreen, Alexa integration, OTA update, extra storage space and bright colours. Refresh and upgrades with enhanced features are also launched to improve customer experiences in entire range of the Company's products.

The R&D team is working on several cutting-edge technologies for the near- and long-term requirements of the Company's business plans considering emerging mobility needs, superior customer experience, advanced safety systems and sustainability. Research focus is aligned to chosen fields of science and engineering in order to be

future ready. The Company also actively participates in the development of the supply chain in India.

TVS Racing, an arm of the R&D department, had a very successful season 2022 with 95% podium finish in all the races it participated. It created records through the debut of Asia One-Make championship, with a homegrown development of a special racing bike. The Company benefits immensely from the close collaboration between the racing team engineers and product development engineers in developing cutting-edge products and relevant technologies using Motor sports as a greater opportunity.

Digital and AI Technologies

The Company considers Digital & AI as a key organization wide accountability area. Currently, it prioritizes digitalizing the Company's operations in customer experience, sales and retail management, manufacturing and supply chain, new product introduction and enterprise functions.

The Company embarked the TVSX verse program which focus on several opportunities to map and improve customer journeys, experience and consequently revenue. The Company is prioritizing activation of these projects in 2023-24. Further, the Company is expanding to Xverse phase 2 this year to include three-wheeler, commercial and international business customers.

Customer-facing digital assets were significantly strengthened in 2022-23. Improving the effectiveness of engaging and converting digital prospects. The Company leveraged AI tools such as lead classification engines and recommender systems, in conjunction with designed experiments, were fine-tuned to increase sales volumes. Similar initiatives were also undertaken in the after sales area. Vehicle service volumes increased through usage of new age tools like WhatsApp based chatbot for service booking and through AI deployment in service prediction models. Further, the Company revamped its digital assets and algorithms for the parts segments and strengthened its channel partner systems to improve parts sales and operations performance.

Having completed the industry 4.0 maturity assessment in 2022-23, the Company is implementing the Sales and Operations (S&OP) program in 2023-24 through a new software and associated process reengineering. The Company has started a multi-year NPI digitalization program to improve time to market of its new products. Further, the Company strengthened its usage of computer vision AI to detect quality issues in several areas like packaging, engine assembly conveyor uptime and painting effectiveness.

Business operations workflows across the organizations are being automated or supported with modern applications increasing their efficiency and quality.

Both IT and OT security were improved in line with its plans on information security governance. The Company continued to leverage the cyber-security governance council, consisting of senior management and industry experts, to expand the coverage of cyber defences and has integrated this with the

data privacy program for coordinated capability improvements for itself and the group companies.

Similarly, the Company also leveraged its digital and AI capabilities to improve the operations of its subsidiaries. SAP ERP was implemented for The Norton Motorcycle Co Limited, UK and being modernized for Swiss E-Mobility Group (Holding) AG, Switzerland (SEMG), Product lifecycle management software is being upgraded for Norton. Websites of EGO movement and SEMG, are being fine-tuned for the sales season. In 2022-23, the Company is integrating its digital and AI investments to holistically enable capabilities for the group wide digital transformation.

INTERNAL CONTROL AND THEIR ADEQUACY

The Board is accountable for evaluating and approving the effectiveness of the internal controls, including financial, operational and compliance. Company has a proper and adequate internal control system to ensure that all its assets are safeguarded and protected against any loss and that all the transactions are properly authorized and recorded.

The internal control system is subject to continuous improvement, with system effectiveness, assessed regularly. Information provided to management is reliable and timely. Company ensures the reliability of financial reporting and compliance with laws and regulations.

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

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

The Company has an established Internal Financial Control framework including internal controls over financial reporting, operating controls, and anti-fraud framework. The framework is reviewed regularly by the management and tested by an independent audit firm as well as internal audit team and presented to the Audit Committee. Based on the periodical testing, the framework is strengthened, from time to time, to ensure adequacy and effectiveness of Internal Financial Controls.

Environment, Occupational Health & Safety:

In recognition of the Company's efforts on Environment protection, Government of Tamil Nadu & Tamil Nadu Pollution Control Board (TNPCB), have awarded the Company's Hosur plant the "Green Champion Award". Company's Mysuru Plant has won State Level Safety Award and District Level Safety Award for 2022-23, from the Department of Factories Boilers Industrial Safety and Health, Government of Karnataka.

Additionally, the Company has been awarded the "Sustainability 4.0: Challengers Award-Mega Large Business, Automotive sector" by Frost & Sullivan and TERI. Hosur plant was assessed for Sustainability by BMW team and summarised the outcome as - "Very positive overall picture".

Company's manufacturing facilities at Hosur, Mysuru & Nalagarh have been certified under "Integrated Management System" of ISO 14001:2015 & ISO 45001:2018. These facilities are also certified under "Social Accountability Standard", SA 8000: 2014. Canteen facilities at Hosur & Mysuru plant are certified under Food Safety Management system, ISO 22000:2018.

Water conservation measures taken up by the Company has resulted in 12% reduction of specific water consumption with reference to previous year. The Company's approach has been "Demand side Water management" which best utilizes the available water. During 2022-23, about 22 million litres of rainwater was directly harvested at Hosur plant.

On "World Environment Day-2022", towards preserving Biodiversity, 50 different varieties of RET (Rare, Endangered and Threatened) plant species were planted at Hosur.

Continuing its efforts towards RE-100 (Renewable Energy-100%), during FY 2022-23, renewable power contribution of about 88% in overall share of power was achieved. Usage of renewable energy resulted in CO₂eq (Carbon dioxide equivalent) emissions reduction of about 67,000 tonnes. Towards air pollution abatement, RTO (Regenerative Thermal Oxidizer) was installed in 3-Wheeler plant which destroys volatile organic compounds. The waste heat generated during the abatement process is being reutilised. Initiatives are also taken to install "Emission Control Device" in DG sets which captures upto 70% particulate matter.

Under Extended Producer Responsibility (EPR), 494 tonnes of post-consumer plastic waste across India was collected & recycled. The Company continues to co-process chemical and paint sludge at cement industries.

As part of continuous improvement in safety, 680 proactive hazard control measures have been implemented across plants viz., equipment safety features for ROBOTS and COBOTS in line with ISO standards, fire protection measures for battery assembly and cell storage areas. The overall "Plant Safety Rating System" (PSRS) score, which is a lead measure of safety performance among plants, has improved by 21%. Periodical safety trainings have been organized and around 11,000 employees were covered on various safety topics. This includes road safety experiential training program in which 697 employees were trained on 2W defensive riding skills with VR simulator.

The Company collaborated with dss+ Operations Management Consulting, leaders in the Protect, Transform, and Sustain approach, to revitalize our safety culture. The Company has introduced the "TICK" program (Transform, Inspire, Commit, Keep-up) throughout our organization. This initiative is led by the line leadership of the organization to establish a strong safety governance process, develop capabilities of the operating team, and drive change in the safety mindset of every single individual to work safely every day."

TVS Motor Company Nature Conservation Project:

The bio-reserve in the Company's campus of Hosur has been declared as OECM (Other effective area-based conservation

measures) by the Govt. of India's Ministry of Environment, Forest and Climate Change (MoEFCC) and National Biodiversity Authority of India (NBA) as well as the United Nations Development Programme (UNDP) - the first automotive company in India and first of any campus in Tamil Nadu to receive this award. Surveys made at this campus have yielded 506 species of animals, (including 150 species of birds, 36 species of reptiles, 20 species of mammals and 94 species of butterflies) and 815 species of vegetation supported by 10 water bodies.

The Company has expanded this initiative by committing that all its manufacturing campuses must maintain 30% green area of which 15% must be native forest. To meet this requirement, planting of suitable native vegetation, creation of waterbodies and provision of food (when needed) for some of the denizens, is faithfully implemented to support the local flora and fauna. The Company has qualified dedicated Naturalist to care for and nurture these forests and their wildlife under the guidance of a specifically appointed Forest Consultant.

The strict emission control policies practised here only furthers the intensity of the commitment that the Company has towards the natural environment and consequently, to the society. This unique set-up, unusual in an industrial environment makes the plant campuses exemplary, where, industry supports and promotes wildlife and the environment - a rare but increasingly essential combination in today's world.



Taking this nature consciousness to the young is the driving force behind the "TVS Greening Minds Education Programme". To further the efficacy of nature conservation and promotion, the Company initiated the induction of Environmental Education into the forest project in the TVS Mysore campus.

The project is being currently conducted through multiple government schools located within accessible radius of the Company factory in Byathahalli, Mysuru. Students are exposed to two major, critical topics during their two-year period. The program comprises of Teacher's Orientation workshops, Student's Orientation workshops and follow-up classes. The current programme is intended to increase the target groups' understanding of living nature, natural resources, biodiversity conservation, pollution, and climate change. The efforts are towards developing a positive, proactive attitude towards the protection of the environment. The program is currently being conducted by the Centre for Environmental Education (CEE), Bangalore, as consultant organization.

HUMAN RESOURCE DEVELOPMENT (HRD)

Constituents of Human Resources Development framework followed at the Company include Talent Management, Employee engagement, Performance management, Talent Acquisition, Total rewards, Learning and Development, Career & Succession planning, Organization Development and Diversity & Inclusion.

The Company has been recognized amongst the "Best Company for Women in India", it ranks 13th across all companies across all industries.

The Company has also been certified as a "Great Place to Work" by GPTW.

Towards delivering sustained and improved results, the HRD framework constituents follow a structured approach. Current and future skill-based competency development is planned and executed through both in-house and globally acclaimed programs, continuing education, challenging project assignments and job rotation.

The Company is successfully expanding into future technology areas. The relatively new Future Mobility vertical is building talent depth in the areas of connected services, autonomous driving, charging technology etc.

TVS Institute of Quality & Leadership (IQL) focusses on building cultural capabilities, collective capabilities, supporting strategy delivery and enhancing sustainability. IQL initiated key learning solutions such as courses for future mobility, Communities of Practice (CoPs) for business impact in strategic areas, leveraging digital technologies for skill training, dojo centre for collective capability and Conferences to enhance momentum for learning as a community. The Academy for Pedagogical Excellence was launched this year to develop capability for creating superior learning engagement, learning effectiveness, role effectiveness, future readiness, and business impact. TVS Institute of Quality & Leadership (IQL) was awarded the Performance Level Certification by the Global Council of Corporate Universities (Global CCU) through an onsite audit during September 2022. Only 8 Corporate Universities across the globe have achieved this distinction

The Company expanded its usage of TVS Sampark, the mobile super application for its employees, by adding several self-serve and learning modules. It further strengthened employee experience through additional capabilities enabled through collaboration and cloud software.

The Company is committed to creating a psychologically safe workplace and has partnered with 'NIMHANS' and 'Your Dost' to curate Employee Assistance Programme (EAP) offering employees and families to confidentially discuss the subjects concerning their well-being with industry experts.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, amongst others, economic conditions affecting demand/supply and price conditions in the domestic and overseas market in which the Company operates, changes in the Government Regulations, Tax Laws and Other Statutes and incidental factors.

5. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 (the Act, 2013) with respect to Directors' Responsibility Statement, it is hereby stated-

- that in the preparation of annual accounts for the financial year ended 31st March 2023, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
- that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 of the Company for the year under review;
- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the Directors had prepared the annual accounts for the financial year ended 31st March 2023 on a "going concern basis";
- that the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

6. CORPORATE SOCIAL RESPONSIBILITY (CSR)

CSR activities have already been textured into the Company's value system through Srinivasan Services Trust (SST), established in 1996 with the vision of building self-reliant rural community.

Over 27 years of service, SST has played a pivotal role in changing lives of people in rural India by creating self-reliant communities that are models of sustainable development. The Committee formulated and recommended a CSR Policy in terms of Section 135 of the Act, 2013 along with a list of projects / programmes to be undertaken for CSR spending in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The projects / programmes undertaken by SST and other eligible Trusts are falling within the CSR activities as specified under Schedule VII to the Act, 2013.

Based on the recommendation of the CSR Committee, the Board has approved the projects/programmes carried out as CSR for an amount of ₹ 19 Cr for undertaking similar programmes / projects constituting more than 2% of the average net profits of the Company, made during the three immediately preceding financial years, towards CSR spending for the financial year 2022-23 and the Company has met the

CSR spending through SST. CFO of the Company has also ensured the spending through SST for FY 2022-23.

The work, SST has been doing, has matured into a model centered on community participation in all its projects. SST's focus is to bring about sustainable development in villages. The key focus areas are women empowerment, repairing and renovating the village government infrastructure like the balwadis, primary schools, health centres and veterinary centres, creation of water conservation structures, desilting of water bodies and preserving the environment. SST encourages the community to alter their attitudes and take ownership of changes that bring about lasting development.

To bring in expertise in specific intervention areas like education, health and hygiene, SST is working in collaboration with organizations like Agastya International Foundation, Villmart, Navsahyog Foundation, Gramalaya.

All of the projects undertaken through SST, are within the limit of ₹ 1 Cr individually and do not require impact assessment.

However, an impact study carried out by Institute of Rural Management (IRMA), Anand has revealed that in the villages in Tiruvannamalai district, where SST has been working, shows an household income growth of about 141% in 5 years (2017-2022) as compared only to a 38% household income growth in neighbouring areas.

The study also highlights the overall behavioural changes in the community in their approach to development in being more independent and adopting sustainable approaches rather than over dependence on external factors to bring about the change.

Another study by the Centre for Water Resources (CWR), Anna University on 3 minor irrigation (MI) tanks in Krishnagiri, Tiruvannamalai and Tirunelveli districts revealed that partial desilting of water bodies has made the water available for more than one cropping season 79% of farmers adopted changes in the cropping pattern and cultivating more than one season. The underground water storage capacity has improved and there is an increase in water level in bore wells and open wells in the area.

As required under Section 135 of the Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the annual Report on CSR, containing the particulars of the projects / programmes approved and recommended by the CSR Committee and approved by the Board for the financial year 2022-23 are given by way of Annexure IV attached to this Report.

It may also be noted that the CSR Committee has approved the projects or programmes to be undertaken by the SST and other eligible trusts for the year 2023-24, preferably in local areas including the manner of execution, modalities of utilisation of funds and implementation schedules and also monitoring and reporting mechanism for the projects or programmes, as required under the Companies Amendment Act, 2020.

7. FINANCIAL PERFORMANCE OF SUBSIDIARIES & ASSOCIATES

Acquisitions

During the year under review, the Company has acquired 70% stake in EBCO Limited, UK, dedicated for producing and distributing electric bikes designed for the rapidly expanding British e-bike market, through TVS Motor (Singapore) Pte Ltd. on 1st April 2022 and 100% stake in Alexand'RoEdouard'O Passion VéloSàrl ("Passion Vélo"), primarily engaged in the sale of e-bikes as well as e-bike accessories, through Swiss E-Mobility Group (Holding) AG on 12th April 2022.

The Company has also acquired 48.27% stake in DriveX Mobility Private Limited, Coimbatore on 15th October 2022, engaged in selling, trading, and distributing pre-owned two-wheelers.

The Company has also acquired 100% stake in Celerity Motor GmbH, Germany for undertaking activities related to two-wheeler & three-wheeler vehicles, including Research, Development, Engineering, sales and service thereof, through TVS Motor (Singapore) Pte Ltd. on 6th December 2022.

The Company has also acquired 19.60% stake in ION Mobility Pte Limited, Singapore, a tech and automotive OEM startup, which aims to create and deliver aspirational and sustainable mobility and energy solutions to customers across South-East Asia, (through TVS Motor (Singapore) Pte Ltd on 2nd February 2023).

Disinvestments

During the year under review, the Company has divested the entire shareholding in Intellicar Telematics Private Limited (Intellicar) a wholly owned subsidiary on 24th May 2022 and thereby Intellicar and its wholly-owned subsidiary, Intellicar Singapore Pte. Ltd., ceased as subsidiaries of the Company effective that date.

The Company has also disinvested its entire shareholding held through Sundaram Auto Components Limited (SACL), a wholly owned subsidiary of the Company, in a material step-down subsidiary viz., Sundaram Holding USA Inc., USA (SHUI), to Sundaram-Clayton Limited (SCL), the holding company on 22nd September, 2022. Consequently, SHUI has ceased as a subsidiary of SACL and also of the Company and SHUI's subsidiaries in USA viz., Green Hills Land Holding LLC, Component Equipment Leasing LLC, Sundaram-Clayton USA LLC and Premier Land Holding LLC also ceased as subsidiaries of the Company, effective that date.

The following companies and bodies corporate are the subsidiaries / associates of the Company:

Subsidiaries

1. TVS Credit Services Limited (TVS CS), Chennai
2. Sundaram Auto Components Limited (SACL), Chennai

3. TVS Housing Limited, Chennai
4. TVS Motor Services Limited, Chennai
5. Intellicar Telematics Private Limited, Bengaluru (Intellicar) [upto 24.05.2022]
6. TVS Electric Mobility Ltd, Chennai
7. PT TVS Motor Company Indonesia, Jakarta.
8. TVS Motor (Singapore) Pte. Limited, Singapore (TVSM Singapore)
9. TVS Motor Company (Europe) B.V., Amsterdam

Subsidiaries of SACL (upto 22.09.2022)

10. Sundaram Holding USA Inc, Delaware, USA
11. Green Hills Land Holding LLC, South Carolina, USA
12. Components Equipment Leasing LLC, South Carolina, USA
13. Sundaram - Clayton (USA) LLC, South Carolina, USA
14. Premier Land Holding LLC, South Carolina, USA

Subsidiaries of TVS CS

15. Harita ARC Private Limited, Chennai
16. TVS Housing Finance Private Limited, Chennai
17. Harita Two-wheeler Mall Private Limited, Chennai

Subsidiaries of TVSM Singapore

18. The GO Corporation, Switzerland (GO AG)
19. Swiss E-Mobility Group (Holding) AG, Switzerland (SEMG)
20. The Norton Motorcycle Co Limited, UK
21. TVS Digital Pte Ltd, Singapore
22. EBCO Limited, UK
23. Celerity Motor GmbH, Germany (From 06.12.2022)

Subsidiaries of GO AG

24. EGO Movement, Stuttgart GmbH, Germany

Subsidiaries of SEMG

25. Swiss E-Mobility Group (Schweiz), Switzerland
26. Colag E-Mobility GmbH, Germany
27. Alexand'RoEdouard'O Passion VéloSàrl (From 12.04.2022)

Subsidiary of Intellicar

28. Intellicar Singapore Pte Ltd [upto 24.05.2022]

Associates

1. Emerald Haven Realty Limited, Chennai and its subsidiaries
2. Ultraviolette Automotive Private Limited, Bengaluru
3. Tagbox Solutions Private Limited, Bengaluru
4. DriveX Mobility Private Limited, Coimbatore (From 15.10.2022)

Associates of TVS Digital Pte Ltd:

1. Tagbox Pte Limited, Singapore
2. Predictronics Corp., USA

3. Scienaptic Systems Inc., USA
4. Altizon Inc, USA

Post 31st March 2023, the following acquisitions were made by the Company through its overseas subsidiary:

Killwatt GmbH, engaged in development, design, manufacture, sale and distribution of high-tech products and components in the field of personal e-mobility, *inter alia*, two-wheeler and three-wheeler vehicles. The Company has obtained 25% stake in Killwatt through its subsidiary, TVS Motor (Singapore) Pte Limited, by way of subscription to newly issued shares of Killwatt GmbH on 14th April 2023.

PERFORMANCE OF SUBSIDIARIES

TVS Credit Services Limited (TVS CS)

TVS CS is the retail finance arm of the Company for financing of two wheelers. TVS CS is a Non-Banking Finance Company catering to financing of retail focussed products such as two-wheelers, used cars, used and new tractors, used commercial vehicles, consumer durables, digital finance products and personal loans. TVS CS primarily caters to self-employed, new to credit borrowers in the semi-urban and rural areas in the country.

During the year 2022-23, TVS CS's overall disbursements registered at ₹ 21,652 Cr as compared to ₹ 12,533 Cr in the previous year registering growth of 73%.

During the year under review, the assets under management are around ₹ 20,602 Cr as against ₹ 13,911 Cr during the previous year registering a growth of 48%.

Total income during the financial year 2022-23 increased to ₹ 4,160 Cr from ₹ 2,755 Cr during the financial year 2021-22, an increase of 51% over previous year.

The profit before tax after exceptional items for the year stood at ₹ 511 Cr as against ₹ 151 Cr during the previous year registering a growth of 238%.

The following companies are the subsidiaries of TVS CS.

1. Harita ARC Private Limited, Chennai
2. TVS Housing Finance Private Limited, Chennai
3. Harita Two-wheeler Mall Private Limited, Chennai

All the above subsidiaries are yet to commence their operations.

Sundaram Auto Components Limited (SACL)

The total income of SACL was ₹ 787 Cr in the current year as against ₹ 608 Cr in the previous year 2021-22.

SACL earned a profit before tax of ₹ 24.08 Cr after incurring an exceptional cost of ₹ 1.87 Cr during the year 2022-23 as against profit of ₹ 4.30 Cr in the previous year after exceptional cost of ₹ 6.00 Cr. Exceptional cost includes separation cost. SACL is a wholly owned subsidiary of the Company.

TVS Housing Limited (TVSH)

TVS Housing Limited is a wholly owned subsidiary of the Company.

TVS Motor Services Limited (TVS MS)

TVS MS was incorporated as the investment SPV of the Company, for funding TVS Credit Services Limited (TVS CS). TVS MS now holds 0.48% only in TVS CS and TVS MS continues to be a wholly owned subsidiary of the Company. On 28th March 2023, TVS MS allotted 5 Cr Optionally Convertible Redeemable Preference Shares (OCRPS) of face value of ₹ 10 each at par, aggregating to a total sum of ₹ 50 Cr to the Company on a Preferential Placement Basis.

TVS Electric Mobility Ltd, Chennai (TVSEM)

TVSEM was incorporated on 13.12.2021 to undertake Electric Mobility business. The entire shares of TVSEM have been subscribed by the Company and hence, TVSEM is a wholly owned subsidiary of the Company. The Company is yet to commence its operations.

TVS Motor Company (Europe) B.V.

TVS Motor Company (Europe) B.V. was incorporated with a view to serve as a special purpose vehicle for making and protecting the investments made in overseas operations of PT TVS.

TVS Motor (Singapore) Pte. Ltd

TVS Motor (Singapore) Pte Limited, is a wholly owned subsidiary of the Company.

During the year, the Company has invested a sum of SGD 91.53 Mn in the ordinary shares of Sg \$1/- each of TVS Motor (Singapore) Pte Limited.

The Company serves as a special vehicle for investments made in overseas subsidiaries / associates.

TVS Digital Pte Ltd, Singapore

TVS Digital Pte Limited, Singapore is a wholly owned subsidiary of TVS Motor (Singapore) Pte Limited. The Digital start-up offers a range of solutions across their Auto-tech and Fintech platforms and have secured clients in Bangladesh, Bolivia, India, Indonesia, Nepal, Philippines and Singapore.

The product offerings centre around Credit Decisioning and Collections in Fintech and a suite of Sales acceleration and Consumer Experience enhancements apps in the Auto-tech platform that is also finding applicability in Real Estate and B2B businesses.

Revenue streams have commenced and the team is now focused on exponential growth through scale and adoption to help deliver focused unit economics objectives.

PT. TVS Motor Company Indonesia (PT TVS)

During the year under review, PT TVS recorded sales of 19,096 nos. of three wheelers as against 11,043 nos. of sales during the previous year (growth of 73%) and 88,067 nos. of two wheelers as against 86,025 nos. in last year, thereby registering a growth of 2%.

The growth in sales numbers, coupled with effective management of fixed costs enabled PT TVS to achieve

EBITDA of USD 8.3 Mn. (7.9% on turnover) as against USD 5.3 Mn. (6.4% on turnover) in last year. PT TVS has posted Operating PBT of USD 5.6 Mn. for the full year.

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

During the previous year, the Company acquired majority stake in Swiss E-Mobility Group and its subsidiaries viz., Swiss E-Mobility Group (Schweiz) and Colag E-Mobility GmbH through TVS Motor (Singapore) Pte Ltd.

The acquisition reaffirms the Company's commitment to expansion in Europe, largest eBike market outside of China, through a portfolio of premium and technology leading brands including EGO Movement.

SEMG is a market-leading provider of e-mobility solutions within the DACH region, operating the largest pure-play ebike retail chain m-way in Switzerland. SEMG currently has a physical network of 33 stores at strategic locations across Switzerland and two online e-commerce platforms for distribution of its products.

SEMG has strong omni channel distribution and aspirational brands, including Cilo, Simpel, Allegro and Zenith-Bikes.

SEMG is No. 1 in Switzerland with a market share of 20%. During last calendar year 2022, SEMG Group reported a revenue of USD 69.5 Mn and a loss of USD 11.2 Mn. With further growth planned on physical stores and expansion further into the DACH region, the expected revenue for the current calendar year 2023 is around USD 104 Mn. SEMG acquisition gives an opportunity to grow in personal mobility business including e-kick scooters and e-cargo bikes which are emerging trends.

E-bikes are emerging as the leading personal mobility solution in Europe due to the increased ease of usage, regulatory support and overall perception as a sustainable form of transport. With a current penetration of approximately 15% of the total bicycle population in Europe and growing at a CAGR of ~18%, the market for the e-bicycle holds significant growth potential. The global Industry for E-bikes is expected to touch USD 25 bn in 5 years.

This acquisition of eBike business having a good market share and opportunity to drive further value will augur well for the Company in the long run.

The GO Corporation, Switzerland (the GO AG)

In September 2021, the Company acquired majority stake in the GO AG, Switzerland and its subsidiary EGO Movement through TVS Motor (Singapore) Pte Ltd.

Over the past decade, the personal mobility landscape has evolved significantly with the global sustainability agenda, increasing urbanisation and advancement in battery technology.

EGO Movement's product portfolio focuses on delivering sustainable products with the latest technology and stylish designs. A powerful battery is blended harmoniously into the frame, whose ergonomic design allows for a comfortable

upright sitting position. In addition, EGO Movement's connectivity platform is enhancing security and convenience for the vehicle's user with smart features such as keyless-go, GPS location with theft alarm and access-sharing. The unique and innovative design philosophy has earned the company multiple awards, including the prestigious Red Dot Award and in 2022 the German Brand Award.

This acquisition is in line with the Company's commitment towards electrification and the broader sustainability agenda for building an aspirational product portfolio while nurturing sustainable and scalable brands. EGO Movement is a Swiss technology company providing innovative mobility solutions through a portfolio of e-bikes, e-cargo bikes and matching accessories.

EGO Movement has a strong presence in Europe with customer-centric products, a unique omnichannel network and a visionary team at its helm.

The Norton Motorcycle Co Limited, UK)

During the financial year 2022-23, The Norton Motorcycle Co. Limited (UK) (Norton) has started handing over the bikes to the customers from the new state-of-the-art facility established in Solihull, United Kingdom.

Norton has launched new 'Commando 961 Sports' bike with completely redesigned components. A clear distribution strategy has been established with plans to have a mix of sales direct to customer and through dealers. It has already set up few dealers in United Kingdom and has formed or firmed up its product plan with a series of new products to be launched in coming years catering to various markets and segments in the premium motorcycle market.

Norton will continue to focus on improving the quality standards and supply chain as it steps up the production volumes and for the new products in the coming years as part of its journey of relaunching this iconic brand to its rightful place at the global level.

Associates:

Emerald Haven Realty Limited (EHRL)

During the year, EHRL registered a sales booking value (BV) of ₹ 930 Cr - the highest ever annual sales BV in the history of EHRL, with a growth of 189%, backed by strong sales across new launches and sustenance projects EHRL worked on various value engineering measures to control operating and fixed costs, which helped in the operating performance of the Company.

EHRL completed 4 land acquisitions across Chennai and Bangalore with a sales BV potential of ₹ 1250 Cr for the year under review. The Company has completed development of 2.4 million Sft till date and the balance area under development as on date is 6.25 million Sft.

Subsidiaries of EHRL

1. Emerald Haven Development Limited;
2. Emerald Haven Projects Private Limited;

3. Emerald Haven Life Spaces (Radial Road) Limited;
4. Emerald Haven Realty Developers (Paraniputhur) Private Limited;
5. Emerald Haven Property Development Limited;
6. Emerald Haven Town and Country Private Limited;
7. Happiness Harmony Property Developers Private Limited; and
8. Emerald Haven Towers Limited.

Ultraviolette Automotive Private Limited (UV)

UV incurred a loss of ₹ 9.03 Cr in the year 2022-23 as against loss of ₹ 2.53 Cr in the previous year 2021-22. UV is a startup company engaged in developing electric mobility solutions.

Tagbox Solutions Pvt Ltd, India / Tagbox Pte Ltd, Singapore (Tagbox)

Tagbox is a start-up company which provides an IoT based monitoring solution to predict and prevent unfavourable events, optimize reefer fleet and routes and manage inventory. The total income of Tagbox was at ₹ 5.58 Cr in the current year as against ₹ 7.24 Cr in the previous year 2021-22. Tagbox incurred a loss of ₹ 4.82 Cr in the year 2022-23 as against the loss of ₹ 2.71 Cr in the previous year 2021-22..

DriveX Mobility Private Limited (DriveX)

DriveX incurred a loss of ₹ 11.12 Cr in the year 2022-23 as against loss of ₹ 2.75 Cr in the previous year 2021-22. DriveX is engaged in leasing two-wheeler motor cycles and scooters; and selling, trading, and distributing preowned two-wheeler motor cycles and scooter.

Predictronics Corp, (Predictronics) USA

Predictronics is a start-up company engaged in predictive analytics solution for critical assets, vertical software for industrial robots and consulting services. Revenue of Predictronics was at ₹ 5.72 Cr in 2022-23 as against ₹ 7.01 Cr in the previous year 2021-22. Predictronics made a loss of ₹ 4.88 Cr in the year 2022-23 as against a loss of ₹ 2.76 Cr in the previous year 2021-22.

Scienaptic System Inc (Scienaptic), USA

Scienaptic is a start-up company engaged in explainable AI powered Advanced underwriting decisioning platform. They have more than 115 clients currently and have established a niche market with SME Credit Unions in the US. They are now breaking even as part of their focused efforts around unit economics. Total income of Scienaptic was at ₹ 36.12 Cr in 2022-23 as against ₹ 28.90 Cr in the previous year 2021-22. Scienaptic incurred a loss of ₹ 17.10 Cr in the year 2022-23 as against loss of ₹ 24.10 Cr in the previous year 2021-22.

Altizon Inc, (Altizon) USA

Altizon is a start-up company which provides industrial IoT solutions and helps enterprises use machine data to drive business decisions. Featured in the top 10 IIoT platform's globally and in the Gartner Magic Quadrant consistently, they

are breaking even as part of their focused efforts around unit economics. Total income of Altizon was at ₹ 7.22 Cr in the current year as against ₹ 4.03 Cr in the previous year 2021-22. Altizon incurred a loss of ₹ 2.33 Cr in the year 2022-23 as against loss of ₹ 6.54 Cr in the previous year 2021-2022.

KEY FINANCIAL RATIOS

As required under Regulation 34 of the Listing Regulations, there was a significant change in Interest Service Coverage ratio, Net Profit Margin and Return on Networth. Details of changes are:

Ratios	UOM	Standalone		Consolidated	
		2022-23	2021-22	2022-23	2021-22
Interest Service Coverage ratio	Times	15.20	10.90	8.20	7.20
Net Profit Margin	%	5.70	4.30	4.10	3.00
Return on Networth	%	27.43	19.87	26.83	18.40

Improvement in the above ratios reflect better operational performance.

NON-CONVERTIBLE DEBENTURES

During the year under review, the Company issued 12,500 Rated, Unsecured, Redeemable, Floating rate, Non-Convertible Debentures (NCDs) having a face value of ₹ 1,00,000 (Rupees One Lakh only) each aggregating to ₹ 125 Cr (Rupees One Hundred and Twenty Five Crores only) and the allotment was made on 14th March 2023. The NCDs were listed on the National Stock Exchange of India Limited on 15th March 2023.

The above NCDs were issued at a coupon rate i.e., sum of Benchmark Rate and spread of 140 basis points, payable on Coupon Payment Dates. Benchmark Rate is Repo Rate as declared by RBI and revised from time to time. Benchmark Rate (Repo Rate) was 6.50% as on date of issue. Thus, initial coupon rate as on date of issue was 7.90 % p.a. and redeemable at the end of 3rd year.

The Company had earlier issued and allotted 5,000 Listed, unsecured, redeemable, non-convertible debentures (NCD) of facevalue of ₹ 10 Lakhs each on 15th May 2020 aggregatingto ₹ 500 Crores at 7.5% p.a. and the same will be redeemed on or before 15th May 2023.

8. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company are prepared in accordance with the provisions of Section 129 of the Act, 2013 read with the Companies (Accounts) Rules, 2014 and Regulation 33 of the Listing Regulations along with a separate statement containing the salient features of the financial performance of subsidiaries / associates in the prescribed form. The audited consolidated financial statements together with the Auditors' Report form part of the Annual Report.

The financial statements of the subsidiary companies will be made available to the Shareholders, on receipt of a request from any Shareholder. The financial statements of the subsidiaries have also been placed on the website of the Company. This will also be available for inspection by the

Shareholders at the Registered Office during business hours as mentioned in the Notice of AGM.

The consolidated Profit Before Tax of the Company and its subsidiaries & associates amounted to ₹ 1936 Cr for the financial year 2022-23 as compared to ₹ 1,067 in the previous year.

9. DIRECTORS & KEY MANAGERIAL PERSONNEL

Special Recognition to Mr Venu Srinivasan, Chairman Emeritus & Managing Director

Mr Venu Srinivasan was honoured with the Outstanding Institution Builder of the year by AIMA (All India Management Association) at its 13th Managing India Awards in recognition of excellence in Business Leadership and Management and his significant contributions in building and shaping an institution, driving its growth, and creating a lasting legacy.

Special Recognition to Prof. Sir Ralf Dieter Speth, Chairman

Prof. Sir Ralf Dieter Speth, was admitted as a Fellow of the Royal Society, United Kingdom for his contributions in the field of Science.

He was also conferred with an Honorary Doctorate in the field of Science (Doctor of Science, honoris causa) from the University of Warwick, United Kingdom. The honorary degree was conferred by the University of Warwick Chancellor Baroness Catherine Ashton of Upholland.

Directors' appointment / re-appointment / cessation

Mr Sudarshan Venu, Managing Director (MD) of the Company was re-appointed for a further term of five years from 01.02.2023 to 31.01.2028 including payment of remuneration and the same was approved by the shareholders through Postal Ballot on 14th June 2022. Approval of the Central Government was also received on 26th September 2022, being a non-resident.

During the year under review, Mr H Lakshmanan, director, expressed his unwillingness for being re-appointed at the AGM held on 27th June 2022, due to old age and hence, not re-appointed. The vacancy of the retiring director was not filled up by the shareholders.

In terms of the provisions of sub-section (6) read with explanation to Section 152 of the Act, 2013, two-thirds of the total number of Directors i.e., excluding IDs, are liable to retire by rotation and out of them, one-third is liable to retire by rotation at every AGM. Accordingly, Prof Sir Ralf Dieter Speth, Chairman and Mr Sudarshan Venu, Managing Director, are liable to retire by rotation, at the ensuing AGM.

The Directors have recommended their re-appointment for the approval of shareholders. Brief resume of the Directors are furnished in the Notice convening the AGM of the Company.

Independent Directors (IDs)

All IDs hold office for a fixed term of five years and are not liable to retire by rotation.

During the year under review, the Board appointed Mr B Sriram, as Non-Executive Independent Director (NE-ID) on the Board at its meeting held on 24th January 2023, on the recommendation of the Nomination and Remuneration Committee, for a term of five consecutive years effective 24th January 2023. The shareholders have approved his appointment by way of special resolution through postal ballot on 9th March 2023.

The appointment of new directors are recommended by the Nomination and Remuneration Committee ('NRC') on the basis of requisite qualifications, skills, proficiency, experience, expertise in industry knowledge and competencies as identified and finalized by the Board considering the industry and sector in which the Company operates.

The Board, on the recommendation of the NRC, independently evaluates and recommends to the shareholders.

In the opinion of the Board, the Independent Directors appointed during the year are persons of high repute, integrity and possesses the relevant expertise and experience in the respective fields.

On 5th March 2019, the IDs viz., M/s. T Kannan, C R Dua and Hemant Krishan Singh were reappointed for the second term of 5 consecutive years from 14th July 2019. Mrs Lalita D. Gupte and Mr R Gopalan, were appointed as Additional and Independent Directors for a term of 5 years by the Board at its meeting held on 23rd October 2018 and 30th April 2019 respectively and the same were approved by the shareholders at the AGM held on 22nd July 2019. The terms of appointment of IDs include the remuneration payable to them by way of fees and profit-related commission, if any.

Mr Kuok Meng Xiong was appointed by the Board on 24th March 2021 as NE-ID for a term of five consecutive years effective that date and the same was approved by the shareholders at the 29th AGM held on 29th July 2021.

The terms of IDs cover, *inter-alia*, duties, rights of access to information, disclosure of their interest / concern, dealing in Company's shares, remuneration and expenses, insurance and indemnity. The IDs are provided with copies of the Company's policies and charters of various committees of the Board.

In accordance with Section 149(7) of the Act, 2013, all IDs have declared that they have met the criteria of independence as provided under Section 149(6) of the Act, 2013 and Regulation 25 of the Listing Regulations and the Board confirms that they are independent of the management.

The detailed terms of appointment of IDs is disclosed on the Company's website in the link as provided in page no. 102 of this Annual Report.

All the IDs are registered with the databank of Independent Directors developed by the Indian Institute of Corporate Affairs in accordance with the provisions of Section 150 of the

Companies Act, 2013 and obtained ID registration certificate and renewed the same for five years / life time, as the case may be.

Separate meeting of Independent Directors

During the year under review, a separate meeting of IDs was held on 23rd March 2023.

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

a) Non-Independent Directors (Non-IDs)

IDs used various criteria prescribed by the Nomination and Remuneration Committee (NRC) for evaluation of Non-IDs and Executive Directors viz., M/s Venu Srinivasan, Sudarshan Venu, K N Radhakrishnan and Non-IDs Non-Executive Directors viz., Prof. Sir Ralf D Speth and Dr. Lakshmi Venu and also of Chairman of the Board and the Board as a whole, for the year 2022-23.

IDs evaluated the performance of all Non-IDs individually, through a set of questionnaires.

IDs reviewed the major events and milestones achieved by the Company during the year 2022-23 and products launched, major acquisitions & strategic partnerships and awards & accolades received and the comparative data on financial / market cap for the year 2022-23.

They also reviewed the developing strategic plans aligned with the vision and mission of the Company, displaying leadership qualities for seizing the opportunities and priorities, developing and executing business plans aware of the risks involved, establishing an effective organizational structure, and demonstrating high ethical standards and integrity and commitment to the organization besides participation at the Board / Committee meetings, effective deployment of knowledge and expertise and constructive comments / guidance provided to management by the Non-IDs.

IDs were satisfied fully with the performance of all Non-IDs.

b) Chairman

IDs reviewed the performance of the Chairman of the Board.

IDs also placed on record, their appreciation of the Chairman's distinguished career in automotive industry for more than four decades and exemplary leadership skills, tremendous vision, and dedication to the industry, provides exceptional and critical leadership for the Board and lead Company in its transformational journey.

IDs also noted that his vast experience helps to steer Board discussions and decisions for the benefit of the Company and Shareholders.

c) Board

IDs also evaluated the Board's composition, size, the mix of skills and experience, meeting sequence, the effectiveness of discussion, decision making, and followup action, so as to improve governance and enhance the personal effectiveness of Directors.

The evaluation process focused on Board Dynamics. The Company has a Board with a wide range of expertise in all aspects of business and outstanding diversity of the Board with the presence of varied personalities with an expert in each domain viz., Engineering, Finance, Marketing, Legal, Information Technology, Banking, Administration and International trades and is well balanced with the addition of directors, with domestic and international experience and also from new industries.

The Company's management is well guided by the Non-Executive Directors; and Board benchmarks well in terms of its overall composition and the value it adds to the business.

As far as shareholders' interest is concerned, IDs noted that a proper system has been established to ensure that the Company is prompt, relevant and transparent.

They were satisfied with the Company's performance in all fronts and finally concluded that the Board operates with best practices. Board composition of the Company is in compliance with SEBI Listing Regulations and ahead of the benchmark as per the Corporate Governance Scorecard in overall position.

d) Quality, Quantity and Timeliness of flow of information between the Company, Management and the Board

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

The Company is in compliance with the statutory requirements under both the Companies Act and the Listing Regulations and all the information provided to the Directors are very wholesome.

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

Key Managerial Personnel (KMP)

Mr Venu Srinivasan, Chairman Emeritus and Managing Director, Mr Sudarshan Venu, Managing Director, Mr K N

Radhakrishnan, Director & CEO, Mr K Gopala Desikan, Chief Financial Officer and Mr K S Srinivasan, Company Secretary are KMPs of the Company in terms of Section 2(51) read with Section 203 of the Act, 2013 as on date of this Report.

Nomination and Remuneration Policy

The Nomination and Remuneration Committee of Directors (NRC) reviews the composition of the Board to ensure an appropriate mix of abilities, experience and diversity to serve the interests of all stakeholders of the Company.

Nomination and Remuneration Policy was approved by the Board at its meeting held on 23rd September 2014 and amended from time to time to maintain consistency with statutory amendments to make it upto date and more comprehensive.

The objective of such policy shall is to attract, retain and motivate executive management and devise remuneration structure to link to Company's strategic long-term goals, appropriateness, relevance, and risk appetite.

NRC will identify, ascertain the integrity, qualification, appropriate expertise and experience, having regard to the skills that the candidate will bring to the Board / Company, whenever the need arises for appointment of Directors / KMP.

Criteria for performance evaluation, disclosures on the remuneration of Directors, criteria of making payments to Non-Executive Directors have been disclosed as part of Corporate Governance Report attached herewith.

Remuneration payable to Independent Directors

The Shareholders at the 25th AGM of the Company held on 11th August 2017, have renewed the payment of remuneration, by way of commission not exceeding 1% of the Net profits, in aggregate, payable to the Independent Directors of the Company (IDs) every financial year.

IDs devote considerable time in deliberating the operational and other issues of the Company and provide valuable advice in regard to the management of the Company from time to time, and the Company also derives substantial benefit through their expertise and advice.

Evaluation of the Independent Directors and Committees of Directors

In terms of Section 134 of the Act, 2013 and the Corporate Governance requirements as prescribed under the Listing Regulations, the Board reviewed and evaluated Independent Directors and various Committees viz., Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders' Relationship Committee, based on the evaluation criteria laid down by the NRC.

Board has carried out the evaluation of all Directors (excluding the Director being evaluated) and its committees through a set a questionnaire.

Independent Directors

The performance of all IDs was assessed against a range of criteria such as contribution to the development of business strategy and performance of the Company, understanding the major risks affecting the Company, clear direction to the management and contribution to the Board cohesion. The performance evaluation has been done by the entire Board of Directors, except the Director concerned being evaluated.

The IDs were always kept informed of the constitution of robust framework for the Company and group companies against cyber threats and mitigation plans against cyber-attacks for business continuity.

They also kept abreast of risk mitigation plans on International Business risks viz., depreciation of currency, dollar shortage, increasing material cost and global inflationary pressure.

They also evaluated and satisfied with the risk mitigation on the supply chain disruption of Semiconductor and CoVID preparedness, to minimize the impact on business operations and employees health, from its previous learnings.

The Board noted that all IDs have understood the opportunities and risks to the Company's strategy and are supportive of the direction articulated by the management team towards consistent improvement.

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

Committees

Board delegates specific mandates to its committees, to optimize Directors' skills and talents besides complying with key regulatory aspects.

- Audit Committee for overseeing financial Reporting;
- Risk Management Committee for overseeing the risk management framework;
- Nomination and Remuneration Committee for selecting and compensating Directors / Employees;
- Stakeholders' Relationship Committee for redressing investors' grievances; and
- Corporate Social Responsibility Committee for overseeing CSR initiatives and inclusive growth.

The performance of each Committee was evaluated by the Board after seeking inputs from its members on the basis of specific terms of reference, its charter, time spent by the Committees in considering key issues, quality of information received, major recommendations / action plans and work of each Committee.

The Board is satisfied with overall effectiveness and decision making of all Committees. The Board reviewed each Committee's terms of reference to ensure that the Company's existing practices remain appropriate.

Directors continued to devote such time as is necessary for the proper performance and effectively discharge their duties, all of them were able to devote appropriate time to fulfill their duties.

Board and its Committees had an appropriate combination of skills, experience and knowledge.

The current Committees structure was considered effective and all the Committees of the Board were considered to be working effectively.

Recommendations from each Committee were considered and accepted by the Board prior to its implementation during the financial year under review.

Details of Committees, its charter and functions are provided in the Corporate Governance Report.

Number of Board meetings held:

During the financial year 2022-23, the Board met six times and details of the meetings are provided as part of Corporate Governance Report prepared in terms of the Listing Regulations.

10. AUDITORS

Statutory Auditors

M/s V. Sankar Aiyar & Co., Chartered Accountants, Mumbai, having Firm Registration No. 109208W allotted by The Institute of Chartered Accountants of India, have been re-appointed at the Company's 26th AGM held on 7th August 2018 to hold office as Statutory Auditors of the Company, for the second term of five consecutive years from the conclusion of 26th AGM till the conclusion of this AGM at such remuneration in addition to applicable taxes, out of pocket expenses, travelling and other expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors.

The second term of five consecutive years of M/s V. Sankar Aiyar & Co., Chartered Accountants, Mumbai gets completed at the end of the ensuing annual general meeting.

In this connection, the Board, based on the recommendation of the Audit Committee, at its meeting held on 4th May 2023 has appointed M/s Sundaram & Srinivasan, Chartered Accountants, Chennai, having Firm Registration No.004207S allotted by The Institute of Chartered Accountants of India, as statutory auditors of the Company for the first term of five consecutive years from the ensuing AGM till the conclusion of 36th AGM at a Statutory Audit fees of ₹ 85 Lakhs for the financial year 2023-24.

The Company has received consent from M/s Sundaram & Srinivasan, Chartered Accountants, Chennai, to serve as statutory auditors of the Company for the financial year 2023-24.

The directors recommended the appointment of M/s Sundaram & Srinivasan, Chartered Accountants, as the statutory auditors of the Company, subject to approval of the shareholders at the ensuing Annual General Meeting.

The Company has obtained necessary certificate under Section 141 of the Act, 2013 conveying their eligibility for being the Statutory Auditors of the Company for the year 2023-24.

The Auditors' Report for the financial year 2022-23 does not contain any qualification, reservation or adverse remark and the same is attached with the annual financial statements.

Directors place on record their appreciation of the valuable services rendered by M/s V. Sankar Aiyar & Co, Chartered Accountants, Mumbai during their tenure as statutory auditors of the Company.

Secretarial Auditors

As required under Section 204 of the Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to appoint a Secretarial Auditor for auditing secretarial and related records of the Company.

The Secretarial Audit Report for the financial year 2022-23, given by M/s S Krishnamurthy & Co., Company Secretaries, Chennai is attached to this Report.

The Secretarial Audit Report does not contain any qualification, observation or other remarks.

The Board at its meeting held on 4th May 2023 has re-appointed M/s S Krishnamurthy & Co., Company Secretaries, Chennai having Firm registration Number P1994TN045300 allotted by the Institute of Company Secretaries of India as Secretarial Auditors for the financial year 2023-24.

Cost Auditor

As per Section 148 of the Act, 2013 read with the Companies (Cost Records and Audit) Rules 2014, as amended, the cost audit records maintained by the Company in respect of its engine components manufactured by the Company specified under Customs Tariff Act heading in Table B to Rule 3 of the above rules, are required to be audited by a Cost Auditor.

Mr AN Raman, Practicing Cost Accountant, having Registration No. 5359 allotted by The Institute of Cost Accountants of India, was re-appointed as Cost Auditor of the Company at the Board meeting held on 5th May 2022 to carry out the audit as per the aforesaid provisions of the Act, 2013 for the financial year 2022-23. His remuneration was also ratified by the members at the 30th AGM held on 27th June 2022.

In terms of the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board has appointed M/s C S Adawadkar & Co, Practicing Cost Accountants, having Firm Registration No. 100401 allotted by The Institute of Cost Accountants of India, as Cost Auditor of the Company, on the recommendation of the Audit Committee, in the place of Mr AN Raman, Practicing cost accountant, in terms of Section 148 of the Act, 2013, for conducting Cost Audit for the financial year 2023-24.

The Company has received consent from M/s C S Adawadkar & Co, Practicing Cost Accountants, to serve as Cost auditors of the Company for the financial year 2023-24.

The Company has also received necessary certificate under Section 141 of the Act, 2013 from them conveying their eligibility to act as a Cost Auditor.

A sum of ₹ 8 lakhs has been fixed by the Board as remuneration in addition to applicable taxes, out of pocket expenses, travelling and other expenses payable to them, for the financial year 2023-24, which is required to be approved and ratified by the Members, at the ensuing AGM as per Section 148(3) of the Act, 2013.

Directors place on record their appreciation of the valuable service rendered by Mr A N Raman, Cost Accountant, Chennai, as Cost Auditor of the Company.

The Company has filed the Cost Audit Report of 2021-22 on 26th August 2022 in XBRL format.

11. CORPORATE GOVERNANCE

The Company has been practicing the principles of good corporate governance over the years and lays strong emphasis on transparency, accountability and integrity.

A separate section on Corporate Governance and a certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Listing Regulations is given as Annexure VIII to this Report.

The Director & Chief Executive Officer (D&CEO) and the Chief Financial Officer (CFO) of the Company have certified to the Board on financial statements and other matters in accordance with the Regulation 17 (8) of the Listing Regulations pertaining to CEO / CFO certification for the financial year ended 31st March 2023.

12. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with relevant SEBI Circulars, new reporting requirements on ESG parameters were prescribed under "Business Responsibility and Sustainability Report" ('BRSR'). The BRSR seeks disclosure on the performance of the Company against nine principles of the "National Guidelines on Responsible Business Conduct" ('NGRBCs').

As per SEBI Circulars, effective from the financial year 2022-23, filing of BRSR is mandatory for the top 1000 listed companies by market capitalisation. Accordingly, for the financial year ended 31st March 2023, Company has published BRSR, in the prescribed format is given as Annexure VII to this Report and is available on the Company's website in the link as provided in page no. 102 of this Annual Report.

13. POLICY ON VIGIL MECHANISM

The Company has adopted a Policy on Vigil Mechanism in accordance with the provisions of the Act, 2013 and Regulation 22 of the Listing Regulations, which provides a formal mechanism for all Directors, Employees and other Stakeholders of the Company to report to the management, their genuine concerns or grievances about unethical behaviour, actual or suspected fraud and any violation of the Company's Code of Business Conduct and Ethics.

The Code also provides a direct access to the Chairman of the Audit Committee to make protective disclosures to the management about grievances or violation of the Company's Code.

The Policy is disclosed on the Company's website in the link as provided in page no. 102 of this Annual Report.

14. PUBLIC DEPOSITS

The Company has not accepted any deposit from the public within the meaning of Section 76 of the Act, 2013, for the year ended 31st March 2023.

15. STATUTORY STATEMENTS

Information on conservation of energy, technology absorption, foreign exchange etc:

Relevant information is given in Annexure I to this Report, in terms of the requirements of Section 134(3)(m) of the Act, 2013 read with the Companies (Accounts) Rules, 2014.

Material changes and commitments, if any, affecting the financial position of the Company, having occurred since the end of the year and till the date of the Report:

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

Significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company:

There are no significant and material orders passed by the Regulators or Courts or Tribunals, which would impact the going concern status of the Company and its future operations.

Annual Return:

Copy of the Annual Return (Annexure II) in prescribed form is available on the Company's website in the link as provided in page no. 102 of this Annual Report, in terms of the requirements of Section 134(3)(a) of the Act, 2013 read with the Companies (Accounts) Rules, 2014.

Employee's remuneration:

Details of Employees receiving the remuneration in excess of the limits prescribed under Section 197 of the Act, 2013

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

Comparative analysis of remuneration paid:

A comparative analysis of remuneration paid to Directors and Employees with the Company's performance is given as Annexure V to this Annual Report.

Details of related party transactions:

There are no material related party transactions under Section 188 of the Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014.

Details of loans / guarantees / investments made:

The details of loans and guarantees under Section 186 of the Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, for the financial year 2022-23 are given as Annexure VI to this Annual Report. On loans granted to the Employees, the Company has charged interest as per its policy, in compliance with Section 186 of the Act, 2013.

Please refer note no. 3 to Notes on accounts for details of investments made by the Company.

Reporting of fraud

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

Secretarial Standards

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

General Disclosures

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

- (a) issue of equity shares with differential rights as to dividend, voting or otherwise;
- (b) issue of shares (including sweat equity shares) to employees of the Company under any scheme;

(c) pendency of any proceeding under the Insolvency and Bankruptcy Code, 2016 and

(d) instance of one-time settlement with any bank or financial institution.

Disclosure in terms of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH), as amended, Company has a robust mechanism in place to redress complaints reported under it. Company has complied with provisions relating to the constitution of Internal Committee under POSH. The Internal Committee (IC) comprises of internal members and external member who has an extensive experience in the field.

In the year 2022, 3 case of sexual harassment was reported, which was investigated and resolved as per the provisions of the POSH.

During the year 2022-23, initiatives were undertaken to demonstrate Company's zero tolerance policy against discrimination and sexual harassment, which included creation of comprehensive and easy to understand training and communication material. In addition, online workshops were also run for the employees to enhance awareness and knowledge.

16. ACKNOWLEDGEMENT

The Directors gratefully acknowledge the continued support and co-operation received from the holding Company viz., Sundaram-Clayton Limited, Chennai. The Directors also thank the bankers, investing institutions, customers, dealers, vendors and sub-contractors for their valuable support and assistance.

The Directors wish to place on record their appreciation of the very good work done by all the employees of the Company during the year under review.

The Directors also thank the investors for their continued faith in the Company.

For and on behalf of the Board of Directors

Chennai
4th May 2023

PROF. SIR RALF DIETER SPETH
Chairman
(DIN: 03318908)

Annexure - I to Directors' Report to the Shareholders

Information pursuant to Section 134(3)(m) of the Companies Act, 2013

A. CONSERVATION OF ENERGY

1. Measures taken in the year 2022-23:

- Optimal utilization of plant and equipment.
- Alternate source of power (Solar and Wind)
- Implementation of planned energy efficient projects.
- Green power purchase from Indian Energy Exchange (IEX)

Above measures have resulted in an annual saving of approximately ₹ 6 Cr.

2. Proposed measures during the year 2023-24:

- Improve process plant utilization and equipment efficiency.
- Augmentation of wind energy capacity.
- Alternate fuel for process heating
- Waste heat recovery systems and heat pumps.
- Continue to purchase Power from IEX
- Implementation of other identified energy efficient projects.

Above measures are expected to yield an annual saving of ₹ 7.6 Cr. (Approx.)

3. Steps taken for utilizing alternate sources of energy 2022-23:

The renewable power contributes to 88% of overall power. In that, 71.8% of energy from Wind, 5.1% from Hydel, 1.4% from Indian Energy Exchange (I E X) Green Day Ahead Market (G- D A M) and 9.6% of energy sourced from solar power plant.

4. Capital investment in energy conservation equipment:

During 2022-23, the Company had focused on utilization improvement of process plants, implementation of energy efficient projects such as compressor heat recovery systems, Compressor air optimization projects, conversion of EC fan etc. and reduction of fixed consumption as well as carbon footprint.

The Company is planning to invest around ₹ 12 Cr during 2023-24 towards implementing heat pumps, alternate fuel conversion and implementation of planned energy efficient projects and process utilisation improvement projects.

B. TECHNOLOGY ABSORPTION FOR 2022-23 & FUTURE PLAN OF ACTION

Continuous advancement and cutting-edge development of technology has always been a strong pillar of the Company. Each product from the Company brings advanced features and technologies that give them a competitive edge as well as fuels the passion of deserving customers. During the year 2022-23 'TVS Ronin' was launched which is a modern retro motorcycle, creating a new genre by its form as well as the characteristic ride supported by various

technology elements. TVS Ronin has been developed with state-of-the-art connected capability, first of its kind starting technology with Integrated Starter Generator, Ride modes and some more advanced features.

The Company's EV Platform offering to the market TVS iQUBE has been given a significant upgrade, moving the whole engineering platform to next level. The advancements come in the areas of performance, efficiency, packaging to give more usable space to the customer and cutting-edge capabilities like Voice Assist and 'Alexa Skill'.

Migration of complete range of products into the OBD-II has been achieved successfully through advancement in technologies that are honed for superior quality, sizeable cost reductions through engineering optimization and value enhancement to customers.

Two specific new variants have been developed for international markets, enhancing the competitiveness of our offering and supporting growth in our market share.

R&D team is pursuing further new technologies and advancements for the future products. The Company's priorities are in the area of overall carbon footprint reduction, contributing to sustainability and enhancement of safety. The Company's endeavor towards continuous development and delivery of best-in-class products for the global markets is further stepped up, with renewed focus on cutting-edge technology development in the Electronics and Software, Electric propulsion, smart and connected vehicles.

C. DATA RELATING TO IMPORTED TECHNOLOGY

Technology imported during the last 3 years reckoned from the beginning of the financial year - NIL

Expenditure on Research & Development - ₹ 494.62 Crores

D. FOREIGN EXCHANGE ACTUAL EARNINGS AND OUTGO

1. Export activities:

During the year, export of two-wheeler was 9.15 lakh units and three-wheeler was 1.53 lakh units. The Company continued export of components and subassemblies to its subsidiary in Indonesia.

2. Total foreign exchange earned and used:

	(₹ in Cr)
Foreign exchange used	2,770.83
Foreign exchange earned	7,588.22

For and on behalf of the Board of Directors

PROF. SIR RALF DIETER SPETH

Chennai
4th May 2023

Chairman
(DIN: 03318908)

Annexure - IV to Directors' Report to the shareholders

Particulars of Corporate Social Responsibility activities carried out by the Company in terms of Section 135 of the Companies Act, 2013

1. Brief outline on CSR Policy of the Company:

This policy encompasses the Company's philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for the transformation and sustainable development of the rural communities at large.

2. Composition of the CSR Committee:

Sl. No.	Name of the Director (M/s)	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Venu Srinivasan	Chairman	1	1
2.	R Gopalan	Member	1	1
3.	T Kannan *	Member	Not Applicable	
4.	H Lakshmanan**	Member	1	1

* Appointed effective 28th July 2022; ** Ceased as a Director / Member of the Committee effective 27th June 2022.

3.	Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the company.	www.tvsmotor.com Web-link is provided in page no. 102 of this Annual Report.				
4.	Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.	Not Applicable				
5.	(a) Average net profit of the company as per section 135(5).	₹ 930.56 Cr				
	(b) Two percent of average net profit of the Company as per Section 135(5) of the Companies Act, 2013.	₹ 18.61 Cr				
	(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	Nil				
	(d) Amount required to be set off for the financial year, if any	Nil				
	(e) Total CSR obligation for the financial year (5b+5c- 5d).	₹ 18.61 Cr				
6.	(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project)	₹ 19.00 Cr				
	(b) Amount spent in Administrative Overheads	Nil				
	(c) Amount spent on Impact Assessment, if applicable	Not Applicable				
	(d) Total amount spent for the Financial Year [(a)+(b)+(c)]	₹ 19.00 Cr				
	(e) CSR amount spent or unspent for the Financial Year:					
		Amount Unspent (in ₹)				
	Total Amount Spent for the Financial Year (in ₹)	Total Amount transferred to Unspent CSR Account as per Section 135(6) of the Act, 2013.	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) of the Act, 2013.			
	19.00 Cr	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
		Not Applicable				
	f) Excess amount for set off, if any					
	Sl. No.	Particulars				Amount in (₹)
	(i)	Two percent of average net profit of the Company as per Section 135(5)				18.61 Cr
	(ii)	Total amount spent for the financial year				19.00 Cr
	(iii)	Excess amount spent for the financial year [(ii)-(i)]				0.39 Cr
	(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any				NIL
	(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]				0.39 Cr

7 Details of Unspent CSR amount for the preceding three financial years: (In ₹)

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

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

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

For and on behalf of the Board of Directors

VENU SRINIVASAN
Chairman Emeritus & Managing Director
and Chairman of CSR Committee
 DIN: 00051523

Chennai
4th May 2023

Annexure - V to Directors' Report to the Shareholders

COMPARATIVE ANALYSIS OF REMUNERATION PAID TO DIRECTORS AND EMPLOYEES WITH THE COMPANY'S PERFORMANCE

Sl. No.	Name of the Directors (M/s)	Category	Ratio to Median in Remuneration	% Increase / (Decrease) Remuneration
1	Prof. Sir Ralf Dieter Speth	Chairman	-	-
	Venu Srinivasan	CE&MD	1:280	8%
	Sudarshan Venu	MD	1:327	47%
	K N Radhakrishnan	D & CEO	1:143	23%
	C R Dua	NE-ID	1:4	15%
	R Gopalan	NE-ID	1:4	16%
	Lalita D Gupte	NE-ID	1:3	17%
	T Kannan	NE-ID	1:4	20%
	Kuok Meng Xiong	NE-ID	1:3	28%
	Hemant Krishan Singh	NE-ID	1:3	17%
	B Sriram*	NE-ID	-	-
	Dr Lakshmi Venu	NE-NID	-	-
	K Gopala Desikan	CFO	NA	22%
	K S Srinivasan	CS	NA	12%
* appointed on 24 th January 2023				
CE & MD - Chairman Emeritus and Managing Director MD - Managing Director D&CEO - Director & Chief Executive Officer CFO - Chief Financial officer; CS - Company Secretary NEID - Non executive Non Independent Director NEID - Non executive Independent Director				
2	As per the current year employees list, the Median Employee falls under the Union category, for whom the long term wage settlement renewed once in four years. The last renewal was made in 1 st April 2021 and hence, the increase is negligible during the four years.			
3	The number of permanent employees on the rolls of Company;		5459	
4	a. Average percentile increase already made in the salaries of employees other than the managerial personnel in the financial year 2022-23		8%	
	b. Average percentile increase in the managerial remuneration in the financial year 2022-23 There are no exceptional circumstances for increase in the managerial remuneration.		25%	
5	Affirmation that the remuneration is as per the Remuneration Policy of the Company.		Remuneration paid during the year 2022-23 is as per the Remuneration Policy of the Company	

For and on behalf of the Board of Directors

PROF. SIR RALF DIETER SPETH
Chairman
 (DIN: 03318908)

Chennai
4th May 2023

IV. EMPLOYEES

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No	Particulars	Total (A)	Male		Female		Others	
			No. (B)	% (B/A)	No. (C)	% (C/A)	No. (H)	% (H/A)
EMPLOYEES								
1.	Permanent (D)	3,559	3,134	88.06	425	11.94	-	-
2.	Other than Permanent (E)	214	187	87.38	27	12.62	-	-
3.	Total employees (D + E)	3,773	3,321	88.02	452	11.98	-	-
WORKERS								
4.	Permanent (F)	1,900	1,899	99.95	1	0.05	-	-
5.	Other than Permanent (G)	7,234	6,603	91.28	631	8.72	-	-
6.	Total workers (F + G)	9,134	8,502	93.08	632	6.92	-	-

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female		Others	
			No. (B)	% (B/A)	No. (C)	% (C/A)	No. (H)	% (H/A)
DIFFERENTLY ABLED EMPLOYEES								
1.	Permanent (D)	13	10	76.92	3	23.08	-	-
2.	Other than Permanent (E)	-	-	-	-	-	-	-
3.	Total differently abled employees (D + E)	13	10	76.92	3	23.08	-	-
DIFFERENTLY ABLED WORKERS								
4.	Permanent (F)	13	13	100.00	-	-	-	-
5.	Other than Permanent (G)	144	118	81.94	26	18.06	-	-
6.	Total differently abled workers (F + G)	157	131	83.44	26	16.56	-	-

19. Participation / Inclusion / Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	12	2	16.67
Key Management Personnel	2	-	-

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

Category	FY 2022-23 (Turnover rate in current FY)				FY 2021-22 (Turnover rate in previous FY)				FY 2020-21 (Turnover rate in the year prior to the previous FY)			
	Male	Female	Others	Total	Male	Female	Others	Total	Male	Female	Others	Total
Permanent Employees	11.3	11.1	-	11.2	13	10	-	11.5	8	8	-	8
Permanent Workers	-	-	-	-	-	-	-	-	-	-	-	-

Attrition : <5 permanent workers per year out of 2000 total permanent workers

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies/ joint ventures (A)	Indicate whether holding / Subsidiary / Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the the listed entity? (Yes/No)
1	Sundaram-Clayton Limited	Holding Company	50.26	No
2	Sundaram Auto Components Limited	Subsidiary	100	No
3	TVS Housing Limited	Subsidiary	100	No
4	TVS Motor Services Limited	Subsidiary	100	No
5	TVS Electric Mobility Limited	Subsidiary	100	No
6	TVS Credit Services Limited	Subsidiary	85.63	No
7	TVS Motor Company (Europe) B.V.	Subsidiary	100	No
8	TVS Motor (Singapore) Pte Limited	Subsidiary	100	No
9	PT TVS Motor Company Indonesia	Subsidiary	51.20	No
10	Harita ARC Private Limited	Subsidiary	-	No
11	TVS Housing Finance Private Limited	Subsidiary	-	No
12	Harita Two-wheeler Mall Private Limited	Subsidiary	-	No
13	The Norton Motorcycle Co Limited, UK	Subsidiary	-	No
14	TVS Digital Pte Limited, Singapore	Subsidiary	-	No
15	The GO Corporation, Switzerland	Subsidiary	-	No

Annexure - VII to Directors' Report to the shareholders - (continued)

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES) - (continued)

21. (a) Names of holding / subsidiary / associate companies / joint ventures - (continued)

S. No.	Name of the holding / subsidiary / associate companies/ joint ventures (A)	Indicate whether holding / Subsidiary / Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business entity Responsibility initiatives of the the listed entity? (Yes/No)
16	Swiss E-mobility Group (Holding) AG, Switzerland	Subsidiary	-	No
17	EBCO Limited, UK	Subsidiary	-	No
18	Celerity Motor GmbH, Germany	Subsidiary	-	No
19	EGO Movement, Stuttgart GmbH, Germany	Subsidiary	-	No
20	Swiss E-mobility Group (Schweiz), AG, Switzerland	Subsidiary	-	No
21	Colag E-mobility GmbH, Germany	Subsidiary	-	No
22	Alexand'RoEdouard'O Passion VéloSàrl, Switzerland	Subsidiary	-	No
23	Ultraviolette Automotive Private Limited	Associate	28.66	No
24	Emerald Haven Realty Limited	Associate	43.54	No
25	DriveX Mobility Private Limited	Associate	48.27	No
26	Tagbox Solutions Private Limited	Associate	23.50	No
27	Predictronics Corporation, USA	Associate	-	No
28	Tagbox Pte Limited, Singapore	Associate	-	No
29	Scienaptic Systems Inc., USA	Associate	-	No
30	Altizon Inc., USA	Associate	-	No

Annexure - VII to Directors' Report to the shareholders - (continued)

VI. CSR DETAILS

22. CSR Details

Whether CSR is applicable as per Section 135 of Companies Act, 2013	Yes
Turnover (₹ in Cr)	26,378.09
Net worth (₹ in Cr)	6,038.35

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

23. Complaints / Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaints is received	Grievance Redressal Mechanism in Place (Yes / No) if yes then provide web-link for grievance redress policy	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	-	-	-	-	-	-
Investors (other than shareholders)	Yes	-	-	-	-	-	-
Shareholders	Yes	5	-	-	7	-	-
Employees	Yes	294	5	Resolution is under progress for pending complaints.	409	-	-
Customers	Yes	203	19	Pending complaints resolved in FY 2023-24	190	-	-
Value Chain Partners (Dealers)	Yes	47,228	849	Pending complaints resolved in FY 2023-24	34,364	-	All the complaints have been closed
Value Chain Partners (Suppliers)	Yes	-	-	-	-	-	-

The Company has established required framework for addressing specific grievances for all of its stakeholders. Code of Business Conduct and Ethics, Whistle Blower Mechanism provides sufficient guidance for reporting and resolving grievances. Web-link of such policies are available on the Company's website as provided in page no. 102 of this Annual Report.

Annexure - VII to Directors' Report to the shareholders - (continued)

24. Overview of the entity's material responsible business conduct issues
Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

Materiality analysis has been done to identify issues that concern our stakeholders and our business sustainability. Prioritization of materiality issues in the current context constructed from following sources-

- Issues based on sectoral guidelines.
- Issues flagged in peer reviews.
- Stakeholder engagement.
- Issues identified during discussions with the management and internal workshops.

Relevant issues are rated as important/very important with reference to Stakeholder groups and the Company were plotted in graph. Very important issues both for company & stakeholder are considered Material issues that have significant Business, Environmental & Social impact. Examples of identified material issues with approach for risk mitigation and financial implication is described below-

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate Change	R	Rapid change towards Low Emission & Alternate fuel vehicles	Development of EVs and Flex Fuel Vehicles (FFV)	Negative Implications
2	Scope 3 Emissions	R	Future impending Stringent Regulatory Norms	Carbon emission inventorization across value chain and target for emission reduction	Negative Implications

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable.
P2	Businesses should provide goods and services in a manner that is sustainable and safe.
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains.
P4	Businesses should respect the interests of and be responsive towards all its stakeholders.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect and make efforts to restore the environment.
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
P8	Businesses should promote inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their consumers in a responsible manner.

Annexure - VII to Directors' Report to the shareholders - (continued)

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

S. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Whether your entity's policy / policies cover each principle and its core elements of the NGRBCs. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Has the policy been approved by the Board?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Weblink of the Policies, if available	Refer to the Whistle-blower Policy, Code of Business Conduct and Ethics which includes Anti-Bribery practises (available on Company's intranet)	Refer to the Code of Business Conduct and Ethics which includes Fair dealing with customers, suppliers, competitors, officers and employees.	Various policies for well being of the employee are published on the intranet.	Refer to the Policy on Prevention of Sexual Harassment	Various policies on the human rights, safety are published on the intranet.	Refer to the Environment, occupational health and safety policy on the company's website	Refer web-link provided under Leadership Indicators of this principle	Refer to CSR Policy	Refer to Privacy Policy

S. No.	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
2.	Whether the entity has translated the policy into procedures.	Yes								
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Code of Conduct, Supplier Code of Conduct and Human Rights policy extend to our value chain partners								
4.	Name of the national and international codes / certifications / labels / standards	ISO 11469; AIS 129, 156; EC 1907/2006; CMV Rules ISO 45001 & SA 8000 ISO 14001								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Company is in the process of defining an overall ESG strategy with goals and targets on material issues.								
6.	Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	NA								

Governance, leadership and oversight		
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	The Company is committed to being a highly profitable, socially responsible, and leading manufacturer of high value for money, environmentally friendly, lifetime personal transportation products under the TVS brand, for customers predominantly in Asian markets and to provide fulfillment and prosperity for employees, dealers, and suppliers.
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (es).	At the highest level, the Board of Directors of your Company, led by the Chairman Emeritus and Managing Director, has the primary role to protect and assess the Business Responsibility (BR) performance of your Company.
9.	Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues?	Chairman, Chairman Emeritus & Managing Director, Managing Director and Director & Chief Executive Officer
10.	Details of Review of NGRBCs by the Company: Performance against above policies and follow up action.	The policies of the Company are reviewed periodically / on a need basis by department heads / director / Board committees / Board members, wherever applicable.
11.	Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No. The policies of the Company are subject to audit by the internal auditors of the Company. The working of the policy is also ensured by the various department heads / director / Board committees / Board members, wherever applicable.

Annexure - VII to Directors' Report to the shareholders - (continued)

12 If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business	-	-	-	-	-	-	-	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
The entity does not have the financial or / human and technical resources available for the task	-	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year	-	-	-	-	-	-	-	-	-
Any other reason (please specify)									

SECTION C : PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1

BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	All principles	100*
Key Managerial Personnel (KMPs)	1	All principles	40
Employees other than BoD and KMPs	150	The employees / workers are imparted various trainings / awareness sessions such as induction / functional / behavioral training at the time of joining and leadership, policy, technical and unit specific compliance training during the course of employment.	92
Workers	359		100

* Director inducted during the year was given an update on the Company's business operations and sustainability principles.

Annexure - VII to Directors' Report to the shareholders - (continued)

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary				
NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes / No)
Penalty / Fine				
All	NA	Nil	NA	No
Settlement				
All	NA	Nil	NA	No
Compounding fee				
All	NA	Nil	NA	No

Non-Monetary				
NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes / No)	
Imprisonment				
All	NA	NA	NA	No
Punishment				
All	NA	NA	NA	No

3. Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory / enforcement agencies / judicial institutions
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy?

Yes. As a part of Code of Conduct for all the employees, on discipline and misconduct, the Company states anti bribery policy as "Accepting bribe or illegal gratification, in any form, from anyone, in connection with the Company's business is considered violation".

The policy emphasizes zero tolerance approach towards corruption and bribery. The Company has appropriate internal controls to ensure that the Company or its employees do not engage in unethical practices.

The Company conducts proactive reviews, audits and internal investigations to monitor compliance with the policy. The policy also provides information and guidance on how to recognise and deal with bribery and corruption issues. As a part of training on the Code of Conduct, training is also imparted to employees on Anti-Corruption and Anti-bribery topics. Web-link of such policies covered under the Code of Conduct are available on the Company's website as provided in page no. 102 of this Annual Report

5. Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Category	FY 2022-23	FY 2021-22
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

Particulars	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

During the year the Company has conducted various awareness programmes for value chain partners. However a framework to track such awareness programmes will be put in place.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes / No)

Yes, the Company has in place a 'Policy on Related Party Transactions', which are applicable to our Board members. Transactions with the Board members or any entity in which such Board members are concerned or interested are required to be approved by the Audit Committee and the Board of Directors. In such cases, the interested directors abstain themselves from the discussions at the meeting. The weblink of the policy is available elsewhere reported in the annual report.

PRINCIPLE 2

BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

ESSENTIAL INDICATORS

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Particulars	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	48.71	56.70	Some of the projects are: Development of electric 2W and 3W products; On-board diagnosis II A for products; E20 (Ethanol 20% + Gasoline 80%) material compatible products and Flex fuel vehicles (E20-E85 fuel).
Capex	8.14*	12.88*	EV production process; Emission Control Device in DG set; Regenerative Thermal Oxidiser; for VOC abatement, Water mist fire protection for EV battery assembly & cell storage, infrastructure for PwD etc.

* Includes R&D investments.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

b. If yes, what percentage of inputs were sourced sustainably?

95 percentage of supplier parts were sourced sustainably as per Company's current standard / practice. Initiatives taken to ensure sustainable sourcing and encouraged suppliers to get certified under ISO 14001, ISO 45001, SA 8000 & IATF. System & process audits (TPM) are conducted at supplier end periodically for better control through supplier excellence team.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for

(a) Plastics (including packaging)

a) Recyclability symbol marking on the plastic parts (more than 100g component) for easy identification during recycling. b) The packaging plastic materials are managed as per Extended Producer Responsibility.

(b) E-waste

Batteries (Lead-Acid) used in products have recycling symbol marked. At the end-of-life, these batteries will reach recyclers through the dealers and channel partners. Lithium-ion batteries will be managed as per Extended Producer Responsibility.

(c) Hazardous waste

The Company restricts the use of "hazardous chemicals" in the components used in products. An internal standard is created considering various national and international laws on hazardous substance.

(d) other waste.

Towards enabling disposal of products at End-of-life in an environment friendly manner, the products are designed with higher recyclability and recoverability rates that promotes recycling.

Reusability & recyclability rate between 85-90% and reusability & recoverability rate between 90-95%.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).

Yes

If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards?

Yes

If not, provide steps taken to address the same.

LEADERSHIP INDICATORS

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

Yes

If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	If yes, provide the web-link.
291	Scooters (Jupiter 110, Jupiter 125 & NTorq)	38.4	Cradle to Grave: Raw material extraction, part production, vehicle assembly, use phase and disposal.	No	No	-
291	Apache Platform	17.2		No	No	-
291	Commuter Motorcycles (Star City+, Sport, Radeon)	9.2		No	No	-
291	Ronin	1.5		No	No	-

The LCA study / perspective is carried out in-house using GaBi software and ecoinvent database. The results from the LCA are assessed periodically and necessary actions are being taken across models to reduce the impacts.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
All Models	Use phase emissions	Meeting OBD II-A (On Board Diagnostics) requirements for 2W and 3W products.
All Models	Depletion of fossil fuel	Voluntary E20 (Ethanol 20% + Gasoline 80%) Material compliance for all models. Helps to conserve fossil fuel and reduces CO ₂ emissions.
Apache 160 4V	Depletion of fossil fuel	Demonstration of Flex fuel vehicle (FFV). The vehicle can run on flex fuel (E20-E85). Conservation of fossil fuel.
iQUBE& variants	Safety	In addition to AIS 156 and 3 phase 2 compliance, advanced battery design standards enhance the safety of the battery packs.
All models	Safety	Vehicle immobility when the side stand is engaged.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
Distilled Thinner	23.14	25.90
Recycled Effluent	75.27	74.29

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Particulars	FY 2022-23			FY 2021-22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	494	-	-	318	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

Usage of reusable bins thereby reducing the consumption of carton boxes.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Material received in bins.	100

Usage of bins instead of wooden boxes for goods that come in, because of longer life and reusability.

Spares packaging in cardboard which can be recycled.

PRINCIPLE 3

BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	3,134	3,134	100	3,134	100	-	-	3,134	100	3,134	100
Female	425	425	100	425	100	425	100	-	-	425	100
Total	3,559	3,559	100	3,559	100	425	100	3,134	100	3,559	100
Other than Permanent employees											
Male	187	187	100	187	100	-	-	187	100	187	100
Female	27	27	100	27	100	27	100	-	-	27	100
Total	214	214	100	214	100	27	100	187	100	214	100

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male	1,899	1,899	100	1,899	100	-	-	1,899	100	1,899	100
Female	1	1	100	1	100	1	100	-	-	1	100
Total	1,900	1,900	100	1,900	100	1	100	1,899	100	1,900	100
Other than Permanent workers											
Male	6,603	6,603	100	6,603	100	-	-	6,603	100	6,603	100
Female	631	631	100	631	100	631	100	-	-	631	100
Total	7,234	7,234	100	7,234	100	631	100	6,603	100	7,234	100

Permanent Workers are covered under Hospitalization insurance policy and Personal Accident (PA) policy.

Other than Permanent Workers are covered under Employee State Insurance extending Hospitalization and accident benefits Maternity, Paternity & Day care facility are extended to all categories of employees.

Annexure - VII to Directors' Report to the shareholders - (continued)

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	3	100	Yes	12	100	Yes
Others - please specify	-	-	-	-	-	-

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

If not, whether any steps are being taken by the entity in this regard.

Infrastructure audit was conducted by M/s Enable India and M/s RampMyCity and made the infrastructure friendly for PwD with 80% accessibility.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100	100	-	-
Female	100	100	37	100
Total	100	100	37	100

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No (If Yes, then give details of the mechanism in brief)	Remark
Permanent Workers	Yes	The Company POSH Committee, members are from diverged group including CHRO, Operations head, ERM head. Whistle-blower, CoC (Code of Conduct) for all categories of permanent employees and workers are available. Dedicated channels for raising such grievances have been put in place and communicated to all the concerned stakeholders. Employee can access the Committee over phone or also can send mail.
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

Annexure - VII to Directors' Report to the shareholders - (continued)

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	3,559	-	-	2,871	-	-
- Male	3,134	-	-	2,587	-	-
- Female	425	-	-	284	-	-
- Others	-	-	-	-	-	-
Total Permanent Workers	1,900	1,900	100.00	1,951	1,951	100.00
- Male	1,899	1,899	100.00	1,950	1,950	100.00
- Female	1	1	100.00	1	1	100.00
- Others	-	-	-	-	-	-

8. Details of training given to employees and workers:

Category	Total (A)	FY 2022-23				FY 2021-22				
		On Health and safety measures		On Skill upgradation		Total D	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
EMPLOYEES										
Male	3,321	632	19.03	742	22.34	2,587	177	6.84	820	31.70
Female	452	222	49.11	149	32.96	284	68	23.94	114	40.14
Others	-	-	-	-	-	-	-	-	-	-
Total	3,773	854	22.63	891	23.62	2,871	245	8.53	934	32.53
WORKERS										
Male	8,502	6,339	74.56	2,178	25.62	7,791	7,569	97.15	1,950	25.03
Female	632	617	97.63	440	69.62	457	457	100.00	289	63.24
Others	-	-	-	-	-	-	-	-	-	-
Total	9,134	6,956	76.16	2,618	28.66	8,248	8,026	97.31	2,239	27.15

9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
EMPLOYEES						
Male	3,134	3,134	100.00	2,587	2,587	100.00
Female	425	425	100.00	284	284	100.00
Others	-	-	-	-	-	-
Total	3,559	3,559	100.00	2,871	2,871	100.00
WORKERS						
Male	1,899	1,899	100.00	1,950	1,950	100.00
Female	1	1	100.00	1	1	100.00
Others	-	-	-	-	-	-
Total	1,900	1,900	100.00	1,951	1,951	100.00

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No).

Yes

If yes, the coverage such system?

Hosur, Mysuru, Nalagarh

Scope : Design and Manufacture of personal transportation products (Mopeds, Motorcycles, Scooters, Three-Wheelers and their components)

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Hazard identification and risk assessment, Hazard Operability Study, Safety Audit by OHS professional, Safety Interaction by line management, External Auditors, ISO 45001.

Hazard Identification Risk Assessment (HIRA) is a process of defining and describing hazards by characterising their probability, frequency, and severity and evaluating adverse consequences, including potential losses and injuries. A risk assessment that provides the factual basis for activities is included in the corporate safety strategy to reduce losses from identified hazards at workplace. While carrying out Hazard Assessment, all the activities including routine and non-routine in each section are selected, Hazard Assessment conducted to identify the significant risks. For all the significant risks, control measures are defined to mitigate the risks. The HIRA process is a dynamic document which is reviewed every year or if there is change in process, layout, materials etc. or if there is an accident or incident in that particular activity.

Periodic medical check-up is done in-house with specific tests identified as per risk assessment of employees working in different departments having exposure to different occupational health hazards. Health assessment on return-to-work is done prior to rejoining. Medical fitness certificate is verified and validated and maintained as record. Immunisation of specific categories of employees as per job requirements for specific protection under primary prevention protocol.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, the Company has necessary systems in place to ensure employee's safety is not compromised and also avails representation from employee and workers in this regard. Work related hazards are identified through reporting mechanisms viz., Unsafe Condition Reporting, Near Miss Reporting, Reports from Safety committee meeting, Total Employee Involvement (TEI) - Suggestions and TEI -QCC.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, the Company has tied-up with nearby multispecialty hospitals for non-occupational health services to all our employees.

11. Details of safety related incidents, in the following format:

Safety Incident / Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.11	0.12
	Workers	0.12	0.28
Total recordable work-related injuries	Employees	-	1
	Workers	-	3
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company engages employees to improve safety and health such as safety audits through internal and external experts, safety training for its employees on topics like Four Stage Safety Clearance, 100% Induction Training, Contractor Safety Management System, Plant Safety Rating System, Work Permit System, Visual Control System Related to Safety, Work Environment Monitoring, Internal & External Safety Audits, Fire Extinguishers, Fire Hydrants and Automatic suppression systems.

13. Number of Complaints on the following made by employees and workers:

Particulars	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	-	Nil	Nil	-
Health & Safety	Nil	Nil	-	Nil	Nil	-

The observations / suggestions made by safety committee members during quarterly meeting are addressed appropriately.

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

- Engagement with Dupont for implementation of safety systems for cultural transformation
- Safety digitalization & digitization activities.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of

a. Employees (Y/N)

Yes, Employee death benefit scheme, group personal accident coverage and all other benefits in line with Statutory benefits provided for employee benefit.

b. Workers (Y/N).

Yes, Family Relief Fund is extended to the family members of the deceased employees by making contribution from all permanent employees and matching contribution by the company.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company has adequate mechanisms to ensure that requisite statutory dues, as applicable to the transactions of the Company with its value chain partners, are deducted and deposited in accordance applicable regulations and reviewed as per regular audit processes. The Company also collects necessary certificates and proofs from its contractors with respect to payment of statutory dues like PF, ESIC, etc. relating to contractual employees and workers.

The Company expects its value chain partners to behave ethically and with integrity in all its business transactions and uphold standards of fair business practices.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Particulars	Total no. of affected employees / workers		No. of employees / workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	-	1	-	1
Workers	-	3	-	3

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No

5. Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	10
Working Conditions	10

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

There were no significant risks / concerns arising from the assessments of health and safety practices and working conditions of value chain partners.

PRINCIPLE 4

BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company continuously expands its proactive engagement with all the stakeholder groups. The Company prioritises engagement as an integral part of partnership building and aims to institutionalize a structured approach through a formal process in the future.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Pamphlets, Meetings, Notice Board, Website), Other	Frequency of engagement (Annually / Half yearly / Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	Email, SMS, Newspapers and Advertisements	Monthly	Through frequent Customer interaction, Customer satisfaction surveys and other market surveys. Key Concerns include Product / Service quality, Timely Delivery, Fair Pricing and Fuel efficiency of vehicles
Dealers	No	E-mail	Monthly	Scope includes dealer management system, dealer meets, cluster meets, Training on new products and company policies, Facility Visits and periodic communication. Key Concerns includes Product quality, product handling, technological improvements, diverse customer requirement, trained manpower.
Employees	No	For Employees: Email, SMS, Notice Board.	Monthly, quarterly and annual as applicable	Performance appraisal, employee engagement survey, grievance handling process, training workshops. Key Concerns: Career planning, communication on employee related policies.
Workers	No	Notice Board, Forums, committee meetings.	Monthly	In-house forums, meeting with Director & CEO, plant safety committee meetings. Key Concerns: Grievance redressal, occupational health and safety concerns, other benefits.
Community	No	Community Meetings	Continuous	Community needs assessment, participation in village functions, gramasabha meeting, implementing community initiatives by SST. Key Concerns: Community health and hygiene, infrastructure, livelihood, education.
Policy Makers	No	Email, meetings.	As & when required	Policy advocacy participation, industry associations. Key Concerns: No specific concerns.
Regulatory Bodies	No	Email, meetings.	As & when required	Submission of reports, inspection visits, need-based meetings on directives. Key Concerns: Regulatory compliance and transparency in disclosure.
Shareholders/ Investors	No	Email, Website, meetings	Quarterly and annual	Investor forums, corporate communication, annual general meetings, annual reports. Key Concerns: Company strategy and performance, future plans, returns to shareholders.
Vendors, Transporters and Suppliers / Service Providers	No	Email, meetings	Monthly	Supplier meets/supplier visits/supplier survey, supplier development group initiatives. Key Concerns: Supply chain communication on long range plan/ financial transactions/ rejections update/ scheduling, fluctuating order volumes, early involvement from suppliers to meet new product development targets, performance, rewards and recognition system.

LEADERSHIP INDICATORS

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Respective business / functional heads engage with the stakeholders on various ESG topics and the relevant feedback from such consultation is provided to the Board, wherever applicable.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No).

Yes

If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Customers: Electric Scooter launched previous year was upgraded with inputs from customers for increased range and multiple colours. Employees & Workers: Based on demand & towards facilitating Health & wellness, special camps were conducted tying up with local hospitals for booster dose vaccination on COVID 19 prevention.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

Maintaining the cordial relationship with community and sensing their need for economic development, opportunities for supply of select items for canteen were provided. This has engaged the Self-help groups run by women folk in villages around the Plants. Towards enhancing engagement of Persons with Disability (PwD) and based on requests from such Service providers / NGOs, job fairs and recruitment camps were conducted, and employment provided.

PRINCIPLE 5

BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (B)	% (D / C)
EMPLOYEES						
Permanent	3,559	3,559	100	2,871	2,871	100
Other than permanent	214	214	100	498	498	100
Total Employees	3,773	3,773	100	3,369	3,369	100
WORKERS						
Permanent	1,900	1,900	100	1,951	1,951	100
Other than permanent	7,234	7,234	100	6,297	6,297	100
Total Workers	9,134	9,134	100	8,248	8,248	100

- Annual coverage of training through an e-module is mandatory for all employees.
- Certified for SA8000 and awareness is extended to all employees & Workers which covers elements on Human Rights. Orientation capsule covers Human Rights Elements for other than permanent employees.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	Total (A)	FY 2022-23				FY 2021-22				
		Equal to Minimum Wage		More than Minimum Wage		Total D	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
EMPLOYEES										
Permanent	3,559	-	-	3,559	100.00	2,871	-	-	2,871	100
Male	3,134	-	-	3,134	100.00	2,587	-	-	2,857	100
Female	425	-	-	425	100.00	284	-	-	284	100
Others	-	-	-	-	-	-	-	-	-	-
Other than permanent	214	-	-	214	100.00	517	-	-	517	100
Male	187	-	-	187	100.00	438	-	-	438	100
Female	27	-	-	27	100.00	79	-	-	79	100
Others	-	-	-	-	-	-	-	-	-	-

Annexure - VII to Directors' Report to the shareholders - (continued)

2. Details of minimum wages paid to employees and workers, in the following format: - (contd...)

Category	Total (A)	FY 2022-23				FY 2021-22				
		Equal to Minimum Wage		More than Minimum Wage		Total D	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
WORKERS										
Permanent	1,900	-	-	1,900	100.00	1,951	-	-	1,951	100.00
Male	1,899	-	-	1,899	100.00	1,950	-	-	1,950	100.00
Female	1	-	-	1	100.00	1	-	-	1	100.00
Female	-	-	-	-	-	-	-	-	-	-
Other than permanent	7,234	-	-	7,234	100.00	8,248	-	-	8,248	100.00
Male	6,603	-	-	6,603	100.00	7,791	-	-	7,791	100.00
Female	631	-	-	631	100.00	457	-	-	457	100.00
Female	-	-	-	-	-	-	-	-	-	-

3. Details of remuneration / salary / wages, in the following format:

Particulars	Male		Female	
	Number	Median remuneration/ salary / wages of respective category (₹ in Cr)	Number	Median remuneration / salary / wages of respective category (₹ in Cr)
Board of Directors (BoD)	10	0.44	2	0.21
Key Managerial Personnel	2	2.34	-	-
Employees other than BoD and KMP	3,129	0.15	425	0.10
Workers - Permanent	1,899	0.09	1	-

4. Do you have a focal point (Individual / Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes / No)

Yes, the Company has various groups at plant level which takes care of human rights impacts or issues.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Ethics Committee is addressing the issues relating to Human Rights. The Company instituted robust mechanism for prevention and redressal of any form of abuse or violation of human rights. Human Rights Policy applies to all our stakeholders.

6. Number of Complaints on the following made by employees and workers:

Particulars	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	3	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour / Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

Annexure - VII to Directors' Report to the shareholders - (continued)

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Company assures confidentiality and protection to the complainant in furtherance, any attempts to intimidate the complainant would be treated as a violation of code of conduct. The following steps are followed:

- All complaints are handled in time bound manner.
- At the request of the aggrieved employee, steps are taken to settle the matter through mutual agreement, before initiating enquiry, provided that no monetary settlement shall be made as a basis of conciliation.
- If a settlement is arrived through conciliation, the committee shall prepare a written settlement with its recommendations duly signed by both parties and witnessed by the committee and provide the same to Management.
- The committee shall provide Unclassified / Restricted / Protected / Confidential copies of the settlement to the aggrieved employee and the respondent, and no enquiry shall be conducted further.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. Business agreements and contracts contain a standard provision of compliance with all the applicable laws, conventions, and policies etc., which encompasses the human rights requirements.

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced / involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100
Others - please specify	-

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

- Infra development for Person with Disability;
- Modules for POSH, SA8000 refresher course are developed; and
- Enhance the coverage of assessment at value chain partners.

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

The Company has introduced the following initiatives for the welfare of the employees:

- Hybrid Working Policy, Flexible Working hours; and
- Menstrual Leave Policy, Guidelines for new expectant and nursing mothers engagement in workplace.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

External competent agencies have conducted assessments as part of SA 8000, Sustainability 4.0, Workplace Compliance, apart from a periodic inspection by regulatory authorities.

The Scope of the assessment programs includes Assessment on Child Labour, Forced Labour, Health and Safety, Discrimination, Disciplinary Action, Working Hours, Remuneration Coverage. The assessment covers all the plant locations and a portion of identified value supply chain partners.

3. Is the premise / office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

4. Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	10
Forced / involuntary labour	10
Sexual harassment	10
Discrimination at workplace	10
Wages	10
Others - please specify	-

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

There were no significant risks / concerns arising from the above said assessments.

PRINCIPLE 6

BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total electricity consumption (A)	Tera Joules	337.35	338.86
Total fuel consumption (B)	Tera Joules	290.37	271.24
Energy consumption through other sources (C)	Tera Joules	-	-
Total energy consumption (A+B+C)	Tera Joules	628	610
Energy intensity per rupee of turnover (Total energy consumption / turnover in rupees)	Joules / Rupee	1278	1628
Energy intensity (optional) - the relevant metric may be selected by the entity	Tera Joules	-	-

UOM for Total electricity & fuel consumption is in Terajoule.

UOM for Energy intensity per rupee of turnover is in Joules per Rupee

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N)

No

If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

3. Provide details of the following disclosures related to water, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)			
(i) Surface water	kilolitres	27497	45755
(ii) Groundwater	kilolitres	500024	487226
(iii) Third party water	kilolitres	2058	8622
(iv) Seawater / desalinated water	Kilolitres	-	-
(v) Others	kilolitres	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	kilolitres	529579	541603
Total volume of water consumption (in kilolitres)	kilolitres	746550	703662
Water intensity per rupee of turnover (Water consumed / turnover)	Litres / Rupee	0.00000283	0.00000338
Water intensity (optional) - the relevant metric may be selected by the entity	kilolitres	-	-

1. Wastewater from industrial process is treated, recycled and used in industrial applications.

2. Direct rainwater harvesting is also adopted.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. Has the entity implemented a mechanism for Zero Liquid Discharge?

Yes

If yes, provide details of its coverage and implementation.

Zero Liquid Discharge system is implemented in Hosur Plant. Also, recycling being adopted in Mysuru and Nalagarh Plants.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
NOx	MT	7.67	8.10
SOx	MT	62.22	58.40
Particulate matter (PM)	MT	54.09	65.30
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	ppm	4	4
Hazardous air pollutants (HAP)	-	-	-
Others - please specify			

VOC values in ppm at the outlet of Regenerative Thermal Oxidiser

Note: Indicate if any independent assessment / evaluation/assurance has been carried out by an external agency? (Y/N)

No

If yes, name of the external agency.

6. Provide details of the following disclosures related to water, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	19046.01	17876.21
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	9584.32	11835.34
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO ₂ e/ cr	1.09	1.43
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

If yes, name of the external agency.

7. Does the entity have any project related to reducing Green House Gas emission?

Yes

If Yes, then provide details.

1) Increase in share of renewable energy. e.g., Augmentation of solar energy & procurement of green power through Indian Energy Exchange. 2) Waste Heat Recovery from Regenerative Thermal Oxidizer (RTO) and Air Compressors. 3) Implementation of energy efficient projects e.g. conversion of induction motor based blowers to DC blowers.

8. Provide details related to waste management by the entity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)			
Plastic waste (A)	metric tonnes	407.30	277.27
E-waste (B)	metric tonnes	24.35	27.35
Bio-medical waste (C)	metric tonnes	2.40	2.50
Construction and demolition waste (D)	metric tonnes	-	-
Battery waste (E)	metric tonnes	62.50	79.95
Radioactive waste (F)	metric tonnes	-	-
Other Hazardous waste. Please specify, if any. (G)	metric tonnes	4326.98	3633.21
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	metric tonnes	8485.68	8998.83
Total (A+B + C + D + E + F + G + H)	metric tonnes	13309.21	13019.11
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)			
Category of waste			
(i) Recycled	metric tonnes	10158.86	10394.91
(ii) Re-used	metric tonnes	-	-
(iii) Other recovery operations	metric tonnes	-	-
Total	metric tonnes	10158.86	10394.91
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)			
Category of waste			
(i) Incineration	metric tonnes	2.40	2.50
(ii) Landfilling	metric tonnes	81.32	87.59
((iii) Other disposal operations	metric tonnes	3066.62	2534.10
Total	metric tonnes	3150.34	2624.19

Other disposal operations - Waste is co-processed and co-incinerated in cement industry.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

If yes, name of the external agency.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company restricts the use of "hazardous chemicals" in the parts of our products/processes. An internal standard is created considering various national and international laws on hazardous substance. The hazardous waste generated in the factory viz., paint sludge, chemical sludge, phosphate sludge and waste containing traces of oil are being co-processed in cement industry for the last 17 years. All other categories of wastes are disposed through authorized agencies.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not applicable

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Necessity for environment impact assessment did not arise during reporting period.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

Yes

If not, provide details of all such non-compliances, in the following format:

LEADERSHIP INDICATORS

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
From renewable sources			
Total electricity consumption (A)	Terajoules	296.43	272.63
Total fuel consumption (B)	Terajoules	-	-
Energy consumption through other sources (C)	Terajoules	-	-
Total energy consumed from renewable sources (A+B+C)	Terajoules	296.43	272.63
From non-renewable sources			
Total electricity consumption (D)	Terajoules	40.91	66.24
Total fuel consumption (E)	Terajoules	290.37	271.24
Energy consumption through other sources (F)	Terajoules	-	-
Total energy consumed from non-renewable sources (D+E+F)	Terajoules	331.28	337.48
UOM for energy consumption is in Terajoule.			

Note: Indicate if any independent assessment/ evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Provide the following details related to water discharged:

Parameter	Unit	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)			
(i) To Surface water	kilolitres	-	-
- No treatment	kilolitres	-	-
- With treatment - please specify level of treatment	kilolitres	-	-
(ii) To Groundwater	kilolitres	-	-
- No treatment	kilolitres	-	-
- With treatment - please specify level of treatment	kilolitres	-	-
(iii) To Seawater	kilolitres	-	-
- No treatment	kilolitres	-	-
- With treatment - please specify level of treatment	kilolitres	-	-
(iv) Sent to third-parties	kilolitres	-	-
- No treatment	kilolitres	-	-
- With treatment - please specify level of treatment	kilolitres	-	-
(v) Others	kilolitres	310775	286312
- No treatment	kilolitres	-	-
- With treatment - please specify level of treatment	kilolitres	310775	286312
Total water discharged (in kilolitres)	kilolitres	310775	286312

The quantity reported in Others is majorly tertiary treated sewage which is used for green belt development inside the factory premises.

Note: Indicate if any independent assessment/ evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): Not Applicable as Our plants do not come under water stress area

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) - No

If yes, name of the external agency.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	-	-	-
Total Scope 3 emissions per rupee of turnover	-	-	-
Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)

No

If yes, name of the external agency.

Scope 3 inventorization considering upstream and downstream process is taken as one of the major projects for FY 2023-24.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative 2022-23	Corrective action taken, if any FY 2021-22
1	Direct harvesting of rainwater	Rainwater is collected and used for industrial application.	22622 KL of Ground water saved	-
2	Reuse of RO reject	Reject water from RO plant is reused for washing vessels and food waste bins cleaning as well as for toilet flushing in canteen.	1870 KL of RO reject water is reused	-
3	VOC abatement and use of waste heat	Regenerative Thermal Oxidizer (RTO) has been installed at Paint plant for reducing levels of VOC. Also, the waste heat is recovered and reused for process heating.	About 95% VOC abatement	-
4	IEX and solar energy	Capacity of roof top solar has been increased from 5.8 MW to 7.8 MW. Green power has been procured through IEX during wind off-season.	Renewable energy share increased by 3%.	-
5	Emission control device for DG sets	Electrostatic precipitator based emission control device installed in the exhaust system of DG Sets.	70% of PM10 reduced in the flue gas.	-

7. Does the entity have a business continuity and disaster management plan?

Yes

Give details in 100 words/ web link.

Flooding due to heavy rains are mitigated through landscaping, topography and design of building. Plant buildings are constructed with seismic load into consideration. Fire and explosion effects are reduced through mounded bullet storage for hazardous chemical. Secondary storage facility is provided for keeping IT related back-ups.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

An exclusive taskforce towards supplier excellence was formed to support suppliers for their holistic development in their business performance. Towards climate action, we support suppliers towards enhancing renewable energy in their operations. Also, assessments were conducted, and support provided on process, environmental compliance, safety practices and social aspects for ensuring sustainable improvement.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

61% covering identified critical vendors including waste recyclers.

PRINCIPLE 7

BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

ESSENTIAL INDICATORS

1. a. Number of affiliations with trade and industry chambers/ associations.

10

Annexure - VII to Directors' Report to the shareholders - (continued)

b. List the top 10 trade and industry chambers / associations (determined based on the total members of such body) the entity is a member of / affiliated to.

S. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers/ associations (State/National)
1	BCIC Bangalore Chamber of Industry and Commerce	National
2	IMTMA Indian Machine Tool Manufacturers Association	National
3	SIAM - Society of Automotive Manufacturers	National
4	CII - Confederation of Indian Industry	National
5	EFI - Employers Federation of India	National
6	EFSI - Employers Federation of South India	State
7	HIA - Hosur Industries Association	State
8	KEA - Karnataka Employers Association	State
9	BBNIA - Baddi Barotiwala Nalagarh Industries Association	State
10	IMA - Indian Management Association	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Not applicable

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information is available in public domain? (Yes/No)	Frequency of Review Review by Board (Annually/ Half yearly / Quarterly / Others - please specify)	Web Link, if available
1	BCIC	Monthly meet	Yes	Others	
2	AIS 129 & AIS 156	Stakeholder discussion and consultation with govt.	Yes	Others	https://morth.nic.in/sites/default/files/ASI/Amendment%203%20to%20AIS%20156.pdf
3	Battery waste management Rules, 2022	Stakeholder discussion and consultation with govt.	Yes	Others	https://cpcb.nic.in/uploads/hwmd/Battery-WasteManagementRules-2022.pdf
4	On-board Diagnostics II A (MoRTH)	Stakeholder discussion and consultation with govt.	Yes	Others	

Annexure - VII to Directors' Report to the shareholders - (continued)

PRINCIPLE 8

BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes / No)	Relevant Web Link
Impact Assessment of TVS SST's Initiatives in Polur, West Arani and Javadhu Hills block of Tiruvannamalai district of Tamil Nadu.	-	-	Institute of Rural Management, Anand (IRMA)	Yes	-
Impact assessment of partially desilted minor irrigation tanks in Tiruvannamalai, Tirunelveli and Krishnagiri districts	-	-	Centre for Water Resources, Anna University, Chennai	Yes	-

Independent Impact studies were carried out with Institute of Rural Management, Anand and Centre for Water Resources, Anna University, Chennai.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format: - Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community.

CSR team members lives in villages where welfare activities are carried out, to understand the needs and receive feedback then and there.

Continuous interaction with community to understand the benefit and utility of various programmes implemented through SHG meetings, and meeting with various community-based organizations.

Feedback from government officials at panchayat, block and district level on the effectiveness on implementation of the government welfare schemes and programmes at grass root level villages.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particulars	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	8	8
Sourced directly from within the district and neighbouring districts	95.71	94.1

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

The impact assessment reports by Institute of Rural Management, Anand (IRMA) and Centre for Water resources, Anna University highlighted the positive impact on the social and economic condition in the project villages.

The impact assessment report by IRMA recommended that the program should focus on building the capacity of individuals in the community to become micro-entrepreneurs. This can be done through providing training on different aspects of business management and entrepreneurship, as well as providing institutional support such as access to credit and market linkages.

Based on the feedback, a platform for all rural SHG products and online e-commerce to support market linkages has been created to promote entrepreneurship among the women.

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies: Nil

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

Yes

(b) From which marginalized /vulnerable groups do you procure?

Out of ₹ 775 Cr buying in IDM, ₹ 22.63 Cr buying is with marginalized & vulnerable group. (Ex. in canteen category like Vegetables , Groceries, Snacks)

(c) What percentage of total procurement (by value) does it constitute?

3

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge: Nil

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.: Nil

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Holistic rural development in tribal habitations of Tamil Nadu, Karnataka, and Maharashtra.	90,000	100%
2	Renovation of anganwadis, schools, hostel, health centers, veterinary centers and other rural community infrastructure	25,000	85%
3	Medical consultations, simple diagnostics, and medicines free of cost at medical centres & Conducting general health camps, dental camps and eye camps in schools.	2,00,000	80%
4	Desilting of water storage bodies and channels	4,500	70%
5	Livelihood projects for women in Self-Help Groups	20,000	80%
6	Providing a platform for sales of women self-help group products	900	75%
7	Improving learning outcomes of children in primary and middle schools	5,000	95%
8	Improving life-skills among children	600	90%

PRINCIPLE 9

BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

There are two level redressal. General complaints are dealt by service or sales department designated team for this purpose who receives complaint online and resolve it in the customer care email customercare@tvs-motor.com. Unresolved complaints, disputes and privacy related complaints are dealt by legal department following due process of law. Our Company follows principle of Customer First approach (as a policy) in dealing with all types of complaints. There is a separate data privacy department to comply and deal with privacy & anonymous complaints.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Particulars	As a percentage to total turnover
Environmental and social parameters relevant to the product	100
Safe and responsible usage	100
Recycling and/or safe disposal	100

1) Environmental and social parameters

- a. Emission related information
- b. Fuel economy information
- c. Compatible fuel information
- d. Oil drain interval
- e. Tell-tale lamps
- f. Hazard lamps
- g. Precaution while charging

2) Safe and responsible use

- a. Tyre pressure
- b. Chain slack
- c. Petrol only
- d. Wear helmet while riding (manual)
- e. detailed process for regular maintenance in manual
- f. periodic service information

3) Recycling and safe disposal

- a. Crossed wheelie bin symbol on batteries
- b. Recycling symbol on plastic parts for ease of identification

3. Number of consumer complaints in respect of the following:

Particulars	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil		Nil	Nil	
Advertising	2	2		2	1	
Cyber-security	Nil	Nil		Nil	Nil	
Delivery of essential services	Nil	Nil		Nil	Nil	
Restrictive Trade Practices	Nil	Nil		Nil	Nil	
Unfair Trade Practices	Nil	Nil		Nil	Nil	
Other	Nil	Nil		Nil	Nil	

4. Details of instances of product recalls on account of safety issues:

Particulars	Number	Reasons for recall
Voluntary recalls	Nil	Not applicable
Forced recalls	Nil	Not applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No)

Yes

If available, provide a web-link of the policy.

We are certified for ISO 27001 since last 15 years and we do yearly audit on our Cyber security . We have cyber security council chaired by external experts who guides on cyber security matters. We also do external audits on cyber security.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

We had one Advertising Complaint on describing mileage by usage of words "record holder for highest on road mileage of 110 kmpl". Advertising Council had objected and sought an explanation on usage of words "Record Holder of highest on road Mileage". The Company has observed that there was no anomaly. However, the advertisement is voluntarily withdrawn by the Company till Advertising Council is satisfied with our explanation.

LEADERSHIP INDICATORS

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Official Website, user manual, service manual, authorised service centers, social media, and labels

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Details of safe and responsible usage is provided in the user manual. Service station personnel are comprehensively trained to educate vulnerable, marginalized and all types of customers.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Not applicable

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not applicable)

No

If yes, provide details in brief.

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact

Nil

b. Percentage of data breaches involving personally identifiable information of customers

Nil, We did not have a data breaches as of today.

For and on behalf of the Board of Directors

PROF. SIR RALF DIETER SPETH
Chairman
(DIN: 03318908)



THE ULTIMATE
BIKING FESTIVAL

The 2nd chapter of this high-octane biking festival brought together biking communities from across the world as the riders immersed themselves in dynamic events, tech talks and epic gigs!



Report on Corporate Governance

1. Company's philosophy on code of governance

The Company has a strong legacy of fair, transparent and ethical governance practices. Company's businesses seek enhancement of shareholder value within this framework. The Company's philosophy on corporate governance is founded on the fundamental ideologies viz., Trust, Value, Exactness and Passion for Customers.

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

Good corporate governance, acting in accordance with the principles of responsible management which aimed at increasing enterprise value on a sustainable basis, is an essential requirement for the Group.

The Company's corporate governance philosophy has been further strengthened by adopting a Code of Business Conduct and Ethics, Whistle Blower Mechanism, Code of Conduct to Regulate, Monitor and Report trading by Insiders for prevention of insider trading by the Directors and Designated Persons and Code of practices for fair disclosure of unpublished price sensitive information.

2. Board of Directors

The Board of Directors (the Board), which consists of eminent persons with considerable professional expertise and experience, provides leadership and guidance to the management, thereby enhancing Stakeholders' value.

2.1 Composition and category of Directors:

The Board has sought to balance its composition and tenure, and that of its committees and to refresh them gradually from time to time so that they can benefit from the experience of longer serving Directors, and the fresh external perspectives and insights from newer appointees. During the year under review, the Company has changed its Articles of Association for periodic shareholders' approval of all Directors including Promoter Directors and the same was approved by the Shareholders on 6th September 2022 through postal ballot.

Thereby, the Company ensures that all directors serving on the Board or appointed to the Board is put up to shareholders for approval on regular intervals.

Mr Venu Srinivasan was designated as Chairman Emeritus effective 1st April 2022, by the Board at its meeting held on 7th February 2022. At the same meeting, Prof. Sir Ralf Dieter Speth, Non- Executive Director was appointed as Chairman of the Board effective 1st April 2022.

Mr Sudarshan Venu was elevated as Managing Director (MD) effective 5th May 2022 and re-appointed for a further term of five years from 1st February 2023 to 31st January 2028 with the approval of the shareholders, including the payment of remuneration with the approval of the shareholders, through Postal Ballot on 14th June 2022. The Central Government also approved his appointment on 26th September 2022, since he is a non-resident.

Mr H Lakshmanan ceased as a Non-Executive Director of the Company with effect from 27th June 2022 and thereby ceased to be part of the Committees in which he was a member.

Mr B Sriram was appointed as a Non-Executive Independent Director (NE-ID) of the Company effective 24th January 2023 by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee for a term of five consecutive years. His appointment was subsequently approved by the shareholders through postal ballot on 9th March 2023. The terms of appointment include the remuneration payable to him by way of fees and profit related commission.

As on 31st March 2023, the total strength of the Board was twelve. Prof Sir Ralf Dieter Speth, Non-Executive Director, being Chairman, the prescribed composition of the Board with one-third of its directors as Independent Directors and also to have at least one Woman Independent Director in terms of the Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) was complied with.

As on date of this Report, the Board has seven Independent Directors (IDs) viz., M/s T Kannan, C R Dua, Hemant Krishan Singh, Lalita D Gupte, R Gopalan, Kuok Meng Xiong and B Sriram.

Mr Venu Srinivasan, Chairman Emeritus & Managing Director (CE&MD), Mr Sudarshan Venu, Managing Director (MD) and Mr K N Radhakrishnan,



(Director & CEO) are the Executive Directors. Thus, the composition of the Company's Board is in conformity with the Listing Regulations.

Non-Executive Directors are drawn from a wide range of industries and background including financial services and have a wealth of experience in complex organisations. Many of the Company's Board members have experience of long-cycle industries, which is of great assistance in understanding the industry in which the Company operates. The Company is committed to the diversity of Boardroom.

On 5th March 2019, the IDs viz., M/s. T Kannan, C R Dua and Hemant Krishan Singh were reappointed for their second term of 5 consecutive years from 14th July 2019. Mrs Lalita D Gupte and Mr R Gopalan, were appointed as Additional and Independent Non-Executive Directors for a term of 5 consecutive years by the Board at its meeting held on 23rd October 2018 and 30th April 2019 respectively and the same were approved by the shareholders at the AGM held on 22nd July 2019. Mr Kuok Meng Xiong was appointed as an Additional and Independent Non-Executive Director for a term of 5 years by the Board at its meeting held on 24th March 2021 and the same was approved by the shareholders at the AGM held on 29th July 2021. The terms of appointment of IDs include the remuneration payable to them by way of fees and profit related commission.

As required under Regulation 16 of the Listing Regulations, it is also ensured that Independent Directors do not hold non-independent directorship position in any other company, where any of the non-independent director of the Company is an independent director.

In accordance with the provisions of the Act, 2013 and the Articles of Association of the Company and to comply with the minimum level of having 2/3rd Directors liable to retire by rotation, Prof Sir Ralf Dieter Speth and Mr Sudarshan Venu, Directors who have been the longest in office, are liable to retire by rotation at the ensuing AGM and being eligible, offer themselves for re-appointment and have been recommended for such re-appointment by the Nomination and Remuneration Committee and the Board.

The resolutions seeking approval of the members for their re-appointment as Directors have been included in the Notice of AGM along with brief details about them.

2.2 Board Meetings:

The Company, in consultation with the Directors, prepares and circulates a tentative annual calendar for meetings of the Committees / Board in order to assist the Directors in planning their schedules well in advance and to participate in the meetings.

For all the Board and Committee meetings facility for participation through video conferencing were made available to the Directors.

The Company, regularly places before the Board for its review, all the information as required under Part A of Schedule II to the Listing Regulations such as annual operating plans, Capex budget and its quarterly updates, quarterly results, minutes of meetings of Committees of the Board and subsidiaries, information on recruitment and remuneration of senior management personnel, any significant development in Human Resources / Industrial Relations, Show-cause, demand and prosecution notices and penalty notices which are materially important, quarterly details of foreign exchange exposures, risk management and mitigation measures, report on compliance of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances, if any, etc.

Comprehensively drafted notes for each agenda item along with the pre-agenda materials, wherever necessary, are circulated well in advance to the Committee / Board, to enable them to make value additions as well as for exercising their business judgment in the Committee / Board meetings.

Presentations are also being made by the business heads on the Company's Operations, Risk Management, Internal Financial Controls, etc., in Board / Audit Committee meetings, and also by external experts wherever required. The performance of subsidiaries is also being presented by the CEOs of respective subsidiaries, on quarterly basis at the Audit Committee / Board Meeting.

The agenda for the meetings were circulated through a Digital application installed on i-Pads as an eco-friendly measure. All notes to agenda items for convening meetings of the Board / Committees are being uploaded in digital mode well in advance.

During the year 2022-23, the Board met six (6) times viz., 12th April 2022, 5th May 2022, 28th July 2022, 4th November 2022, 24th January 2023 and 23rd March 2023 and the gap between two meetings did not exceed one hundred and twenty days. Besides, the IDs held a separate meeting on 23rd March 2023, in compliance with the provisions of the Companies Act, 2013 (Act, 2013) and Regulation 25(3) of the Listing Regulations.

2.3 Attendance and other directorships:

The details of attendance of the Directors at the Board meetings during the year and at the last AGM held on 27th June 2022 and other directorships and committee memberships / chairmanships as on 31st March 2023 are as follows:

Name of the Director (M/s)	Category	Attendance particulars		Number of other Directorships, Committee Memberships / Chairmanships		
		Board Meetings	Last Annual General Meeting	Other Directorships*	Committee Memberships**	Committee Chairmanships
Prof. Sir Ralf Dieter Speth (DIN 03318908)	NED	6	Yes	9	–	–
Venu Srinivasan (DIN 00051523)	ED	6	No	21	1	–
Sudarshan Venu (DIN 03601690)	ED	6	Yes	14	2	1
K N Radhakrishnan (DIN 02599393)	ED	6	Yes	5	2	1
C R Dua (DIN 00036080)	ID	5	Yes	14	4	2
R Gopalan (DIN 01624555)	ID	6	Yes	9	7	4
Lalita D Gupte (DIN 00043559)	ID	6	Yes	5	5	–
T Kannan (DIN 00040674)	ID	5	Yes	7	3	–
Kuok Meng Xiong (DIN 09117910)	ID	3	No	14	–	–
Hemant Krishan Singh (DIN 06467315)	ID	6	Yes	–	1	1
B Sriram [®] (DIN 02993708)	ID	2	NA	7	4	1
Dr. Lakshmi Venu (DIN 02702020)	NED	6	Yes	13	2	–

NED : Non Executive Director ED : Executive Director ID : Independent Director NA : Not Applicable

* includes private companies and companies incorporated outside India.
** includes committees where the Director holds the position of Chairman.
[®] Appointed as an Independent Director w.e.f. 24th January 2023

None of the Directors on the Board is a member of more than ten committees or chairman of more than five committees across all the companies in which they are Directors. For this purpose, Chairmanships / Memberships of Committees only include Audit and Stakeholders' Relationship Committees as per Regulation 26 of the Listing Regulations, and based on the disclosures made by the Directors. Also, all public limited companies, whether listed or not, have been included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Act, 2013 have been excluded. Mr Venu Srinivasan, Mr Sudarshan Venu and Dr. Lakshmi Venu are related to each other. None of the other Directors on the Board is related to any other Director on the Board. The number of Directorships, Committee Memberships / Chairmanships of all Directors are within the respective limits prescribed under the Act, 2013 and the Listing Regulations.

2.4 Listed entities in which the directors hold position as director other than TVS Motor Company Limited and category of Directorship:

Name of the Director (M/s.)	Name of the company	Category of directorship
Prof. Sir Ralf Dieter Speth	–	–
Venu Srinivasan	Sundaram-Clayton Limited	Executive Director
Sudarshan Venu	Sundaram-Clayton Limited	Non-Executive Director
	Coromandel International Limited	Independent Director
K N Radhakrishnan	–	–

Name of the Director (M/s.)	Name of the company	Category of directorship
C R Dua	Sundaram-Clayton Limited	Independent Director
	Gillette India Limited	
	Pearl Global Industries Limited	
	Procter & Gamble Hygiene and Health Care Limited	Independent Director - Chairman
R Gopalan	Sundaram-Clayton Limited	Non-Executive Director
	Zee Entertainment Enterprises Limited	Independent Director - Chairman
Lalita D Gupte	Bharat Forge Limited	Independent Director
	Godrej Properties Limited	Independent Director
	ICICI Lombard General Insurance Company Limited	Independent Director - Chairperson
T Kannan	VTM Limited	Executive Director - Chairman
	Sundaram Brake Linings Limited	Independent Director
Kuok Meng Xiong	-	-
Hemant Krishan Singh	-	-
B Sriram	ICICI Bank	Independent Director
	Nippon Life India Asset Management Limited	Independent Director
Dr. Lakshmi Venu	Sundaram-Clayton Limited	Executive Director
	ZF Commercial Vehicle Control Systems India Limited (Formerly known as WABCO India Limited)	Independent Director

None of the non-executive directors holds directorships in more than seven listed entities and serves as an independent director. As far as, Managing Director / Whole-Time Director in the Company are concerned, they do not serve as an Independent Director in more than three listed entities.

2.5 Access to information and updation to Directors:

The Board reviews all the information provided periodically for discussion and consideration at its meetings in terms of the Listing Regulations. Functional heads are present whenever necessary and also make presentations to the Board and Audit Committee of Directors.

Apart from this, the observations on the audit carried out by the internal auditors and the compliance report on payment of statutory liabilities submitted by the Statutory Auditors of the Company are placed and discussed with functional heads, by the Committee / Board. The Board also reviews the declarations made by the Director & CEO and the Company Secretary regarding compliance of all applicable laws on quarterly basis. Decisions taken at the meetings of the Board / Committee are communicated to the functional heads. Action taken report on decisions of previous meetings was placed at every succeeding meeting of the Board / Committee for reporting the compliance.

2.6 Familiarization program

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

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

An induction programme for new Non-Executive Directors features a series of core topics, including an overview of the Group, its key businesses and the control environment at Plant level and also includes plant visit for detailed understanding of manufacturing process / activities of the Company.

During the year under review, a meeting with the members of senior management was held with the new ID, for acquaintance of the knowledge on business and the newly appointed ID visited the Plant and shared his experience about the initiatives undertaken by the Company including for the EV business. The details of familiarization program are available on the Company's website in the link as provided in page no. 102 of this Annual Report.

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

While evaluating the Board as a whole, it was ensured that the existing Board members have relevant core skills/expertise / competencies as required in the context of its business(es) and sector(s) to function effectively.

Skill	Description
Leadership / Strategy	Experience of playing leadership roles in large businesses, with competencies around strategy development & implementation, sales & marketing, business administration / operations and Organisations and people management.
Automotive Experience	Strong knowledge and experience in automotive industry and in managing business operations of a sizeable organization in the business of manufacture and sale of automobiles.
Financial	Practical knowledge and experience in Corporate Finance, accounting and reporting and internal financial controls, including strong ability to assess financial impact of decision making and ensure profitable and sustainable growth.
Governance	Board level experience in reputed organisations, with strong understanding of and experience in directing the management in the best interests of the Company and its stakeholders and in upholding high standards of governance.
Regulatory	Strong expertise and experience in corporate law and regulatory compliance in India and overseas (including industry specific laws).

The Company's Board of Directors is highly structured to ensure a high degree of diversity by age, gender, education/ qualifications, professional background, sector expertise and special skills (classification). This reflected in Company's skills and diversity grid disclosed here.

Board comprises a range and balance of skills, experience, knowledge, gender, social-economic backgrounds and independence. This needs to be backed by a diversity of personal attributes, including sound judgement, honesty and courage.

Professional Background & Skills / expertise / competency of Directors

Name of the Directors	Brief description about the Directors
Prof. Sir Ralf Dieter Speth	<ul style="list-style-type: none"> Sir Ralf holds a Doctorate Degree in Engineering and is a Professor at the University of Warwick, United Kingdom; Sir Ralf started his professional career with BMW where he stayed for 20 years before joining Ford Motor Company's Premier Automotive Group (PAG) and later Linde Group, the international gases, materials handling and engineering company; In early 2010, Prof Dr Ralf D Speth became Chief Executive Officer, Jaguar Land Rover (JLR), and a member on Tata Motors' Board later that year; In 2016, he was also appointed as a member of the Supervisory Board of Tata Sons Ltd. Sir Ralf was nominated as a Non-Executive Director and Vice-Chairman of the JLR Board following his retirement in September, 2020; He has been a member of the Royal Academy of Engineering since 2014. In 2015, he was appointed Honorary Knight of the British Empire (KBE) and in 2019 as Additional Knight Commander of the Most Excellent Order of the British Empire. In 2020, Sir Ralf was elected a Fellow of the Royal Society; Become a Fellow of The Royal Society, London in June' 22 for his contributions in the field of Science and his commitment to STEM (Science, Technology, Engineering and Maths) education;

Name of the directors	Brief description about the Directors
	<ul style="list-style-type: none"> Conferred with University of Warwick's Honorary Doctorate in January 2023, in the field of Science. The honorary degree was conferred by the University of Warwick Chancellor Baroness Catherine Ashton of Upholland; Sir Ralf has been bestowed with many awards and has spearheaded noteworthy initiatives in the automobile industry; and His deep insights in academics, guidance, etc., made him attain a rich practical experience in automobile industry and his contribution is invaluable to the management team at large as well as the Company.
Mr Venu Srinivasan	<ul style="list-style-type: none"> He has extensive experience in Automotive Sector over a period of four decades and has established a robust Governance Model under his leadership and management; Implemented Total Quality Management (TQM), a Japanese method of process-driven manufacturing in Indian manufacturing operations; Strengthened the TQM processes within the Company which facilitated making bikes for BMW Motorrad through a strategic partnership; He is the recipient of Deming Distinguished Service Award, granted to individuals who have made outstanding contributions in the dissemination and promotion of Total Quality Management; He was conferred with "Goodwill Envoy for Public Diplomacy" and distinguished civilian honour "Order of Diplomatic Service Merit" (Heung-In Medal) by the Republic of Korea; He was conferred the Padma Bhushan Award, the third Highest civilian award in India, in January 2020; He was conferred the Autocar Professional of the Year 2021; He was honored with the "Outstanding Institution Builder" Award by AIMA (All India Management Association) at the 13th Managing India Awards in recognition of excellence in Business Leadership and Management and his significant contributions in building and shaping an institution, driving its growth, and creating a lasting legacy in; He is also Chairman Emeritus and Managing Director of Sundaram-Clayton Limited. He also serves on the Board of T V Sundram Iyengar & Sons Private Limited, Tata Sons Private Ltd., the holding company of the conglomerate Tata Group; He is also the vice chairman of various Tata Trusts, India's most respected and largest philanthropic foundation; He was appointed as a Director on the Central Board of Reserve Bank of India on 14th June 2022; and He also oversees Srinivasan Services Trust (SST), which involved in the transformation of rural India by empowering women in the rural areas, which has touched the lives of 1.6 million people in 2500 villages across the country in the last 27 years.
Mr Sudarshan Venu	<ul style="list-style-type: none"> Very resourceful in his approach and implementation of strategies and turnaround of exports in a positive manner; His extra-ordinary efforts to improve Company's presence in global market through the acquisition of "Norton", the British iconic brand; Made efforts on multiple fronts to take up challenges towards the Company's global aspirations; Plays a key role in profitable exports expansion, in the e-utility and Artificial Intelligence foray by the Company;

Name of the directors	Brief description about the Directors
	<ul style="list-style-type: none"> Always strives for excellence in both quality and cost along with customer satisfaction and take advantage of emerging opportunities and catch new waves of wealth creation; and He involves himself in all spheres of management and his expertise in strategic planning, business administration and digital platform have developed the Company in its growth at a faster rate
Mr K N Radhakrishnan	<ul style="list-style-type: none"> Has wide exposure about the industry and in-depth involvement with excellent attitude towards teamwork; He is well known for his strategic planning, focus on quality, passion for customers and eye for technology; Solution orientation in audit findings and its implementations is one of his key qualities; and He has a vast experience in automotive industry and having successfully handled all activities of the Company including sales & marketing, business administration / operations.
Mr C R Dua	<ul style="list-style-type: none"> Mr Dua is honours graduate of St. Stephen's College. He also holds a Master's degree in Economics from the Delhi School of Economics; His experience covers a broad range of areas relating to Corporate, Finance, Securities, Infrastructure and aspects of Public Policy and Administration, Governance and Ethics; He is the Founder and also currently the Chairman of Dua Associates, one of India's prominent law firms, serving a wide spectrum of clients drawn from several Fortune 500 companies, listed companies, public-sector enterprises, privately-owned businesses, as well as entrepreneurial start-ups; Through his active engagement, the firm continues to retain its leadership position in uncertain and challenging environment nationally and internationally; He holds Directorships in both listed and major multinational corporations primarily representing the interests of foreign collaborators and investors; He has been an invitee to the National Executive Board of the Federation of Indian Chambers of Commerce & Industry (FICCI) and is a member on the India Advisory Board of BNP Paribas; He is one of the Senior Vice Presidents of the Society of Indian Law Firms (SILF) and among the Chairpersons of the Legal Reforms Committee. He is also a member of the Sub-Committee on Managing Partners and Senior Professionals of Confederation of Indian Industry (CII) Task Force on Legal Services (2021-22); An avid tennis player Mr Dua's interest in promoting sports are pursued as a member of the Executive Committee of the International Lawn Tennis Club of India and Vice President of the Delhi Lawn Tennis Association; He has a broad range of legal and regulatory experience to monitor corporate governance practices both in India and abroad and has been recognized by being the recipient of several awards as a Leading Lawyer in areas of M&A, General Corporate and Corporate Restructuring; He also received the prestigious Lifetime Achievement Award for Outstanding Contribution and Excellence in the field of Law in 2020. In 2021 he was also conferred the India Legal -Lifetime Achievement Award - Law Firms. He was also recognized as Corporate Lawyer of the Year in India - 2023 by Global Law Experts; Mr. Dua has also been included in Forbes India's Legal Power List as among the Top Managing Partners.

Name of the directors	Brief description about the Directors
Mr R Gopalan	<ul style="list-style-type: none"> • He has served as a Member, Public Enterprises Selection Board (PESB) under the control of the PM. This body selects CMDs, MDs and Directors of Central Public Sector Enterprises; • Was handling matters relating to Capital Markets, Infrastructure Finance, G-20, World Bank (WB), International Monetary Fund (IMF), Asian Development Bank (ADB), Budget preparation, Public Private Partnership (PPP), Directorate of Currency and other related matters pertaining to the economy; • Brought about a number of changes in the functioning of the Capital Markets and initiated new policy measures in infrastructure development; • He has also served as Secretary of Department of Economic Affairs and also as Secretary, Department of Financial Services in Government of India; • He has vast experience in Corporate Laws, Business Administration, Corporate Finance and Regulatory matters; and • He had represented India in the trade negotiations at World Trade Organization.
Mrs Lalita D. Gupte	<ul style="list-style-type: none"> • Mrs. Gupte was responsible for setting up the International business of ICICI Bank since 2001; • She has held various leadership positions in areas of Corporate and Retail Banking, Strategy, Resources, and International Banking and other areas; and • She has vast experience in banking and financial services having held key positions over several decades.
Mr T Kannan	<ul style="list-style-type: none"> • He has a wide range of experience in textile industry; • He has held the positions as Chairman of CII, Southern Region, Textiles Committee, Mumbai, The Cotton Textile Export Promotion Council, Mumbai and The South India Mills' Association; • He is also a leading Educationalist, presently serving as the President of Thiagarajar College, Madurai and Chairman & Correspondent of Thiagarajar College of Engineering, Madurai; • He was a member of Syndicate Anna University, Chennai, Board of Governors of IIM, Indore and Board of Governors of National Institute of Technology, Trichy; • He is the Thakkar of Arulmigu Meenakshi Sundareswarar Thirukoil, Madurai; • He was the recipient of Perunthalaivar Kamarajar Award conferred by the Government of Tamil Nadu for promotion of Education and Social Service; and • He has vast experience in financial management, Corporate Finance, business administration, regulatory and governance matters.
Mr Kuok Meng Xiong	<ul style="list-style-type: none"> • Mr Kuok Meng Xiong is the Founder & Managing Partner of K3 Ventures, a Singapore-based venture capital investment firm; • In the last 10 years, he has invested in and partnered with visionary founders of category-leading companies that drive innovation in today's world; • He has rich experience and knowledge in the fields of digital technology for investments by the Company in digital start-ups; and • He has a unique mix of strong corporate values and a clear vision of the future digital world.

Name of the directors	Brief description about the Directors
Mr Hemant Krishan Singh	<ul style="list-style-type: none"> • Mr Singh is a distinguished former career diplomat with extensive experience in geo-strategic and geo-economic issues as well as multilateral institutions which underpin international law and commerce; • He has been India's longest serving Ambassador to Japan (2006- 2010), Ambassador to Indonesia and Timor Leste (2003- 2006), Ambassador to Colombia, Ecuador and Costa Rica (1999-2002), and India's Deputy Permanent Representative to the UN in Geneva (1995- 1999). He has held several significant assignments during his career, dealing with the United States, West Europe and the European Union and India's immediate neighbours; • Ambassador Singh has contributed to the forging of the India-Japan strategic and global partnership, the intensification of India's relations with Indonesia and ASEAN, the evolution of India's revitalized Act East Policy and the shaping of India's policy towards key neighbours and strategic partners; • Since 2016, Mr. Singh is the Director General of the Delhi Policy Group, a leading independent and non-partisan think tank focused on issues of critical national interest; and • He has wide experience in the global economy and best practices to address the challenges and risks in international business.
B Sriram	<ul style="list-style-type: none"> • He is an Honours Graduate and a Master's Degree holder in Physics from St Stephen's College, Delhi University. He is also a Certificated Associate of the Indian Institute of Banking & Finance (formerly The Indian Institute of Bankers), Mumbai; • He holds a Diploma in International Law & Diplomacy from the Indian Academy of International Law & Diplomacy, New Delhi and an AIMA Diploma in Management from the All India Management Association, New Delhi; • He has held several key executive positions in his career including Managing Director & CEO, IDBI Bank Ltd, State Bank of India and State Bank of Bikaner & Jaipur; • He has held various key assignments in the State Bank and the Group in Credit and Risk, Retail, Operations, IT, Treasury, Investment Banking, International Operations, Payment and Settlement Systems and Small Scale Industry; • He is a part-time member of the Insolvency & Bankruptcy Board of India and an External Investment Committee member of British International Investment, UK; and • His vast and rich experience in banking sector would help the Company in handling its finance function significantly.
Dr. Lakshmi Venu	<ul style="list-style-type: none"> • Involved in all spheres of management of Sundaram-Clayton Limited, the holding company and handles wider responsibilities for exploring new business opportunities; • She is the Managing Director of Sundaram-Clayton Limited and also the Deputy Managing Director of TAFE Motors and Tractors Limited. She also holds directorship in various other companies; • Played a key role in establishment of overseas manufacturing facility for Sundaram Holding USA Inc, in the United States of America the subsidiary company for catering to the needs of US markets; • She was recognised as "Corporate India's fastest rising women leader" by Economic Times in 2017; and • She has a rich experience in business strategy, product design and in-depth knowledge of automotive business.

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

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

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

The Code has been communicated to Directors and the Senior Management Personnel. An updated version of Code of Conduct, which is available on Company's website, is always under review and amended by the Board from time to time.

The Code has also been displayed on the Company's website in the following link provided in the page no. 102 of this Annual Report.

All the Members of the Board and Senior Management Personnel have confirmed compliance with the Code for the year ended 31st March 2023. The Annual Report contains a declaration to this effect signed by the Director & Chief Executive Officer.

2.9 Appointment / Re-appointment of Directors:

In terms of Regulation 36(3) of the Listing Regulations, a brief resume of Director proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, other directorships and committee memberships, shareholdings and relationships, if any, with other Directors alongwith listed entities from which the Director has resigned in the past three years are provided in the Notice convening AGM of the Company.

2.10 Committees of the Board:

The Board has, in order to make a focused attention on business and for better governance and accountability, constituted the following mandatory committees viz., Audit Committee, Risk Management Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and non-mandatory Committee, viz., Administrative Committee.

The terms of reference of these Committees are determined by the Board and their performance reviewed. Meetings of each of these Committees are convened by the respective Chairman of the

Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The minutes of the Committee Meetings are placed before the subsequent Board meetings.

3. Audit Committee

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosure and transparency, integrity and quality of financial reporting. It also helps the Board in meeting its responsibilities for the effectiveness of risk management system.

3.1 Brief description of terms of reference:

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

- a. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b. Recommending the appointment, remuneration and terms of appointment of auditors of the Company;
- c. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement in terms of clause (c) of sub-section (3) of Section 134 of the Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions; and
 - Modified opinions, if any, in the draft audit report.
- d. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- e. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;

- f. Approving or subsequently modifying any transactions of the Company with related parties;
- g. Scrutinizing the inter-corporate loans and investments;
- h. Reviewing the valuation of undertakings or assets of the Company, wherever it is necessary;
- i. Evaluating internal financial controls and risk management systems;
- j. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- k. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- l. Discussing with internal auditors of any significant findings and follow up thereon;
- m. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or any failure of internal control systems of a material nature and reporting the matter to the Board;
- n. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- o. Looking into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- p. Reviewing the functioning of the Whistle Blower Mechanism. Regular reports on significant matters raised through the programme and the actions taken to address them are received;
- q. Approving the appointment of CFO after assessing the qualifications, experience and background of the candidate; and
- r. reviewing the utilisation of loans and / or advances from / investments / by the holding company in the subsidiary exceeding ₹ 100 Cr or 10% of the asset size of the subsidiary, whichever is lower.

In addition, reviewing of such other functions as envisaged under Section 177 of the Act, 2013 read with the Companies (Meetings of Board and its

Powers) Rules, 2014 as amended and Regulation 18 of the Listing Regulations.

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

3.2 Composition, name of the Chairman and Members:

As of 31st March 2023, the Committee consists of the following Independent Director's viz., M/s R Gopalan, C R Dua and T Kannan.

Mr R Gopalan, Chairman of the Committee was present at the last AGM held on 27th June 2022 to answer the Shareholder queries.

Mr K S Srinivasan, Company Secretary acts as the Secretary of the Committee.

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

Date of the Meetings	Members present (M/s)		
	RG	CRD	TK
12-04-2022	✓	✓	✓
05-05-2022	✓	✓	✓
28-07-2022	✓	✓	✓
04-11-2022	✓	LOA	✓
24-01-2023	✓	✓	✓
23-03-2023	✓	✓	LOA

✓ - Attended the meeting LOA - Leave of absence
[RG - Mr R Gopalan, CRD - Mr C R Dua, TK - Mr T Kannan]

4. Subsidiary companies

The Company has four wholly owned subsidiaries viz., Sundaram Auto Components Limited, TVS Housing Limited, TVS Motor Services Limited and TVS Electric Mobility Limited.

It also has other subsidiaries viz., TVS Credit Services Limited and its three subsidiaries viz., Harita ARC Private Limited, Harita Two-wheeler Mall Private Limited and TVS Housing Finance Private Limited.

During the year under review, the Company acquired majority stake in the following companies through its overseas subsidiary TVS Motor (Singapore) Pte Limited and thereby those companies have become subsidiaries of the Company.

- (1) EBCO Limited, UK, dedicated for producing and distributing electric bikes designed for the rapidly expanding British e-bike market, acquired through TVS Motor (Singapore) Pte Limited.
- (2) Alexand'Ro Edouard'O Passion Vélo Sàrl, primarily engaged in the sale of e-bikes as well as e-bike accessories acquired through Swiss E-Mobility Group (Holding) AG.
- (3) Celerity Motor GmbH, Germany for undertaking activities related to two-wheeler & three-wheeler vehicles, including Research, Development, Engineering, sales and service thereof, through TVS Motor (Singapore) Pte Ltd.

The Company has also acquired 48.27% stake in DriveX Mobility Private Limited, Coimbatore on 15th October 2022, engaged in selling, trading, and distributing pre-owned two-wheelers.

The other foreign subsidiaries are PT. TVS Motor Company Indonesia, TVS Motor (Singapore) Pte. Limited, The Norton Motorcycle Co Limited, UK, TVS Motor Company (Europe) B.V., Swiss E-Mobility Group (SEMG), its subsidiaries viz., Swiss E-Mobility Group (Schweiz) AG, Switzerland, Colag E-Mobility GmbH, Germany, The GO Corporation and its subsidiary viz., EGO Movement Stuttgart GmbH, Germany

During the year under review, the Company has disinvested its entire holding in Intellicar Telematics Private Limited (Intellicar), a wholly owned subsidiary and thereby Intellicar along with its wholly owned subsidiary, viz., Intellicar Singapore Pte. Ltd., ceased as subsidiaries effective 24th May 2022.

The Audit Committee reviews the financial statements and in particular the investments made by the said unlisted subsidiaries. The minutes of the Board meetings of the said unlisted subsidiaries, wherever applicable, are periodically placed before the Board.

The Committee is periodically informed about all significant transactions and arrangements entered into by all these unlisted subsidiaries.

Material Subsidiaries Policy

The Board has duly formulated a policy for determining 'material subsidiaries'. As per the amended Listing Regulations 2015, material subsidiary means a subsidiary whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

The Company has also disinvested the entire shareholding held through Sundaram Auto Components Limited (SACL), a wholly owned subsidiary of the

Company, in a material step-down subsidiary viz., Sundaram Holding USA Inc., USA (SHUI), to Sundaram-Clayton Limited (SCL), the holding company. Consequently, SACL had sold its entire stake of 50.05% in SHUI to SCL w.e.f. 22nd September 2022. Consequently, SHUI ceased as a subsidiary of SACL and also of the Company and SHUI's subsidiaries in USA viz., Green Hills Land Holding LLC, Component Equipment Leasing LLC, Sundaram-Clayton USA LLC and Premier Land Holding LLC have also ceased as subsidiaries of the Company, effective that date.

For the disposal of material subsidiary viz., Sundaram Holding USA Inc., USA (SHUI), the Company has obtained the approval of the shareholders through postal ballot on 6th September 2022 under Regulation 24 of the Listing Regulations.

As at 31st March 2023, the Company's Indian subsidiary, viz., TVS Credit Services Limited and overseas subsidiary viz., TVS Motor (Singapore) Pte Limited are covered within the definition of "unlisted material subsidiary" in terms of the Regulation 16(1)(c) of the Listing Regulations.

For the purpose of complying with the requirement of Regulation 24 of the Listing Regulations, the Company nominated one of the ID of the Company on the Board of TVS Credit Services Limited and TVS Motor (Singapore) Pte Limited, whose income / net worth exceeds of 20% of the consolidated income or net worth.

The Company has ensured that all the identified material subsidiaries incorporated in India have obtained secretarial audit report from a Company Secretary in Practice for FY 2022- 23 and annexed with the annual report of the Company.

Copy of the Material Subsidiary policy is available on the Company's website in the link provided in page no. 102 of this Annual Report.

5. Disclosures

5.1 Materially significant related party transactions:

All transactions entered into with related parties (RPTs), as defined under the Act, 2013 and the Listing Regulations during the financial year 2022- 23 were in the ordinary course of business and at arm's length and do not attract the provisions of Section 188 of the Act, 2013 and the rules made thereunder.

There were no materially significant transactions with the related parties during the year, which were in conflict of interest, and hence no approval of the Company was required in terms of the Listing Regulations.

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

Details of material related party transactions are enclosed as part of accounts for the year ended 31st March 2023.

Related Party Transaction Policy

The Board has formulated a policy on related party transactions. The Audit Committee reviews and approves transactions between the Company and related parties, as defined under the Listing Regulations, to ensure that the terms of such RPTs would reasonably be expected of transactions negotiated or at arm's length and in the ordinary course of business. The audit committee meets prior to each scheduled Board meeting to review all RPTs of the Company on a quarterly basis.

In terms of Regulation 23 of the Listing Regulations, all RPTs for the succeeding financial year, with clear threshold limit, are regularly placed before the Audit Committee meeting convened in last quarter of the financial year for its approval and recommendation to the Board for its approval, wherever required. RPTs entered upto that period are reviewed at the meeting for any upward revision in the threshold limit.

It is also ensured that none of RPTs involving payments with respect to brand usage or royalty during the financial year, exceed five percent of the annual consolidated turnover of the Company as per the previous audited financial statements of the Company.

As per the Companies Act 2013, any unforeseen RPT involving amount not exceeding ₹ 1 Cr per transaction is entered into by a Director or Officer of the Company without obtaining prior approval of the Audit Committee and such RPTs can be ratified by the Audit Committee within three months from the date of such transaction.

Copy of the said Policy is available on the Company's website in the link as provided in page no. 102 of this Annual Report.

The Company has engaged an Independent Audit firm for ensuring correctness of the approach in complying with the criteria on arm's length price and ordinary course of business for all RPTs entered into by the Company from time to time.

5.2 Disclosure of accounting treatment:

Pursuant to the notification, issued by the Ministry of Corporate Affairs dated February 16, 2015 relating to the Companies (Indian Accounting Standards) Rules, 2015, the Company has adopted "IND AS" with effect from 1st April 2016. Accordingly, the financial statements for the year 2022-23 have been prepared in compliance with the said Rules.

5.3 Risk Management:

The Committee assists with the oversight of the Company's risk appetite, tolerance and strategy. The Company has an established Risk Management Policy which formalizes its approach to the oversight and management of material business risks. The policy is implemented through a top down and bottom-up approach for identifying, assessing, monitoring and managing key risks across the Company's business units.

Risks and effectiveness of management are internally reviewed and reported regularly to the Board. As a process, the risks associated with the business are identified and prioritized based on severity, likelihood and effectiveness of current detection. It also monitors current and potential risk exposures, the effectiveness of the risk management framework and adherence to the various risk policies approved by the Board. Such risks are reviewed by the Senior Management on quarterly basis. Process owners are identified for each risk and metrics are developed for monitoring and reviewing the risk mitigation.

The Board is satisfied that there are adequate systems and procedures in place to identify, assess, monitor and manage risks. Company's Risk Management Committee reviews reports given by members of the management team and recommends suitable action.

Risk Management Committee:

As at 31st March 2023, the Committee consists of the following viz., M/s T Kannan, Hemant Krishan Singh and Lalita D. Gupte, Independent Directors and M/s Sudarshan Venu, MD, K N Radhakrishnan, Director & CEO and K Gopala Desikan, Chief Financial Officer.

The composition of the Committee is in accordance with the requirements of Regulation 21 of the Listing Regulations. Mr T Kannan is the Chairman and Mr K S Srinivasan, Company Secretary acts as the Secretary of the Committee.

The Committee during the year, *inter-alia*, reviewed the mitigation plans for the following critical risks viz., Cyber Threat, International Business and Covid preparedness.

Cyber Threats:

The Committee received regular updates on the key risks associated with technology, including notable incidents, regulatory developments, governance and strategy, as well as developments in the global cybersecurity threat landscape such as the rise in prominence of ransomware, and the progress of cyber-attack simulation exercises with senior executives and readiness training across all the Companies in the Group.

Covid-19 risks & preparedness:

While most markets have moved to an endemic approach in managing Covid-19, the developments and risks have been continuously monitored by the Committee including the ongoing resilience, and the level of mortality claims and policy lapses or surrenders in certain markets

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

Date of the Meetings	Members present (M/s)					
	TK	SV	HKS	LDG	KNR	KGD
28.07.2022	✓	LOA	✓	✓	✓	✓
11.01.2023	✓	LOA	✓	✓	✓	✓

✓ - Attended the meeting LOA - Leave of absence [TK - Mr T Kannan, SV - Mr Sudarshan Venu, HKS - Mr Hemant Krishan Singh, LDG - Mrs Lalita D. Gupte, KNR - Mr K N Radhakrishnan, KGD - Mr K Gopala Desikan]

Scope:

- (a) Overseeing and approving the Company's enterprise-wide risk management framework;
- (b) Overseeing / identifying / assessing of all risks that the Organization faces such as strategic, financial, credit, marketing, liquidity, security, property, IT, legal, regulatory, reputational;
- (c) Evaluating that adequate risk management infrastructure is in place and capable of addressing those risks; and
- (d) Monitoring / overseeing the implementation of the risk management policy and reviewing the policy periodically

Role:

- (a) To identify, evaluate and mitigate the existing as well as potential risks to the Company and to recommend the strategies to the Board to overcome them;
- (b) To develop and implement action plans to mitigate the risks;
- (c) To oversee at such intervals as may be necessary, the adequacy of Company's resources, to perform its risk management responsibilities and achieve its objectives;
- (d) To review the risk management framework for the operations of the Company that are deemed necessary and Company's performance against the identified risks of the Company;
- (e) To formulate the strategies towards identifying any areas that may materially affect the Company's overall risk exposure and to review the risk management plan;
- (f) To adequately transmit necessary information with respect to material risks to Senior Executives / Board / relevant Committees;
- (g) To check if Cyber security cover has been adopted by Information systems department; and
- (h) Such other items as may be prescribed by regulatory or by the Board, from time to time.

5.4 Instances of non-compliances, if any:

There were no instances of non-compliance by the Company or penalty and stricture imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on any matter related to the capital markets, during the last three years.

5.5 Disclosure by Senior Management Personnel:

The Senior Management Personnel have made disclosures to the Board relating to all material, financial and other transactions stating that they did not have personal interest that could result in conflict of interest with the Company at large.

5.6 CEO and CFO Certification:

The Director & CEO and Chief Financial Officer of the Company have certified to the Board on financial and other matters in accordance with Regulation 33 of the Listing Regulations for the financial year ended 31st March 2023.

5.7 Compliance with mandatory / non-mandatory requirements:

The Company has complied with all applicable mandatory requirements in terms of the Listing Regulations. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed in this Report.

5.8 Code of Conduct for Prevention of Insider Trading:

In compliance with SEBI (Prohibition of Insider Trading) Regulations 2015, as amended, the Company has a comprehensive Code of Conduct for Prevention of Insider Trading and the same is being strictly adhered to by the Designated persons (DPs) while dealing in Company's securities in excess of the threshold limit as defined under this Code.

The Company also has in place a Code of Practices and Procedures for fair disclosure of "Unpublished Price Sensitive Information" (UPSI) and a Code of Conduct to regulate, monitor and report trading by insiders.

The Company follows closure of trading window from the end of every quarter till 48 hours the UPSI made public. The Company has been advising the DPs covered by the Code not to trade in Company's securities during the closure of trading window period. The Company has set up a mechanism for daily tracking of the dealings of equity shares of the Company by the DPs and their immediate relatives having access to unpublished price sensitive information.

The Audit Committee also reviewed the Institutional Mechanism for Prevention of Insider trading and the systems for internal control as per Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations 2015 and declarations from DPs affirming their compliance with the Code for the year 2022-23.

The Company has installed necessary software for maintaining a Structured Digital Database as per the circulars issued by the SEBI. The Company regularly shares the importance of recording the UPSI to the DPs concerned. All DPs have been requested to share emails or any communication containing UPSI with others only for legitimate purposes. Wherever it is required, DPs are requested to record sharing of UPSI details with other employees, Auditors, Consultants within or outside the Company, marking a copy to a dedicated email ID. Emails marked to the specific mail ID can be accessed only by the intended users, till it made public.

5.9 Management Discussion and Analysis Report, Familiarization Programme and Whistle Blower Policy:

All the above Report / Policies form part of the Directors' Report.

5.10 Whistle Blower Policy:

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

Copy of the said Policy is available in the Company's website in the following link is available in page no. 102 of this Annual Report.

6. Nomination and Remuneration Committee (NRC)

The NRC assists the Board in its oversight of Board composition and the maintenance of an effective framework for succession planning. It also assists with the implementation of the Remuneration Policy, including the fixing of remuneration of the Executive and Non Executive Directors, Key Managerial Personnel (KMPs)(other than Directors) and Senior Managerial Personnel (SMPs).

6.1 Composition of the Committee:

As at 31st March 2023, NRC consists of the following Independent Directors viz., M/s C R Dua and T Kannan and Kuok Meng Xiong.

During the year under review, Mr H Lakshmanan, Non-Executive Non-Independent Director ceased as a member of the Committee consequent to his retirement as a Director on the Board, effective 27th June 2022. The Board at its meeting held on 28th July 2022 appointed Mr Kuok Meng Xiong, Director as a Member of the Committee effective that date.

Mr C R Dua, the Chairman of the Committee was present at the last AGM held on 27th June 2022 to answer the Shareholder queries.

Mr K S Srinivasan, Company Secretary acts as the Secretary of the Committee.

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

Date of the Meetings	Members present (M/s)			
	CRD	TK	HL	MX
29.04.2022	✓	✓	✓	NA
24.06.2022	✓	✓	✓	NA
11.01.2023	✓	✓	NA	✓

✓ - Attended the meeting; NA - Not Applicable

[CRD - Mr C R Dua, TK - Mr T Kannan, HL - Mr H Lakshmanan, MX - Mr Kuok Meng Xiong]

6.3 The broad terms of reference of the NRC are as under:

- Guiding the Board for laying down the terms and conditions in relation to the appointment and removal of Director(s), Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) of the Company.
- Evaluating the performance of the Director(s) and providing necessary report to the Board for its further evaluation and consideration.
- Recommending to the Board on remuneration payable to the Director(s), KMP and SMP of the Company based on (i) the Company's structure and financial performance and (ii) remuneration trends and practices that prevail in peer companies across the automobile industry.
- Retaining, motivating and promoting talent amongst the employees and ensuring long term sustainability of talented SMP by creation of competitive advantage through a structured talent review.

6.4 The role / scope of NRC is as follows:

- To make recommendations to the Board with respect to incentive compensation plans for the Executive Director(s) and remuneration of Non-Executive Director(s) of the Company.
- To identify persons who are qualified to become Director(s), KMP and SMP of the Company.
- To recommend to the Board for the appointment / removal of Director(s), KMP and SMP of the Company.
- To formulate criteria for determining qualification, positive attributes and independence of a Director of the Company.
- To recommend to the Board a Policy for remuneration of Director(s), KMP and SMP of the Company.

6.5 Evaluation Criteria:

The NRC laid down the criteria for evaluating the performance of every Director, Committees of the Board and the Board as a whole and also the performance of KMP and SMP.

The performance evaluation of the Board as a whole was assessed based on the criteria like its composition, size, mix of skills and experience, its meeting sequence, effectiveness of discussion, decision making, follow-up action, quality of information, governance, oversight of different areas, risk management and internal controls, succession planning, performance and reporting by various committees set up by the Board.

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

The performance evaluation of individual Director was carried out based on his / her commitment to the role and fiduciary responsibilities as a Board member, attendance and active participation, strategic and lateral thinking, contribution and recommendations given professionally, heading / acting as member of various Committees etc.

The performance of SMP was measured against their achievement of the business plans approved by the Board during and at the completion of the financial year and their annual performance incentive which reflects their business plan achievements. An evaluation of performance has been undertaken based on the criteria for all SMP and this has been in accordance with the above process.

NRC has the overall responsibility for evaluating and approving the compensation plans, policies and programmes applicable to SMP. NRC also delegated its authority to the Executive Directors, wherever appropriate, for this purpose.

6.6 Remuneration Policy:

The Nomination and Remuneration Policy has been placed on the website of the Company. The details of the website link is available on the Company's website as provided in page no. 102 of this Annual Report. The salient features of the policy are as follows:

NRC formulates policy to ensure that -

- the level and composition of remuneration is reasonable and sufficient to attract, retain and

motivate Director(s) of the quality required to run the Company successfully;

- the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- the remuneration to Director(s), KMP and SMP of the Company involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

6.7 Remuneration to Directors:

Executive Directors:

The remuneration payable to the Chairman Emeritus and Managing Director (CE&MD), Managing Director (MD) and Director & CEO is fixed by the Board and are within the limits approved by the Shareholders in terms of the relevant provisions of the Act, 2013 read with Regulation 17 of the Listing Regulations.

Particulars of remuneration to Executive Directors for the financial year 2022-23:

(₹ In Cr)

Executive Directors	Salary & Perquisites	Commission	Total
CE&MD	1.00	28.00	29.00
MD	5.40	28.50	33.90
Director & CEO	4.36	10.50	14.86

There is no separate provision for payment of severance fees. The notice period is mutually agreed between these Directors and the Board. The tenure of office of Executive Directors is for five years from their respective dates of appointment / re-appointment.

The above remuneration to CE&MD is notwithstanding his holding similar position, in the holding company, viz., Sundaram-Clayton Limited (SCL) and drawing remuneration, as approved by its shareholders, from time to time, provided that the total remuneration drawn by him from the Company and SCL, does not exceed the higher maximum limit admissible, from any one of these two companies. CE & MD has received a remuneration of ₹ 0.99 Cr from SCL.

Commission paid to the Directors are within the permissible limits approved by the Members and determined by the Board every year depending upon the performance of the Company.

Non-Executive Directors:

Sitting fees

The Board at its meeting held on 5th May 2022 enhanced the payment of sitting fees ₹ 40,000/- each from ₹ 20,000/- paid to the Non-Executive Directors for each of the Board and / or Committee meeting thereof attended by them, which is within the limits, prescribed under the Act, 2013, effective that date.

Commission

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

NRC Committee, in its meeting held on 4th May 2023, recommended the payment of commission to IDs within the permissible limit, in terms of the provisions of Sections 197 / 198 of the Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 and as approved by the shareholders at the general meetings held on 11th August 2017.

A Commission of ₹ 30 lakhs to all IDs; additionally, ₹ 5 lakhs to those IDs serving as a Member of the Audit Committee; and ₹ 3 lakhs and ₹ 2 lakhs each to those IDs serving as a Member of the Risk Management Committee and other Committees respectively for the year 2022-23, as approved by the Board at its meeting held on 4th May 2023. The amount of commission for every financial year will be decided by the Board, as approved by the shareholders at AGM held on 11th August 2017, subject to the limit of 1% of net profits of the Company, in aggregate, as calculated pursuant to Section 198 of the Act, 2013. The above compensation structure is commensurate with the best practices in terms of remunerating IDs and adequately compensates for the time and contribution made by IDs.

The remuneration was determined by NRC considering the varying demands of the business, time commitment and other requirements of the role of Non-Executive Directors.

In terms of the amended Listing Regulations, it has also been ensured that the remuneration payable to one non-executive director does not

exceed 50% of the total annual remuneration payable to all non-executive directors of the Company.

Presently, the Company does not have a scheme for grant of stock options either to the Directors or the Employees of the Company.

- 6.8 Particulars of sitting fees / commission paid to the Non-Executive and Independent / Non-Independent Directors during the financial year 2022-23 are as follows:

(₹ in lakhs)

Name of the Directors (M/s)	Sitting Fees	Commission	Total
Prof. Sir Ralf Dieter Speth	2.20	-	2.20
C R Dua	5.80	39.00	44.80
R Gopalan	4.80	37.00	41.80
Lalita D Gupte	4.60	35.00	39.60
T Kannan	6.20	42.00	48.20
Kuok Meng Xiong	2.00	32.00	34.00
H K Singh	4.60	35.00	39.60
B Sriram [@]	1.20	5.51	6.71
Dr. Lakshmi Venu	2.20	-	2.20
H Lakshmanan [§]	1.80	-	1.80

[@] Remuneration paid for the period 24th January 2023 to 31st March 2023.

[§] Retired as a Director effective 27th June 2022. Amount paid for the period from 1st April 2022 to 27th June 2022.

- 6.9 Mr T Kannan holds 5000 equity shares of the Company. Except Mr T Kannan, none of the Non-Executive Directors in the Company holds shares as on 31st March 2023

7. Stakeholders' Relationship Committee (SRC):

- 7.1 As at 31st March 2023, the Committee consists of the following Executive Directors viz., M/s. Venu Srinivasan, Chairman Emeritus & Managing Director (CE & MD) and Sudarshan Venu, Managing Director (MD) and Independent Directors viz., M/s. Hemant Krishan Singh, C R Dua and Lalita D Gupte.

Mr Hemant Krishan Singh, Chairman of the Committee was present at the last AGM held on 27th June 2022 to answer the Shareholder queries.

Mr K S Srinivasan, Company Secretary acts as the Secretary of the Committee.

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

Date of the Meetings	Members present (M/s)				
	HKS	VS	SV	CRD	LDG
05.05.2022	✓	✓	✓	✓	✓
28.07.2022	✓	LOA	✓	✓	✓
04.11.2022	✓	✓	✓	LOA	✓

✓ - Attended the meeting LOA - Leave of absence

[HKS - Mr Hemant Krishan Singh, VS - Mr Venu Srinivasan, SV - Mr Sudarshan Venu, CRD - Mr C R Dua, LDG - Mrs Lalita D. Gupte]

- 7.3 As required by Listing Regulations, Mr K S Srinivasan, Company Secretary is the Compliance Officer of the Company, who oversees the redressal of investor grievances.

For any clarification / complaint, the Shareholders may contact the Company Secretary.

- 7.4 SRC oversees and reviews all the matters connected with share transfers, issue of duplicate share certificates and other issues pertaining to shares. SRC also looks into various aspects of interests:

- Resolving the grievances of the security holders relating to transfer / transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, issue of new / duplicate certificates and related activities;
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

The Company, in order to expedite the process of share transfers delegated the power of share transfers to an officer of the Share Transfer Agent (STA). The Company, as a matter of policy, disposes of investors' complaints within a span of seven days.

- 7.5 Complaints received and redressed during the year 2022-23:

Nature of complaints	No. of complaints received and redressed
Non-receipt of bonus / duplicate share certificates	-
Transmission of shares	3
Non receipt of demand draft <i>in lieu</i> of unclaimed dividend warrant	2
Total	5

- 7.6 All the queries and complaints received during the financial year ended 31st March 2023, were duly redressed and no queries pending at the year end.

All requests for dematerialization of shares were carried out within the stipulated time period and no request for dematerializing the share certificates was pending.

- 7.7 Reconciliation of Share Capital Audit:

A firm of Practising Company Secretaries carries out Reconciliation of Share Capital (RSC) Audit on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The reports are being regularly placed before the Board for its perusal.

The RSC audit reports confirmed that the total issued and listed capital was in agreement with the total number of shares in physical form and in dematerialized form held with NSDL and CDSL.

8. Corporate Social Responsibility Committee:

As on 31st March 2023, the Corporate Social Responsibility Committee consists of three Directors viz., M/s. Venu Srinivasan, T Kannan and R Gopalan. Mr Venu Srinivasan is the Chairman of the Committee. During the year, Mr H Lakshmanan, Non-Executive Non-Independent Director ceased as a member of the Committee effective 27th June 2022. The Board at its meeting held on 28th July 2022 appointed Mr T Kannan, Independent Director as a Member of the Committee effective that date to comply with the requirements under Section 135 of the Act, 2013.

The details of CSR Policy, initiatives and spending are spelt as Annexure - IV to the Directors Report.

During the year, the Committee met on 4th May 2023 and all the members were present at the meeting.

9. Administrative Committee:

The Administrative Committee consist of three directors viz., M/s. Venu Srinivasan, T Kannan and K N Radhakrishnan.

Mr H Lakshmanan retired from the Board effective 27th June 2022 and thereby he ceased as a member of the Administrative Committee. The Board at its meeting held on 28th July 2022 appointed Mr K N Radhakrishnan, Director & CEO as a Member of the Committee effective that date.

Mr Venu Srinivasan, is the Chairman of the Committee.

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

Date of the Meetings	Members present (M/s)			
	CRD	TK	HL	KNR
29.04.2022	✓	LOA	✓	NA
07.12.2022	✓	✓	NA	✓
23.03.2023	✓	LOA	NA	✓

✓ - Attended the meeting LOA - Leave of absence
NA - Not Applicable

[VS - Mr Venu Srinivasan, TK- Mr T Kannan, HL - Mr H Lakshmanan KNR - Mr K N Radhakrishnan]

10. General body meeting:

- 10.1 Location and time where AGMs were held during the last three years:

Year	Venue of the meeting	Date	Time (IST)
2019-20	Through VC / OAVM	29.07.2020	10.00 AM
2020-21	Through VC / OAVM	29.07.2021	01.30 PM
2021-22	Through VC / OAVM	27.06.2022	02.00 PM

- 10.2 Special resolutions passed in the previous three AGMs:

During the last three years, namely 2019-20 to 2021-22 approvals of the shareholders were obtained by passing special resolutions as follows:

Year	Subject matter of special resolution	Date of AGM
2019-20	Re-appointment of Mr H Lakshmanan as director being above 75 years, who retires by rotation.	29.07.2020
2020-21	NIL	29.07.2021
2021-22	NIL	27.06.2022

10.3 Postal Ballot:

None of the subjects placed before the shareholders in the last / ensuing AGM required / requires approval by Postal Ballot. However, in terms of the Regulation 44 of the Listing Regulations and Section 108 of the Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company facilitated its members to exercise their right to vote through Remote e-Voting and e-Voting at the meeting for all the items at the AGM held on 27th June 2022.

During the year, the consent of the shareholders were sought for by way of Ordinary / Special Resolution through Postal Ballot for the below items:

S.no	Date of notice	Items transacted	% of Votes cast in favour of the resolution	% of Votes cast against the resolution	Effective date of Passing of resolution
1.	05.05.2022	Re-appointment of Mr Sudarshan Venu (DIN:03601690) as Managing Director for a further period of five years effective 1 st February 2023	94.25	5.75	14.06.2022
2.	28.07.2022	Approving the amendment to Articles of Association of the Company.	99.99	0.01	06.09.2022
3.		Approving the disinvestment of Shares of Sundaram Holdings USA Inc., (SHUI) held by Sundaram Auto Component Limited and consequent cessation of SHUI as a Material Subsidiary of the Company.	92.15	7.85	
4.	24.01.2023	Approving the appointment of Mr B Sriram (DIN: 02993708) as a Non.Executive Independent Director (NE.ID)	99.86	0.14	09.03.2023

In accordance with General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020 read with other relevant circulars, including General Circular No. 3/2022 dated May 5, 2022 and 11/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs ("MCA Circulars") and Regulation 44 of SEBI Listing Regulations, the above resolutions were passed by means of Postal Ballot including e-Voting.

All the above said Ordinary / Special Resolutions were passed with requisite majority of the shareholders on the last date of e-Voting. Voting results of Postal Ballot are available on the website of the Stock Exchanges and website of the Company.

10.4 Person who conducted the Postal Ballot exercise:

Mr K Sriram, Practising Company Secretary (Membership no. F6312 and CP No. 2215), Chennai was appointed to act as the scrutinizer for conducting the above Postal Ballots and E-voting in a fair and transparent manner.

10.5 Procedure for Postal Ballot:

- The Board of Directors, vide resolution dated 5th May 2022, 28th July 2022 and 24th January 2023 respectively, had appointed Mr K Sriram, Practising Company Secretary as the scrutinizer.
- The details of the dispatch of the Postal Ballot Notice dated together with Statement of material facts was completed on as per the below mentioned table along with forms and postage prepaid business envelopes to all the shareholders whose name(s) appeared on the Registers of Members / list of beneficiaries as on the 'Cut-off Date(s)'.
- The said notice(s) of Postal Ballot(s) have been sent in electronic mode to the Members, whose e-mail IDs were registered with the Company or the Depository Participants. Physical Ballot Forms were sent to (i) Members whose e-mail IDs are not registered with the Company or the Depository Participants and (ii) Members holding shares in physical form.
- Particulars of Postal Ballot forms received from the members using the electronic platform of NSDL were entered in a register separately maintained for the purpose.
- The Postal Ballot forms were kept under the safe custody of the Scrutinizer in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
- All Postal Ballot forms received by the scrutinizer up to 5.00 p.m. on the last date of e-voting have been considered for scrutiny.
- The Scrutinizer had submitted his report on after scrutiny and the results were announced as tabled below:

S. no	Postal Ballot (Board Meeting approved date)	Dispatch date	Cut-off Date	e-Voting period (9.00 a.m - 5.00 p.m.)
1.	05.05.2022	13.05.2022	06.05.2022	16.05.2022 - 14.06.2022
2.	28.07.2022	05.08.2022	01.08.2022	08.08.2022 - 06.09.2022
3.	24.01.2023	06.02.2023	27.01.2023	08.02.2023 - 09.03.2023

There is no immediate proposal for passing any resolution through postal ballot. However, if required, the same shall be passed in compliance of provisions of the Companies Act, 2013, the Listing Regulations or any other applicable laws.

11. Means of communication to shareholders

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

During the quarterly results, Director & CEO and CFO, make presentations to institutional investors, analysts and other investors. The presentations are made available on the Company's website.

11.1 Quarterly results:

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

11.2 Newspapers wherein results are normally published:

The results are normally published in English Newspapers viz., The Hindu, Business Line, The Times of India, Economic Times, Business Standard, The New Indian Express and Regional Newspaper viz., Dinamani and are also available on the website of the Company.

11.3 Website:

The Company is maintaining a functional website a website www.tvsmotor.com. This website contains all the information and other details as may be required under the Regulation 46 of Listing Regulations. The Company ensures that the contents of this website are periodically updated.

11.4 Press Release & Investor/ Analysts meet:

In addition, the Company makes use of this website for publishing official news release and presentations, if any, made to institutional investors / analysts, transcripts etc. No unpublished price sensitive information is discussed in the meeting with institutional investors and financial analysts.

12. General shareholder information

12.1 Annual General Meeting:

Day, Date and time : Monday, 24th July 2023 at 3.30 P.M. (IST), through Video Conferencing

12.2 Financial year : 1st April to 31st March
Financial calendar : 2023-24

Financial reporting : Financial calendar against for the quarter ending

30th June, 2023 : Before 14th August, 2023

30th September, 2023 : Before 14th November, 2023

31st December, 2023 : Before 14th February 2024

31st March, 2024 : Before 30th May, 2024

12.3 Particulars of dividend payment:

Particulars of dividend declaration / payment are disclosed in the Directors' Report. Dividends were declared in compliance with the Dividend Distribution Policy of the Company.

Dividend distribution policy

SEBI vide its circular No. SEBI/ LAD-NRO/ GN/ 2016-17/008 dated 8th July 2016 mandated the top 500 listed companies based on the market capitalization to formulate Dividend Distribution Policy which shall be disclosed in their annual reports and on their websites.

Accordingly, the Board at its meeting held on 24th January 2017 had formulated a Dividend Distribution Policy, the details of which are available on the Company's website in the link as provided in page no.102 of this Annual Report.

12.4 Listing on Stock Exchanges:

Name & Address of the Stock Exchanges	Stock Code / Symbol
BSE Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001. India Tel. : 91 22 2272 1233 Fax : 91 22 2272 1919	532343
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. India Tel. : 91 22 2659 8100 Fax : 91 22 2659 8120	TVSMOTOR

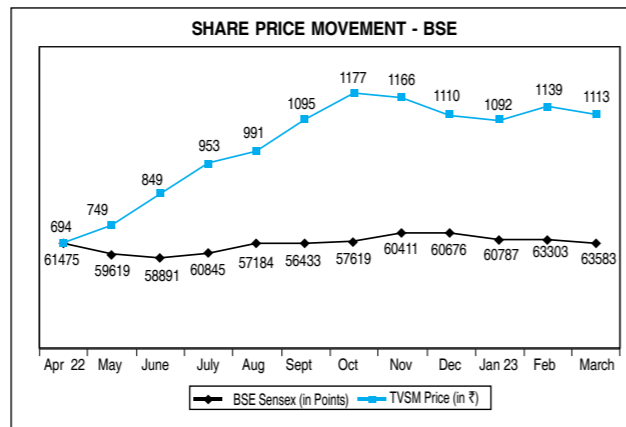
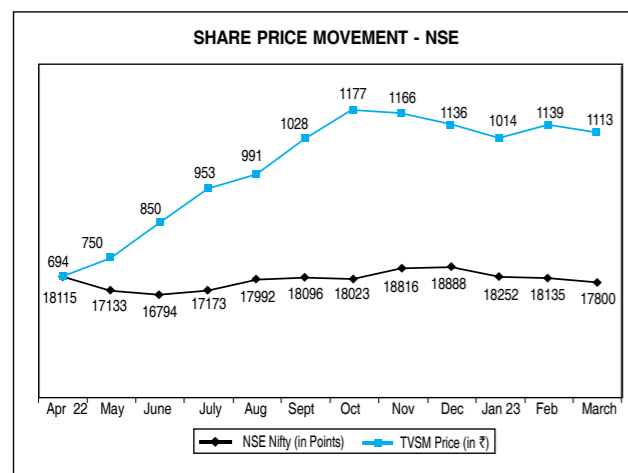
Name & Address of the Stock Exchanges	Stock Code / Symbol
ISIN allotted by Depositories (Company ID Number) Equity Non- Convertible Debentures (NCD) listed with NSE	INE494B01023 INE494B08036

(Note: Annual listing fees and custodial charges for the year 2022-23 were duly paid to the above Stock Exchanges and Depositories)

12.5 Market Price Data: (in ₹)

Month	NSE (Monthly)		BSE (Monthly)	
	High price	Low price	High price	Low price
April 2022	693.70	619.00	693.65	619.50
May 2022	749.75	589.05	749.40	589.10
June 2022	850.00	716.05	848.90	716.45
July 2022	953.20	810.20	953.05	809.95
August 2022	991.45	908.05	990.85	908.00
September 2022	1028.80	978.00	1094.65	977.20
October 2022	1176.90	986.55	1177.00	986.35
November 2022	1166.00	1029.00	1165.90	1029.05
December 2022	1135.50	997.90	1109.65	995.05
January 2023	1014.30	967.55	1091.90	968.00
February 2023	1138.95	990.05	1138.50	990.05
March 2023	1113.00	1005.00	1113.00	1019.90

12.6 Share price performance in comparison to broad based indices - NSE Nifty and BSE Sensex:



12.7 Share Transfer Agents and Share Transfer System:

- The Company has appointed Integrated Registry Management Services Limited, which has been registered with SEBI as Category-I Registrar & Transfer Agent (RTA) with Regn. No. INR00000544, as the Share Transfer Agent of the Company (STA) with a view to rendering prompt and efficient service to the investors and in compliance with Regulation 7 of the Listing Regulations. The Shareholders have also been advised about this appointment of STA to handle share registry work pertaining to both physical and electronic segments of the Company.
- All matters connected with the share transfer, transmission, sub-division, consolidation, renewal, exchange or endorsement of calls / allotment monies, dividend and other matters are being handled by STA located at the address mentioned in this report.
- Shares lodged for transfers are normally processed within the prescribed time from the date of lodgement, if the documents are clear in all respects.
- All requests for dematerialization of securities are processed and the confirmation is given to the depositories within the prescribed time. Grievances received from investors and other miscellaneous correspondence relating to change of addresses, mandates etc., is processed by STA within the prescribed time.
- Certificates are being obtained and submitted to the Stock Exchanges, on yearly basis, from a company secretary-in-practice towards due compliance of share transfer formalities by the Company within the due dates, in terms of Regulation 40(9) of the Listing Regulations.
- Certificates have also been received from a firm of company secretaries-in-practice and submitted to the Stock Exchanges, on a quarterly basis, for timely dematerialization of shares of the Company

and for reconciliation of the share capital of the Company, as required under SEBI (Depositories and Participants) Regulations, 1996.

- The Company, as required under Regulation 6(2)(d) of Listing Regulations, has designated the following e-mail IDs, namely corpserv@integratedindia.in / contactus@tvsmotor.com in for the purpose of registering complaints, if any, by the investors and expeditious redressal of their grievances.
- A certificate signed by the Compliance Officer of STA and the Company Secretary towards maintenance of share transfer facility by STA in compliance with the Regulation 7(3) of the Listing Regulations have been obtained and the same have been submitted to the Stock Exchanges.
- Shareholders are, therefore, requested to correspond with STA for transfer / transmission of shares, change of address and queries pertaining to their shareholding, dividend, etc., at their address given in this Report.

12.8 Shareholding pattern of the Company as on 31st March 2023:

Category of Shareholder	No. of shares held	%
Promoter and Promoter Group		
Individual	30,000	0.01
Bodies Corporate	23,87,82,786	50.26
Total (A)	23,88,12,786	50.27
Public Shareholding		
Mutual Funds	8,88,35,670	18.70
Banks / Financial Institutions / NBFCs	91,391	0.02
Insurance Companies	2,46,93,543	5.20
Foreign Institutional Investors / Foreign Portfolio Investors	8,08,26,515	17.01
Alternative Investment Funds	11,82,686	0.25
Public Provident Fund	11,10,955	0.23
Total Institutions (B)	19,67,40,760	41.41
Bodies Corporate	25,97,900	0.55
Individuals holding nominal capital in excess of ₹ 2 lakhs	4,97,505	0.10
Individuals holding nominal capital up to ₹ 2 lakhs	3,20,66,493	6.75
NRI Repatriable	7,11,443	0.15
NRI Non-Repatriable	7,99,949	0.17
Foreign National (IND)	1,400	-
Directors & their relatives	63,370	0.01
Clearing members	41,588	0.01
Investor Education Protection Fund	15,96,535	0.34
Others	11,57,385	0.24
Total Non-Institutions (C)	3,95,33,568	8.32
Total Public Shareholding D = (B+C)	23,62,74,328	49.73
Grand Total (A+D)	47,50,87,114	100.00

12.9 Distribution of Shareholding as on 31st March 2023:

Shareholding (Range)	No. of members	%	No. of shares	%
Upto 5000	1,92,979	99.30	2,70,81,977	5.70
5001-10000	579	0.30	42,07,242	0.88
10001-20000	271	0.14	39,30,796	0.83
20001-50000	197	0.10	62,68,265	1.32
50001-100000	87	0.04	63,29,967	1.33
100001 & above	234	0.12	42,72,68,867	89.94
Total	1,94,347	100	47,50,87,114	100

12.10 Dematerialization of shares and liquidity:

The promoter and promoter group holding consisting of 23,88,12,786 Equity shares of ₹ 1/- each has been fully dematerialized. Out of 23,62,74,328 Equity Shares of ₹ 1/- each held by persons other than promoters, 23,41,47,844 Equity Shares have been dematerialized as on 31st March 2023 accounting for 99.10%.

12.11 The Company has not issued any Global Depository Receipt / American Depository Receipt / Warrant or any convertible instrument, which is likely to have impact on the Company's Equity.

12.12 Other Disclosures

- Pecuniary relationships or transactions with IDs vis-a-vis the Company during the year under review, do not exceed the threshold limit as laid down under the Listing Regulations.
- During the year, there were no materially significant transactions with related parties that may have potential conflict with the interests of the Company at large.
- Company is a net exporter. Company has a forex hedging policy and covers are appropriately taken to cover the currency risk. The exposure and cover taken are reviewed by the Audit Committee on regular basis.
- Company is not a dealer in Commodities. Prices payable to vendors for raw materials and components are negotiated based on internationally available data. Cost of manufacture of all products are reviewed at regular intervals and wherever required suitable price changes in two-wheeler and three-wheeler are done based on market conditions.
- Loans and advances in the nature of loans to firms / companies in which Directors are interested by name and amount - Nil

The Company has not entered into any commodity derivatives with any of the bankers and hence the disclosure of exposure in commodity risks faced by the company does not required, as directed in the SEBI Circular dated 15th November 2018.

12.13 Plant Locations:

- Hosur : Post Box No. 4, Harita
Hosur - 635 109, Tamilnadu
Tel. : 04344-276780
Fax : 04344-276878
Email: knr@tvs-motor.com
- Mysuru : Post Box No.1
Byathahalli Village, Kadakola Post,
Mysuru - 571 311, Karnataka.
Tel. : 0821 - 2596561
Fax : 0821 - 2596550 / 2596551
Email: knr@tvs-motor.com
- Himachal Pradesh : Village & Post Office Bhatian,
Bharatgarh Road, Tehsil Nalagarh,
District Solan,
Himachal Pradesh - 174 101
Tel. : 01795 - 220493
Fax : 01795 - 220496
Email: knr@tvs-motor.com

12.14 Address for investor correspondence:

- (i) For transfer / dematerialization of shares, payment of dividend on shares and any other query relating to the shares of the Company : Integrated Registry Management Services Limited,
Share Transfer Agent (STA)
Unit: TVS Motor Company Limited
Chennai - 600 006
- (ii) For non-receipt of annual report : Email: srirams@integratedindia.in
corpsev@integratedindia.in
- (iii) For investors' grievance & general correspondence : Email: corpsev@integratedindia.in
contactus@tvs-motor.com
- (iv) Debenture Trustees : IDBI Trustee Services Limited
Asian Building, Ground Floor
17 R Kamani Marg, Ballard Estate,
Mumbai 400 001
Email: itsi@idbitrustee.co.in
Beacon Trusteeship Limited
Address:
4C & D Siddhivinayak Chambers,
Gandhi Nagar,
Opp MIG Cricket Club,
Bandra East (E), Mumbai - 400051
E-mail:
compliance@beacontrustee.co.in

12.15 List of Credit Rating:

The Company is maintaining the existing credit rating viz., CARE AA+ for long term borrowings and Non-Convertible Debentures and CARE A1+

for short term borrowings and Commercial Papers.

12.16 Certificate from Practicing Company Secretary:

The Company has received a certificate from the Secretarial Auditor of the Company stating 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.

12.17 Fees paid to Statutory Auditor on a consolidated basis:

During the year, the Company has paid ₹ 1.43 Cr to the statutory Auditors for all services received by the listed entity and its subsidiaries, on a consolidated basis.

12.18 Sexual Harassment at workplace:

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH), as amended, Company has a robust mechanism in place to redress complaints reported under it. During the year, 3 case of sexual harassments were reported, and the same were investigated and resolved as per the provisions of the POSH.

An Internal Committee (IC) is constituted by the Company in all its Plants and Corporate Office to consider and resolve the sexual harassment complaints reported by women. The constitution of the IC is as per the Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the committee includes external members of NGOs with relevant experience.

12.19 Disclosure on compliance with the issue of Debt securities for incremental borrowings by Large Corporates.

The Company has been considered as a "Large Corporate" (LC) and is required to raise not less than 25% of its incremental borrowings, during the financial year, by way of issuance of debt securities.

To comply with the SEBI circular in ref No. SEBI/HO/DDHS/P/CIR/2021/613 August 10, 2021 (amended 13th April 2022), the Company has issued 12,500 Listed, Senior, unsecured, redeemable, Floating Rate, Non-Convertible Debentures ("Debentures"), each of the face value of Rupees One Lakh each for cash aggregating to ₹ 125 Cr under private placement and allotted the same on 14th March 2023.

12.20 Details of material subsidiaries of the listed entity

Particulars	TVS Credit Services Limited	TVS Motor (Singapore) Pte Limited
Date of Incorporation	05.11.2008	19.02.2003
Place of Incorporation	Chennai, Tamil Nadu, India	Singapore
Name of the Auditor	Sundaram & Srinivasan (S&S)	Rama & Co LLP
Date of Appointment	12.11.2021	01.03.2004
Name of the Joint Auditor	CNGSN & Associates LLP	-
Date of Appointment	25.11.2022	-

13. Non-mandatory disclosures

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

13.1 The Board:

Prof. Sir Ralf Dieter Speth, Non-Executive Director is the Chairman of the Company as on 31st March 2023 and is liable to retire by rotation as per the provisions of the Companies Act, 2013.

13.2 Shareholder rights:

The half-yearly results of the Company are published in newspapers as soon as they are approved by the Board and are also uploaded in the Company's website namely www.tvs-motor.com. The results are not sent to the shareholders individually.

13.3 Audit qualifications:

The financial statements of the Company are unmodified.

14. Request to shareholders

Shareholders are requested to follow the general safeguards / procedures as detailed hereunder for the Company to serve them efficiently and avoid risks while dealing in the securities of the Company.

14.1 Demat of Shares:

Shareholders are requested to convert their physical holding to demat / electronic form through any of the DPs to avoid any possibility of loss, mutilation etc., of physical share certificates and also to ensure safe and speedy transaction in securities.

14.2 Registration of Electronic Clearing Service (ECS) mandate:

SEBI has made it mandatory for all companies to use the bank account details furnished by the Depositories for payment of dividend through ECS to investors wherever ECS and bank details are available. The Company will not entertain any direct request from Members holding shares in electronic mode for deletion of / change in such bank details. Members who wish to change such bank account details are therefore requested to advise their DPs about such change, with complete details of bank account.

ECS helps in quick remittance of dividend without possible loss/delay in postal transit. Shareholders, who have not earlier availed this facility, are requested to register their ECS details with the STA or their respective DPs.

14.3 Transfer of shares:

In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialised form with effect from April 1, 2019. In view of the above, members are advised to dematerialise equity shares held by them in physical form. The Securities and Exchange Board of India (SEBI) has also, vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25.01.2022, mandated listed Companies to issue the securities in dematerialized form only, while processing the following service request viz., Issue of duplicate securities certificate; Claim from Unclaimed Suspense Account; Renewal / Exchange of securities certificate; Endorsement; Subdivision / Splitting of securities certificate; Consolidation of securities certificates / folios; Transmission and Transposition. Members holding shares in physical form are requested to submit such service request in Form ISR 4 along with necessary documents / details specified therein, as prescribed by SEBI.

14.4 Freezing of Securities:

SEBI has mandated submission of PAN, KYC and nomination details by holders of physical securities by September 30, 2023, and linking PAN with Aadhaar by March 31, 2023 vide its Circulars dated November 3, 2021, December 14, 2021 and March 16, 2023. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's RTA.

The forms for updating the same are available at the Company's website at www.tvsmotor.com. Members holding shares in electronic form are requested to submit the said details to their depository participant(s). The folios of holders of physical securities, wherein any one of the aforesaid document / details are not available on or after October 01, 2023, shall be frozen by our Registrar and Share Transfer Agent (RTA).

The securities in the frozen folios shall be:

- eligible to lodge grievance or avail service request from the RTA only after furnishing the complete documents / details as aforesaid.
- eligible for any payment including dividend, interest or redemption payment only through electronic mode and an intimation from the RTA to the holder that the aforesaid payment is due and shall be made electronically upon complying with the aforesaid requirements.
- referred by the RTA / the Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025.

If KYC details were not provided to us earlier, you are requested to send duly filled in Form ISR-1, ISR-2, ISR-3 (or) SH-13 along with Self Attested proofs, in support of your Application for Duplicate share certificate. These forms can be downloaded from https://www.integratedindia.in/Corporate_Container.aspx and by clicking on "RTA/STA".

14.5 Registration of Nomination / opt out facility:

Under the provisions of Section 72 of the Companies Act, 2013 and SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/ CIR/2021/655 dated 3rd November, 2021 shareholder(s) is / are entitled to nominate in the prescribed manner, a person to whom his / her / their shares in the Company, shall vest after his / her / their lifetime. Members who are holding shares in physical form and are interested in availing this nomination facility may submit nomination in the prescribed Form SH-13 with the Company / RTA and any member who desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or Form SH-14, as the case may be, to the Company / RTA. The said forms are available at the Company's website at www.tvsmotor.com. In respect of shares held in dematerialized form, members may submit their nomination forms with their respective Depository Participants.

14.6 Updation of KYC details:

Members are requested to note that in case of deletion of name of deceased shareholder, transmission and transposition of names in respect of shares held in physical form, submission of self-attested photocopy of PAN Card of the claimant(s), surviving holder(s), legal heir(s) and joint holder(s) respectively, along with necessary documents at the time of lodgement of request for transmission / transposition, is mandatory.

As required by SEBI, shareholders are requested to furnish details of their bank account number and name and address of the bank for incorporating the same in the warrants. This would avoid wrong credits being obtained by unauthorized persons.

Shareholders are requested to note that the dividends, not claimed for a period of seven years from the date they first became due for payment, shall be transferred to IEPF in terms of Section 124(6) of the Act, 2013 read with Investor Education & Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Accordingly, a sum of Rs 50.70 Lakhs being unclaimed dividend, was transferred to IEPF during the year 2022-23.

Shareholders, who have not encashed their dividend warrants, in respect of 1st Interim dividend declared for the year ended 31st March, 2017 and for any financial year thereafter may contact the Company and surrender their warrants for payment.

INFORMATION IN RESPECT OF UNCLAIMED DIVIDENDS DUE FOR REMITTANCE INTO IEPF IS GIVEN BELOW:

Particulars of unclaimed dividend of the Company.

Financial Year	Date of declaration	Date of transfer to special account	Due date for transfer to the IEPF
2015-2016 1 st Interim	29.01.2016	28.02.2016	28.02.2023
2015-2016 2 nd Interim	12.03.2016	11.04.2016	11.04.2023
2016-2017 1 st Interim	27.10.2016	26.11.2016	26.11.2023
2016-2017 2 nd Interim	06.03.2017	05.04.2017	05.04.2024
2017-2018 1 st Interim	01.11.2017	01.12.2017	01.12.2024
2017-2018 2 nd Interim	26.02.2018	28.03.2018	28.03.2025
2018-2019 1 st Interim	23.10.2017	22.11.2018	22.11.2025
2018-2019 2 nd Interim	11.03.2019	10.04.2019	10.04.2026
2019-2020 1 st Interim	04.02.2020	05.03.2020	05.03.2027
2019-2020 2 nd Interim	10.03.2020	09.04.2020	09.04.2027
2020-2021 1 st Interim	28.01.2021	27.02.2021	27.02.2028
2020-2021 2 nd Interim	24.03.2021	23.04.2021	23.04.2028
2021-2022 Interim	18.03.2022	17.04.2022	17.04.2029
2022-2023 Interim	24.01.2023	23.02.2023	23.02.2030

15. TRANSFER OF SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF) AUTHORITY

As per Section 124(6) of the Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") as amended from time to time, all the shares in respect of which dividend remain unpaid/unclaimed for seven consecutive years or more are required to be transferred to a Demat Account opened in the name of IEPF Authority with Punjab National Bank by the Ministry of Corporate Affairs.

During the year, the Company has sent individual notices to all the shareholders whose dividends are lying unpaid / unclaimed against their name for seven consecutive years or more and also advertised on the Newspapers seeking action from the shareholders. The lists of such shareholders were also displayed on the website of the Company.

In compliance with the aforesaid provisions, the Company transferred 39,368 shares on 28/06/2022 and 43,953 shares on 21/03/2023 to IEPF account bearing Demat Account No. 10656671 and DPID IN300708 which is opened with Punjab National Bank.

Necessary steps will be initiated by the Company to transfer shares held by the members to IEPF, if they the shareholders have not claimed their dividends within the due date(s) mentioned above. Please note that no claim shall lie against the Company in respect of the shares so transferred to IEPF. As required under the said provisions, all subsequent corporate benefits that accrues in relation to the above shares will also be credited to the said IEPF Account.

In the event of transfer of shares and the unclaimed dividends to IEPF, shareholders are entitled to claim the same from IEPF by submitting an online application in the prescribed web based e-Form IEPF-5 available on the MCA website and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF-5, as per the following procedures:

- Register yourself on MCA website and login to website of MCA at <https://www.mca.gov.in/mcafoportal/login.do>.

- After login, click on 'Investor Services' tab under 'MCA Services' section for filing the web-based form IEPF-5.
- Fill the details in the web based e-form and attach the requisite documents in it. Save a copy of uploaded e-form and acknowledgement receipt generated with SRN. Take print of auto generated indemnity bond, IEPF Form IEPF-5, SRN and attachments.
- Submit self-attested copy of e-form, copy of acknowledgement, Indemnity Bond in original along with other documents (cancelled cheque leaf, client master list, PAN card, Aadhaar card, original share certificate, entitlement letter) as mentioned in the form to Nodal Officer (IEPF) of the company in an envelope marked "Claim for refund from IEPF Authority.
- After scrutinizing the documents received, Nodal Officer of the Company to verify the claim and furnish the e-verification report to the IEPF Authority within 15 days from the date of filing the claim.
- On the basis of verification report refund will be released by the IEPF Authority in favour of claimant's Bank or Demat account through electronic transfer.

In the process, general information about the Company which have to be provided are as under.

- Corporate Identification Number (CIN) of Company:- L35921TN1992PLC022845
- Name of the Company:-TVS Motor Company Limited
- Address of registered office of the Company: "Chaitanya" No. 12 Khader Nawaz Khan Road, Chennai 600 006.
- email ID of the company:- contactus@tvsmotor.com

Pursuant to Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amount lying with companies) Rules, 2012, the Company shall provide / host the required details of unclaimed dividend amount referred in relevant sections of the Act, 2013 on its website and also in the Ministry of Corporate Affairs (MCA) website in the relevant form every year.

Disclosure in respect of equity shares transferred in the Company's unclaimed suspense account

Pursuant to the requirement of Regulation 34(3) and Schedule V Part F of Listing Regulations, the following table provides the details in respect of the equity shares lying in the suspense account. During the year, the Company has already sent remainders to the shareholders for claiming those shares at their latest available address(es) with the Company or Depository, as the case may be.

All the corporate benefits in terms of securities accruing on those shares like bonus shares, split etc would also be credited to unclaimed suspense account of the Company. The voting rights on shares lying in unclaimed suspense account shall remain frozen till the rightful owner claims the shares.

Details	No. of shareholders	No. of shares
No. of shares in the Unclaimed suspense account as on 1 st April 2022.	135	95,567
Add: No. of shares credited pursuant to Regulation 39(4) of Listing Regulation.	Nil	Nil
Less: No. of shares Transferred to the Shareholders on request during the year	2	1,000
Less: No. of Shares transferred to IEPF A/c during the year.	37	28,903
No. of shares in the Unclaimed suspense account as on 31 st March 2023.	96	65,664

For and on behalf of the Board of Directors

PROF. SIR RALF DIETER SPETH
Chairman
(DIN: 03318908)

Chennai
4th May 2023

LINKS TO COMPANY'S POLICIES**1. TERMS OF APPOINTMENT OF IDS**

<https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/Terms-of-Appointment-of-IDs-Apr2020.pdf>

2. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

<https://www.tvsmotor.com/investors/financial-reports>

3. POLICY ON VIGIL MECHANISM / WHISTLE BLOWER POLICY

<https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/Whistle-Blower-Policy-Apr2020.pdf>

4. ANNUAL RETURN

<https://www.tvsmotor.com/annual-return>

5. CSR POLICY

<https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/Corporate-Social-Responsibility-Policy-Apr2020.pdf>

6. DIRECTORS FAMILIARIZATION PROGRAM

<http://tvsmotor.com/-/media/Feature/Investors/Communication/Files/TVSMFamiliarisationProgrampdf.pdf>

7. CODE OF BUSINESS CONDUCT AND ETHICS

<http://tvsmotor.com/-/media/Feature/Investors/Communication/Files/CodeofBusinessConductandEthicspdf.pdf>

8. MATERIAL SUBSIDIARIES POLICY

<http://tvsmotor.com/-/media/Feature/Investors/Communication/Files/Material-Subsidiary-Policy-Apr2020.pdf>

9. RELATED PARTY TRANSACTION POLICY

<http://tvsmotor.com/-/media/Feature/Investors/Communication/Files/Related-Party-Transactions-Policy-Apr2020.pdf>

10. NOMINATION AND REMUNERATION POLICY

<http://tvsmotor.com/-/media/Feature/Investors/Communication/Files/Nomination-and-Remuneration-Policy-Apr2020.pdf>

11. DIVIDEND DISTRIBUTION POLICY

<https://www.tvsmotor.com/-/media/Feature/Investors/Communication/Files/Dividend-Policy-Apr2020.pdf>

AUDITORS' CERTIFICATE ON COMPLIANCE OF THE PROVISIONS OF THE CODE OF CORPORATE GOVERNANCE

To,

The Shareholders of TVS Motor Company Limited,
Chennai

We have examined the compliance of conditions of Corporate Governance by TVS Motor Company Limited, Chennai - 600 006 ('the Company') for the year ended 31st March 2023 as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Listing Regulations].

The compliance of conditions of Corporate Governance is the responsibility of Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For V. Sankar Aiyar & Co
Chartered Accountants
ICAI Regn. No.: 109208 W

S. VENKATARAMAN
Partner

Chennai
4th May 2023

Membership Number: 023116
UDIN: 23023116BGXEKQ2719

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To,

The Board of Directors
TVS Motor Company Limited
"Chaitanya", No.12, Khader Nawaz Khan Road,
Nungambakkam, Chennai - 600 006, Tamil Nadu, India.

Dear Sirs / Madam,

We certify that we have reviewed the financial statements prepared based on the Indian Accounting Standards for the year ended 31st March 2023 and 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 applicable Indian Accounting Standards, Laws and Regulations.
- (3) no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
- (4) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and 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 steps taken or proposed to be taken for rectifying these deficiencies.

- (5) We have indicated to the Auditors and the Audit Committee:
 - a) significant changes, if any, in internal control over financial reporting during the year;
 - b) significant changes in accounting policies, if any, during the year and that the same have been disclosed in the notes to the financial statements; and
 - c) that there were no instances of significant fraud of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

K N Radhakrishnan
Director & CEO
DIN: 02599393

Chennai
4th May 2023

K Gopala Desikan
Chief Financial Officer

COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS

To,

The Shareholders of TVS Motor Company Limited,
Chennai

On the basis of the written declarations received from members of the Board and Senior Management Personnel in terms of the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, it is hereby certified that both the Members of the Board and the Senior

Management Personnel of the Company have affirmed compliance with the respective provisions of the Code of Business Conduct and Ethics of the Company as laid down by the Board for the year ended 31st March 2023.

Chennai
4th May 2023

K N Radhakrishnan
Director & CEO
DIN: 02599393

CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34 (3) read with Schedule V Para C (10) (i) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members of
TVS Motor Company Limited,
[CIN: L35921TN1992PLC022845]
"Chaitanya", No.12, Khader Nawaz Khan Road,
Nungambakkam, Chennai - 600 006, Tamil Nadu, India.

We hereby certify that, in our opinion, none of the below named Directors who are on the Board of Directors of TVS MOTOR COMPANY LIMITED ("the Company") as on 31st March 2023 have been debarred or disqualified from being appointed or continuing as directors of Companies by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs, Government of India (MCA):

Sl. No.	Name of the Directors	Nature of Directorship	Director Identification Number (DIN)
1.	Prof. Sir Ralf Dieter Speth	Non-Executive Director	03318908
2.	Mr Venu Srinivasan	Executive Director	00051523
3.	Mr Sudarshan Venu		03601690
4.	Mr K N Radhakrishnan		02599393
5.	Mr C R Dua	Independent Director	00036080
6.	Mr R Gopalan		01624555
7.	Mrs. Lalita D Gupte		00043559
8.	Mr T Kannan		00040674
9.	Mr Kuok Meng Xiong		09117910
10.	Mr Hemant Krishan Singh		06467315
11.	Mr B Sriram		02993708
12.	Dr. Lakshmi Venu	Non-Executive Director	02702020

We are issuing this certificate based on the following, which to the best of our knowledge and belief were considered necessary in this regard:

1. Information relating to the directors available in the official web site of MCA;
2. Disclosures / declarations / confirmations provided by the said directors to the Company;
3. Registers, records, forms and returns filed/ maintained by the Company; and
4. Information, explanation and representations provided by the Company, its officers and agents.

Management's responsibility

The management of the Company is responsible to ensure the eligibility of a person for appointment / continuation as a Director on the Board of the Company.

Our responsibility

Our responsibility is to express an opinion on this, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness of the process followed by the management of the Company with regard to appointment / continuation of a person as a Director of the Company.

For S Krishnamurthy & Co
Company Secretaries
Firm Unique Identification No. P1994TN045300
(Peer Review Certificate No.739/2020)

K. SRIRAM
Partner

Membership No: F6312

Chennai
4th May, 2023

Certificate of Practice No: 2215
UDIN: F006312E000255154

Form No. MR-3

Secretarial Audit Report for the financial year ended 31st March 2023

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

To,

The Members of
TVS Motor Company Limited,
[CIN: L35921TN1992PLC022845]
"Chaitanya", No.12, Khader Nawaz Khan Road,
Nungambakkam, Chennai - 600 006.

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by TVS MOTOR COMPANY LIMITED ('the Company') during the financial year from 1st April 2022 to 31st March 2023 ('the year' / 'audit period' / 'period under review').

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts / statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i) Our verification of the books, papers, minute books and other records maintained by the Company and furnished to us and scanned copies of some of them provided to us through electronic form for our verification, forms and returns filed, and compliance related action taken by the Company during the financial year as well as after 31st March 2023 but before the issue of this audit report;
- (ii) Compliance certificates confirming compliance with all laws applicable to the Company, given by the key managerial personnel of the Company and taken on record by the Board of Directors; and
- (iii) Representations made, documents shown and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

We hereby report that, in our opinion, during the audit period covering the financial year ended on 31st March 2023, the Company:

- (i) has complied with the statutory provisions listed hereunder; and
- (ii) has Board processes and compliance mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter.

The members are requested to read this report along with our letter of even date annexed to this report as Annexure - A.

1. Compliance with specific statutory provisions

We further report that:

- 1.1 We have examined the books, papers, Minute books and other records maintained by the Company, and the forms, returns, reports, disclosures and information filed or disseminated during the year, according to the applicable provisions / clauses of:
 - (i) The Companies Act, 2013, and the rules made thereunder ('the Act').
 - (ii) The Securities Contracts (Regulation) Act, 1956, and the rules made thereunder.
 - (iii) The Depositories Act, 1996, and the regulations and bye-laws framed thereunder.
 - (a) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder ('FEMA'), to the extent of Overseas Direct Investment ('ODI') and External Commercial Borrowings ('ECB')
 - (iv) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations'):
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR');
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; and
 - (d) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (v) The listing agreements ('Agreements') entered into by the Company with the:
 - (a) National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) in relation to listing of its Equity shares; and
 - (b) NSE in relation to listing of its Non-Convertible Debentures; and
 - (vi) Secretarial Standards issued by The Institute of Company Secretaries of India ('Secretarial Standards').

1.2 During the period under review, and also considering the compliance related actions taken by the Company after 31st March 2023, but before the issue of this report, we hereby report that, to the best of our knowledge and belief, and based on the records, information, explanations and representations furnished to us, the Company has generally complied with:

- (i) The applicable provisions of the Acts, Rules and Regulations mentioned in paragraphs 1.1 (i) to 1.1 (iii) above.
- (ii) The applicable provisions of FEMA in respect of ODI and ECB, mentioned in paragraph 1.1 (iv) above.
- (iii) The applicable provisions of SEBI Regulations and Agreements mentioned in paragraphs 1.1 (v) and 1.1 (vi) above.
- (iv) The following Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards):
 - (a) On Meetings of the Board of Directors (SS-1) to the extent applicable to Board meetings; and
 - (b) On General Meetings (SS-2) to the extent applicable to the Annual General Meeting held on 27th June 2022 and the Postal Ballot processes which concluded on 14th June 2022, 6th September 2022 and 9th March 2023.

The Company has not adopted the Secretarial Standards on Dividend (SS-3) and the Secretarial Standards on Board's Report (SS-4) issued by the Institute of Company Secretaries of India, since they are not mandatory.

1.3 We are informed that, during / in respect of the year:

- I. The Company was not required to comply with the following on account of the non-occurrence of compliance-triggering events during the year:
 - (i) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder, to the extent of Foreign Direct Investment;
 - (ii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act, 2013, and dealing with clients;
 - (iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - (iv) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

(v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and

(vi) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.

II. There was no other law that was specifically applicable to the Company, considering the nature of its business. Hence, the requirement to report on compliance with specific laws under paragraph 1.2 does not arise.

2. Board processes:

We further report that:

2.1 The constitution of the Board of Directors of the Company during the year was in compliance with the applicable provisions of the Act and SEBI LODR.

2.2 As on 31st March 2023, the Board has:

- (i) 3 (three) Executive Directors;
- (ii) 2 (two) Non-Executive Directors [including 1 (one) Non-Executive Woman Director]; and
- (iii) 7 (seven) Independent Directors (including 1 (one) Independent Woman Director).

2.3 The processes relating to the following changes in the composition of the Board of Directors during the year were carried out in compliance with the applicable provisions of the Act and SEBI LODR:

- (i) Appointment of Mr. B Sriram (DIN:02993708) as an Independent Director for a term of 5 (five) consecutive years, with effect from 24th January 2023 and approval of his appointment through the postal ballot process on 9th March 2023 by way of Special Resolution.
- (ii) Re-appointment at the 30th Annual General Meeting (AGM) held on 27th June 2022 of Dr. Lakshmi Venu (holding DIN: 02702020) as a Non-Executive Director on her retirement by rotation.
- (iii) Cessation of Mr H Lakshmanan (DIN 00057973) as a Director on his retirement by rotation at the 30th AGM and did not offer himself for re-appointment due to old age. The members vide a resolution passed at the 30th AGM decided not to fill-up the casual vacancy.
- (iv) Re-appointment of Mr. Sudarshan Venu (DIN: 03601690), as Managing Director) for further period of 5 (five) years with effect from 1st February 2023, which was approved by the shareholders by way of an ordinary resolution through a postal ballot process on 14th June 2022 and by the Central Government on 26th September 2022.

2.4 Adequate notice was given to all the directors to enable them plan their schedule for the Board meetings; and Notice of Board meetings were sent atleast 7 (seven) days in advance, except for some of the meetings which were held at a shorter notice, in compliance with Section 173(3) of the Act.

2.5 Agenda and detailed notes on agenda were sent to the directors atleast 7 (seven) days before the Board meetings (except for some of the meetings which were held at a shorter notice) other than the following items, which were either circulated separately or at the Board meetings, and consent of the Board for so circulating them was duly obtained as required under SS-1:

- (a) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts / results, unaudited financial results and connected papers; and
- (b) Additional subjects / information / presentations and supplementary notes.

2.6 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.

2.7 We are informed that, at the Board meetings held during the year:

- (i) Majority decisions were carried through; and
- (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the Minutes.

3. Compliance mechanism

We further report that:

There are reasonably adequate systems and processes in the Company, commensurate with the Company's size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

4. Specific events / actions

We further report that:

The specific events and actions during the year, having a major bearing on the Company's affairs, in pursuance of the above referred laws, rules, regulations and standards were:

- (a) Direct / indirect investments in subsidiaries, new acquisitions and associate companies (Indian / Foreign) and an Overseas Technology Fund as disclosed in the audited financial statement for the financial year ended 31st March 2023. This includes the following:

- (i) Drivex Mobility Private Limited has become an Associate of the Company effective 15th October 2022;

- (ii) EBCO Ltd., UK, has become a step-down subsidiary of the Company and Celerity Motor GMBH has become a wholly-owned step-down subsidiary of the Company, both through TVS Motor (Singapore) Pte. Limited, which is a material subsidiary; and

- (iii) Alexand'roEdouard'o Passion Vélo SÀRL (Passion Velo), Switzerland, has become a step-down subsidiary of the Company through Swiss E-Mobility Group (SEMG), another subsidiary of TVS Motor (Singapore) Pte. Limited.

- (b) Disinvestment of the entire shareholding of Sundaram Auto Components Limited (SACL), [a wholly-owned subsidiary of the Company] in Sundaram Holding USA Inc., USA (SHUI) [which was a material step-down subsidiary of the Company], to Sundaram-Clayton Limited [the holding Company], with the approval of the shareholders of the Company, by way of an ordinary resolution through a postal ballot process on 6th September 2022. As a result of this disinvestment, SHUI and its four subsidiaries in USA have also ceased to be step-down subsidiaries of the Company effective close of business hours on 22nd September 2022.

- (c) Borrowing by way of issue and allotment of 12,500 numbers of 7.9% Unsecured, Redeemable, Listed, Rated, Non-Convertible Debentures (NCD) of ₹ 1 Lakh each, amounting to Rs.125 Crores, on 14th March 2023, on private placement basis, based on the approval accorded by the Board of directors on 28th July 2022. The NCDs were listed on the National Stock Exchange of India Limited on 15th March 2023.

- (d) Borrowing by way of issue and allotment of 310 Unlisted Unsecured Zero-Coupon Debentures (ZCDs), having face value of ₹ 1 crore each, amounting to ₹ 310 Crores, to Sundaram Auto Components Limited, a wholly-owned subsidiary of the Company.

- (e) Alteration of Regulation 66(b) of the Articles of Association (AoA) dealing with retirement by rotation of Directors, with the approval of the shareholders, by way of a Special Resolution on 6th September 2022 through a postal ballot process.

For S Krishnamurthy & Co
Company Secretaries
Firm Unique Identification No. P1994TN045300
(Peer Review Certificate No.739/2020)

Chennai
4th May, 2023

K. SRIRAM
Partner
Membership No: F6312
Certificate of Practice No: 2215
UDIN: F006312E000253977

Annexure - A to Secretarial Audit Report of even date

To,

The Members of
TVS Motor Company Limited,
[CIN: L35921TN1992PLC022845]
"Chaitanya", No.12, Khader Nawaz Khan Road,
Nungambakkam, Chennai – 600 006.

Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31st March 2023, is to be read along with this letter.

1. Management's Responsibility:

The Company's management is responsible for maintenance of secretarial records, making the statutory/regulatory disclosures/ filings and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards.

2. Secretarial Auditors' Responsibility:

Our responsibility as a Secretarial Auditor is to express an opinion on the compliance with the applicable laws and maintenance of records based on our audit.

3. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records and the audit was conducted in accordance with applicable auditing standards issued by The Institute of Company Secretaries of India. Those Standards require that the Auditor comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

4. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after 31st March 2023 but before the issue of this report.

5. We have considered compliance related actions taken by the Company based on independent legal/professional opinion obtained as being in compliance with law.

6. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

7. We have not verified the correctness and appropriateness of financial statements, financial records and books of accounts of the Company.

8. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.

9. Our 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.

10. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some Misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Auditing Standards.

For S Krishnamurthy & Co
Company Secretaries
Firm Unique Identification No. P1994TN045300
(Peer Review Certificate No.739/2020)

K. SRIRAM
Partner
Membership No: F6312
Certificate of Practice No: 2215
UDIN: F006312E000253977

Chennai
4th May, 2023

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2023

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

To,

The Members,
TVS CREDIT SERVICES LIMITED,
[U65920TN2008PLC069758]
"Chaitanya", No.12, Khader Nawaz Khan Road,
Nungambakkam, Chennai - 600 006.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practice by TVS CREDIT SERVICES LIMITED, (hereinafter called the Company).

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

Based on my verification of the company's books, 'papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

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

Besides this, the following Regulations and Guidelines prescribed under the Securities and Exchange Board of

India Act, 1992 ('SEBI Act') are not applicable to the Company viz.,

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c) The Securities and Exchange Board of India (Share based employee Benefits and Sweat Equity) Regulations, 2021 (with effect from 13th August 2021);
- d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
- f) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

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

- (a) Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007;
- (b) RBI - Master Direction - Non-Banking Financial Company - Non-Systemically Important NonDeposit taking Company (Reserve Bank) Directions, 2016;
- (c) Compliance with the requirements of Non-Banking Finance Companies (Reserve Bank) Directions 2016 with regard to non-acceptance of Deposits from Public;
- (d) Compliance under Prevention of Money Laundering Act, (PMLA) 2002 for the purpose of compliance with the obligations under Know your Customer Norms/ Anti-Money Laundering (AMC) standards & Fair Pricing Code (FPC) and Combating of Finance of Terrorism (CFT) obligations under PMLA,2002;
- (e) Labour laws & Contract Labour (Regulations & Abolition) Act, 1970 as applicable;
- (f) Indian Stamp Act and Rules;
- (g) Motor Vehicles Act, 1938;

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

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

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

- i) The Secretarial Standards with regard to Meetings of Board of Directors (55-1) and General Meetings (55-2) issued by the Institute of Company Secretaries of India in terms of Sub-section 10 of Section 118 of the Companies Act, 2013, for the financial year under review;
- ii) The Company has listed its Commercial papers with National Stock Exchange of India Ltd (NSE) pursuant to SEBI circular dated 22nd October, 2019. The Company has duly complied with the compliances as prescribed in the above mentioned circular.

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

I further report that:-

- 1) The Board of Directors of the Company is duly constituted with proper balance of 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.
- 2) Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and in case where meeting was held on shorter notice, consent for shorter notice was obtained from all the Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- 3) Majority decision is carried through while passing all the resolutions of the Board / Committees. However, on perusal of the minutes of the Board or Audit Committee or Nomination & Remuneration Committee, or Asset Liability Management Committee, or Corporate Social Responsibility Committee meetings, or Risk Management Committee, it was observed that there was no dissenting note made by any of the member.

I 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.

I further report that during the period of audit, the Company made issue of securities as per the following particulars:

S. No.	Type of Security	No X Face Value each	Issued on	Alotted on
1	Non-Convertible Debentures	95 X 1,00,00,000	13-07-2022	14-07-2022
		305 X 1,00,00,000	25-07-2022	26-07-2022
		800 X 1,00,00,000	13-09-2022	14-09-2022
		4,250 X 10,00,000	18-10-2022	19-10-2022
		20 X 1,00,00,000	23-02-2023	24-02-2023
2	Equity Shares	81,08,108 X 10	17-09-2022 @**	28-09-2022
3	Equity Shares	81,08,108 X 10	25-11-2022 **	28-12-2022
4	Equity Shares	1,08,10,810 X 10	15-03-2023 **	24-03-2023

** The Company explained that due to technical hitches, the Company could not file the e-form in the MCA site. However physical form with resolution approving the issue of shares, was filed with Registrar of companies, Chennai before circulation of letter of offer.

@ As per Company's reply, S No 2 above is dated 17-09-2022 which is inadvertently mentioned as 17- 08-2022 in PAS 5.

The Company had redeemed 4250 non-convertible debentures during the year under review.

B. CHANDRA & ASSOCIATES
Membership No. 20879
Certificate of Practice No: 7859
Peer Review Number 1711/2022
UDIN: A020879E000234477

Chennai
3rd May 2023

Annexure – A to Secretarial Audit Report of even date

To,
The Members,
TVS CREDIT SERVICES LIMITED,
[U65920TN2008PLC069758]
"Chaitanya", No.12, Khader Nawaz Khan Road,
Nungambakkam, Chennai - 600 006.
My 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. I 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. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

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

Chennai
3rd May 2023

B. CHANDRA & ASSOCIATES
Membership No. 20879
Certificate of Practice No: 7859
Peer Review Number 1711/2022
UDIN: A020879E000234477

TVS
iQUBE
ELECTRIC

Since its launch in 2020, TVS iQube led the company's #SmartlySimple foray into the electric segment and has reached over 1 lakh happy customers!



A rider wearing a blue and black leather suit and a red helmet is seated on a black and red TVS Hyper Edge motorcycle. The motorcycle is positioned in the center-right of the frame, facing left. The background is a dramatic, dark blue and red gradient with a smoky or misty texture. The text "STANDALONE FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED" is overlaid in white, bold, uppercase letters across the middle of the image.

STANDALONE FINANCIAL STATEMENTS
OF TVS MOTOR COMPANY LIMITED

TVS
RONIN

The launch of the TVS Ronin introduced a groundbreaking motorcycle that blends style, comfort, and technology for those who embrace an unscripted lifestyle. It offers a complete lifestyle package with exclusive merchandise, accessories, and a riding community that enables riders to craft their own story.



**STANDALONE FINANCIAL STATEMENTS OF
TVS MOTOR COMPANY LIMITED**

INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2023

To the members of TVS Motor Company Limited

Report on the Audit of the Standalone financial statements

Opinion

We have audited the Standalone financial statements of TVS Motor Company Limited ("the Company"), which comprise the balance sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit, Other Comprehensive Income, Changes in Equity and Cash Flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matter	Principal Audit Procedures
<p>1. Government Grants</p> <p>Government has announced various Grants to manufacturers of automobiles. The company in turn is availing the said grants on fulfilling the conditions attached to that. The recognition of Government grants is considered to be key audit matter because of significance of amount of grants and management judgements involved in fulfilling the conditions to receive the grant.</p> <p>The management periodically reviews, during the year, compliance of relevant conditions attached to each grant whether there is a reasonable assurance that the grants will be received, in order to determine the timing and amounts of grants to be recognized in the financial statements.</p>	<p>Determined the appropriateness of the accounting policy for government grants as per the relevant accounting standard; Examined the Company's key internal financial controls over recognition of government grants with regard to its design and implementation. Tested the operating effectiveness of such controls for the transactions selected.</p> <p>Verified documents, on sample basis, submitted to the various government authorities relating to the grants received and receivable and checked the compliance of conditions attached to the respective grants.</p> <p>Considered the basis of management's judgement towards fulfilment of conditions attached to the grants and evaluated the reasonable assurance that grants will be received.</p> <p>Reviewed the appropriateness of the disclosures made in accordance with the relevant accounting standard.</p>
<p>2. Investments</p> <p>The Company has significant investments in its subsidiaries and associates. Management reviews regularly whether there are any indicators of impairment of the investments by reference to the requirements under Ind AS 36 "Impairment of Assets".</p> <p>For investments where impairment indicators exist, significant judgments are required to determine the key assumptions used in the valuation model and methodology, such as</p>	<p>Obtained and read the valuation report used by the management for determining the fair value ('recoverable amount') of its investments;</p> <p>Considered the independence, competence and objectivity of the management specialist involved in determination of valuation;</p> <p>Tested the fair value of the investment as mentioned in the valuation report to the carrying value in books;</p> <p>Made inquiries with management to understand key drivers of the cash flow forecasts, discount rates, etc.</p>

Key Audit Matter	Principal Audit Procedures
<p>revenue growth, discount rates, etc.</p> <p>Considering, the impairment assessment which involves significant assumptions and judgement of the management and the same has been considered as key audit matter..</p>	<p>Assessed the disclosures made in the financial statements regarding such investments to comply with the requirements of Standards.</p>
<p>3. Evaluation of Uncertain Direct tax and Indirect Tax positions</p> <p>The Company has material uncertain tax positions, including matters under dispute relating Excise, Customs Duty, Value Added Tax (Indirect Taxes) and Income Tax (Direct Tax). These matters involve significant judgment to determine the possible outcome of these disputes.</p>	<p>We obtained details of demands relating to Direct Tax and indirect tax, for the year ended 31st March 2023.</p> <p>We considered legal precedence and other rulings, obtained external opinions and discussed with company's internal legal team in evaluating management's position on these uncertain tax positions.</p> <p>Satisfied ourselves that it is not probable that an outflow of economic benefits will be required and disclosed such obligation as a contingent liability.</p>

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

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

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

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone financial statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause
- Evaluate the overall presentation, structure, and content of the Standalone financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government

of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit of the branches have been received from the branches not visited by us;
 - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts and with the returns received from the branches not visited by us;
 - (d) In our opinion, the aforesaid Standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note No. 40 (a) to the standalone financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - refer Note 30 (D) to the Standalone financial statements;

- c. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
- d. i. Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts (refer note no 42 (xii)), no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(is), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - ii. Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts (refer note no 42 (xiii)), no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, and
 - iii. Based on the audit procedures adopted by us, nothing has come to our notice that has

caused us to believe that the representations made by the management under sub clause (i) and (ii) above, contain any material misstatement.

- e. The dividends declared and paid by the Company during the year and until the date of this audit report are in accordance with section 123 of the Companies Act 2013.
- f. Proviso to Rule 3 (1) of the Companies (Accounts) Rules, 2014 for maintaining books of accounts using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
3. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act.

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For V. SANKAR AIYAR & CO
Chartered Accountants
ICAI Regd. No.109208W

S. VENKATARAMAN
Partner

Place : Chennai
Date : 4th May 2023

Membership No.: 023116
UDIN: 23023116BGXEKQ2719

Annexure A to Independent Auditors' Report - 31st March 2023 (Referred to in our report of even date)

- (i) a) A) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- B) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has maintained proper records showing full particulars of Intangible assets.
- b) The Company has a regular program of physically verifying all the Property, Plant and Equipment at its plants/ offices in a phased manner over a period of 2 years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies as compared to book records were noticed on such verification.
- c) According to the information and explanations given to us and the records of the Company examined by us, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
- e) According to the information and explanations given to us and the records of the Company examined by us, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) a) As informed to us, the management has conducted physical verification of inventory [including inventory lying with third parties] at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies noticed on such physical verification, were less than 10% in aggregate for each class of inventory and have been properly dealt with in the books of accounts.
- b) According to the information and explanations given to us and the records of the Company examined by us, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns filed by the Company with such banks are in agreement with the books of accounts of the Company.
- (iii) a) According to the information and explanation given to us and the records of the Company examined by us, during the year, the Company:
- Has made investments in Companies.
 - Has not made investments in firms, Limited Liability Partnerships or any other parties.
 - Has not provided loans, advances in the nature of loans, and security to Companies, Firms, Limited Liability Partnerships or any other parties. There are no opening balance in loans and advances in the nature of loans. Therefore, the requirement to report under clauses (iii) (b) to (f) of para 3 of the Order are not applicable to the Company.
 - Has provided the guarantee of ₹ 41.09 Crores to its subsidiaries and the balance outstanding as at balance sheet date is ₹ 123.26 Crores.
- b) According to the information and explanations given to us and the records of the Company examined by us, the investments made, and guarantee provided are not prejudicial to the Company's interest.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act, in respect of Investments made and Guarantee given. The Company has not granted any loan or provided securities during the year.
- (v) According to the information and explanations given to us and the records of the Company examined by us, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Therefore, the clause (v) of para 3 of the order is not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has prescribed the maintenance of cost records under Section 148(1) of the Act in respect of products manufactured by the Company. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost

records u/s 148 (1) of the Act and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made detailed examination of the records with a view to determine whether they are accurate or complete.

- (vii) a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues payable including Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Customs duty and Cess and other material statutory dues as applicable to the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Services Tax, Customs duty and Cess were in arrears as at 31st March 2023 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income-Tax, Customs Duty, Sales Tax, Service Tax, Goods and Services Tax, Value Added Tax, Excise Duty and Cess which have not been deposited on account of dispute as at 31st March 2023 other than the following on account of dispute, as given below.

(₹ In Crores)

Name of the Statute / (Nature of dues)	Period of dues	Demand	Amount paid under protest/ Deposit against appeal	Forum where dispute is pending
Central Excise Act, 1944 (Cenvat / Excise Duty)	1998-2017	32.50	0.29	Central Excise and Service Tax Appellate Tribunal, Chennai
	2011-2016			
	2019-2020			
Finance Act, 1994 (Service Tax)	2002-2016	0.95	0.04	Central Excise and Service Tax Appellate Tribunal, Chennai / Bangalore
Customs Act, 1962 (Customs Duty)	2015-2020	39.27	-	Hon'ble High Court of Judicature, Chennai
Sales Tax / VAT Laws (Sales Tax)	1998-2016	2.94	1.54	Assessing officer
	2004-2005			Joint Commissioner (Appeals)
	1998-2010			Tribunals

- (viii) According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on Clause 3(viii) of the Order is not applicable to the Company.
- (ix) On the basis of verification of records, the procedures performed by us, on an overall examination of the financial statements of the Company and according to the information and explanations given to us,
- the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
 - the Company is not declared willful defaulter by any bank or financial institution or any government authority.
 - the term loans were applied for the purpose for which the loans were obtained.
 - the Company has not utilized funds raised on short-term basis for long-term purposes.
 - the Company has not taken funds from any entities and persons on account of or to meet the obligations of its subsidiaries or associates.
 - the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies. Hence, the requirement to report on Clause (ix)(f) of the Order is not applicable to the Company.
- (x) a) According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence, the requirement to report on Clause 3(x)(a) of the Order is not applicable to the Company.
- b) According to the information and explanations given to us and based on the records of the Company examined by us, the Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on Clause 3(x)(b) of the Order is not applicable to the Company.

- (xi) a) During the course of our examination of the books and records of the Company, carried out based upon the generally accepted audit procedures performed for the purpose of reporting the true and fair view of the Standalone financial statements, to the best of our knowledge and belief and as per the information and explanations given to us by the Management, and the representations obtained from the Management, no fraud by the Company or no material fraud on the Company have been noticed or reported during the year.
- b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. According to the information and explanations given to us and based on the information given to us and records verified by us, the Secretarial Auditor and the Cost Auditor have not filed report in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) According to the information and explanations given to us and as represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and hence reporting under Clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, based on verification of the records and approvals of the Audit Committee, the Company is in compliance with Section 177 and Section 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.
- (xiv) a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Act are not applicable.
- (xvi) According to the information and explanations given to us and based on the information given to us and records verified by us,
- a) the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.
- b) the Company has not conducted any Non-Banking Financial or Housing Finance activities.
- c) the Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on Clause (xvi)(c) of the Order is not applicable to the Company.
- d) there is no Core Investment Company as a part of the Group, hence, the requirement to report on Clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, The Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios disclosed in note no. 32 to the Standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from

- the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) a) According to the information and explanations given to us,
- In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second provision to sub section 5 of Section 135 of the Act. This matter has been disclosed in note no. 45 to the Standalone financial statements.
- b) There are no unspent amounts in respect of ongoing projects that are required to be transferred to a special account in compliance of provision of sub section (6) of Section 135 of Companies Act. This matter has been disclosed in note no. 45 to the Standalone financial statements.
- (xxi) On the basis of review of Companies (Auditor's Report) Order (CARO) reports of the Companies incorporated in India and included in the consolidated financial statement, we report that there are no qualifications or adverse remarks by the respective auditors in their CARO reports.

For V. SANKAR AIYAR & CO
Chartered Accountants
ICAI Regd. No.109208W

S. VENKATARAMAN
Partner
Membership No.: 023116
UDIN: 23023116BGXEKQ2719

Place : Chennai
Date : 4th May 2023

Annexure - B to the Independent Auditors' Report - 31st March 2023 (Referred to in our report of even date)

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

- We have audited the internal financial controls over financial reporting of TVS Motor Company Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS Standalone financial statements of the Company for the year ended on that date.

Managements Responsibility for Internal Financial Controls

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

Auditors' Responsibility

- Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
- Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.
- We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the

Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

- In our opinion, the Company has, in all material respects, an adequate internal financial Control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India.

For V. SANKAR AIYAR & CO
Chartered Accountants
ICAI Regd. No.109208W

S. VENKATARAMAN
Partner

Place : Chennai
Date : 4th May 2023
UDIN: 23023116BGXEKQ2719

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Balance Sheet as at 31st March 2023

Rupees in crores

	Notes	As at 31-03-2023	As at 31-03-2022
ASSETS			
Non-current assets			
Property, plant and equipment	2	3,260.17	2,939.80
Capital work-in-progress	2	274.12	246.22
Other intangible assets	2	335.72	366.82
Intangible assets under development	2	353.61	178.26
Financial assets			
i. Investments	3	5,491.95	4,585.75
ii. Other financial assets	4	482.54	65.29
Non-Current tax assets (Net)		26.72	40.54
Other non-current assets	5	100.06	77.80
		<u>10,324.89</u>	<u>8,500.48</u>
Current assets			
Inventories	6	1,236.36	1,122.68
Financial assets			
i. Investments	3	191.92	130.23
ii. Trade receivables	7	955.07	972.75
iii. Cash and cash equivalents	8	234.35	328.75
iv. Bank balances other than (iii) above	9	7.61	72.54
v. Other financial assets	10	45.78	49.53
Current tax assets (Net)		-	1.40
Other current assets	11	996.41	723.95
		<u>3,667.50</u>	<u>3,401.83</u>
Total assets		<u>13,992.39</u>	<u>11,902.31</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	47.51	47.51
Other equity	13	6,000.34	4,774.53
		<u>6,047.85</u>	<u>4,822.04</u>
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	14	1,211.54	1,167.14
ii. Lease liabilities		313.24	280.70
Provisions	15	175.88	148.60
Deferred tax liabilities (Net)	16	198.20	197.87
Other Non current liabilities		37.14	44.88
		<u>1,936.00</u>	<u>1,839.19</u>
Current liabilities			
Financial liabilities			
i. Borrowings	17	1,033.04	433.43
ii. Lease liabilities		105.54	81.45
iii. Trade payables	18		
a. Total outstanding dues of micro and small enterprises		45.42	56.85
b. Total outstanding dues of other than (iii) (a) above		4,085.14	3,972.73
iv. Other financial liabilities	19	121.64	165.79
Other current liabilities	20	513.29	433.65
Provisions	15	98.54	97.18
Current Tax Liabilities (net)		5.93	-
		<u>6,008.54</u>	<u>5,241.08</u>
Total liabilities		<u>7,944.54</u>	<u>7,080.27</u>
Total equity and liabilities		<u>13,992.39</u>	<u>11,902.31</u>
Significant accounting policies	1		
See the accompanying notes to the financial statements			

PROF. SIR RALF DIETER SPETH SUDARSHAN VENU K.N.RADHAKRISHNAN As per our report annexed
Chairman *Managing Director* *Director &* For V. Sankar Aiyar & Co.
DIN: 03318908 DIN: 03601690 *Chief Executive Officer* *Chartered Accountants*
DIN: 02599393 *Firm Regn. No.: 109208W*

Place : Chennai K. GOPALA DESIKAN K.S. SRINIVASAN S. VENKATARAMAN
Date : 4th May 2023 *Chief Financial Officer* *Company Secretary* *Partner*
Membership No.: 023116

Statement of Profit and Loss for the year ended 31st March 2023

Rupees in crores

	Notes	Year ended 31-03-2023	Year ended 31-03-2022
I Revenue from operations	21	26,378.09	20,790.51
II Other income	22	100.57	18.99
III Total income (I + II)		<u>26,478.66</u>	<u>20,809.50</u>
IV Expenses :			
Cost of materials consumed	23	19,609.61	15,546.65
Purchase of stock-in-trade	23	378.00	286.05
Changes in inventories of finished goods, stock-in-trade and work-in-progress	23	5.21	(24.53)
Employee benefits expense	24	1,345.09	1,136.95
Finance costs	25	140.66	125.92
Depreciation and amortisation expense	26	631.23	611.44
Other expenses	27	2,365.49	1,883.65
Total expenses		<u>24,475.29</u>	<u>19,566.13</u>
V Profit before exceptional items and tax (III - IV)		2,003.37	1,243.37
VI Exceptional items		-	(30.16)
VII Profit before tax (V + VI)		2,003.37	1,213.21
VIII Tax expense / (credit)	28		
i. Current tax		503.65	300.02
ii. Deferred tax		8.69	19.63
Total Tax expense (i + ii)		<u>512.34</u>	<u>319.65</u>
IX Profit for the year (VII - VIII)		1,491.03	893.56
X Other comprehensive income			
A. Items that will not be reclassified to profit or loss:			
Remeasurements of post employment benefit obligations		(26.39)	(82.35)
Fair value changes of equity instruments		(13.66)	(1.88)
Income tax relating to these items		9.37	17.89
B. Items that will be reclassified to profit or loss:			
Fair value changes on cash flow hedges		4.01	2.71
Income tax relating to these items		(1.01)	(0.68)
Other comprehensive income for the year, net of tax		<u>(27.68)</u>	<u>(64.31)</u>
XI Total comprehensive income for the year (IX + X)		<u>1,463.35</u>	<u>829.25</u>
XII Earnings per equity share (Face value of Re.1/- each)			
Basic & Diluted earnings per share (in rupees)	36	31.38	18.81
Significant accounting policies	1		
See the accompanying notes to the financial statements			

PROF. SIR RALF DIETER SPETH SUDARSHAN VENU K.N.RADHAKRISHNAN As per our report annexed
Chairman *Managing Director* *Director &* For V. Sankar Aiyar & Co.
DIN: 03318908 DIN: 03601690 *Chief Executive Officer* *Chartered Accountants*
DIN: 02599393 *Firm Regn. No.: 109208W*

Place : Chennai K. GOPALA DESIKAN K.S. SRINIVASAN S. VENKATARAMAN
Date : 4th May 2023 *Chief Financial Officer* *Company Secretary* *Partner*
Membership No.: 023116

Statement of changes in Equity

a Equity Share Capital

Rupees in crores

As at 01-04-2021	47.51
Changes in Equity Share capital due to prior period errors	–
Restated balance as at 01-04-2021	47.51
Changes in equity share capital during the year	–
As at 31-03-2022	47.51
Changes in Equity Share capital due to prior period errors	–
Restated balance as at 01-04-2022	47.51
Changes in equity share capital during the year	–
As at 31-03-2023	47.51

b Other Equity

Particulars	Reserves & Surplus			Other Reserves		Total
	General reserve	Capital reserve	Retained earnings	Equity Instruments Fair Valued through Other Comprehensive Income	Hedging reserve	
Balance as at 01-04-2021	865.64	6.43	3,156.74	98.31	(3.68)	4,123.44
Add : Profit for the year 2021-22	–	–	893.56	–	–	893.56
Add : Other comprehensive income for the year 2021-22	–	–	(61.62)	(4.72)	–	(66.34)
Add : Transfer of realised gain	–	–	80.94	(80.94)	–	–
Less : Reclassification to profit or loss, net of tax	–	–	–	–	(3.68)	(3.68)
Less : Change in fair value of hedging instruments, net of tax	–	–	–	–	1.65	1.65
Less : Distribution to shareholders: 2021-22 Interim dividend declared	–	–	178.16	–	–	178.16
Balance as at 31-03-2022	865.64	6.43	3,891.46	12.65	(1.65)	4,774.53
Add : Profit for the year 2022-23	–	–	1,491.03	–	–	1,491.03
Add : Other comprehensive income for the year 2022-23	–	–	(19.75)	(10.93)	–	(30.68)
Less : Reclassification to profit or loss, net of tax	–	–	–	–	(1.65)	(1.65)
Less : Change in fair value of hedging instruments, net of tax	–	–	–	–	(1.35)	(1.35)
Less : Distribution to shareholders : 2022-23 Interim dividend paid	–	–	237.54	–	–	237.54
Balance as at 31-03-2023	865.64	6.43	5,125.20	1.72	1.35	6,000.34

Nature and purpose of Other Reserves

1. General reserve is available for distribution to shareholders.

2. Capital reserve

i. On shares forfeited (₹ 55,200)

ii. On surplus arising out of amalgamation

–
6.43
6.43

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

PROF. SIR RALF DIETER SPETH Chairman DIN: 03318908	SUDARSHAN VENU Managing Director DIN: 03601690	K.N.RADHAKRISHNAN Director & Chief Executive Officer DIN: 02599393	As per our report annexed For V. Sankar Aiyar & Co. Chartered Accountants Firm Regn. No.: 109208W
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Place: Chennai
Date : 4th May 2023K. GOPALA DESIKAN
Chief Financial OfficerK.S. SRINIVASAN
Company SecretaryS. VENKATARAMAN
Partner
Membership No.: 023116Cash Flow Statement for the year ended 31st March 2023

Rupees in crores

	Year ended 31-03-2023	Year ended 31-03-2022
A. Cash flow from operating activities		
Profit before tax	2,003.37	1,213.21
Add:		
Depreciation and amortisation for the year	631.23	611.44
(Profit) on sale of property, plant and equipment (Net)	(2.82)	(2.58)
(Gain) on fair valuation / sale of investments (Net)	(83.70)	(0.23)
Unrealised exchange loss / (gain) (Net)	0.63	(5.66)
(Gain) on lease preclosure (Net)	(0.01)	–
Dividend income	(2.25)	(3.81)
Interest income	(6.21)	(6.74)
Finance cost	140.66	125.92
Provisions	2.60	(27.83)
	680.13	690.51
Operating profit before working capital changes	2,683.50	1,903.72
Adjustments for:		
Trade receivables	13.21	(97.39)
Inventories	(113.68)	29.13
Other current assets	(272.46)	(249.47)
Other financial assets	(6.18)	(13.02)
Trade payables	104.82	107.41
Other financial liabilities	(3.72)	3.66
Other current liabilities	79.64	90.71
Other non - current assets	(9.66)	32.82
	(208.03)	(96.15)
Cash generated from operations	2,475.47	1,807.57
Direct taxes paid (Net of refunds)	(482.61)	(310.00)
Net cash from operating activities (A)	1,992.86	1,497.57
B. Cash flow from investing activities		
Purchase of property, plant and equipment, intangible assets, including capital advances	(1,015.56)	(741.33)
Proceeds from sale of property, plant and equipment	18.74	13.45
Share application money paid	(445.41)	(20.17)
Investments in subsidiaries and associates	(745.48)	(1,355.43)
Purchase of investments	(131.26)	(132.01)
Sale / redemption of investments	–	83.57
Interest received	4.92	7.07
Dividends received	2.25	3.81
	(2,311.80)	(2,141.04)
Net cash used in investing activities (B)	(2,311.80)	(2,141.04)

Cash Flow Statement for the year ended 31st March 2023 – (continued)

Rupees in crores

	Year ended 31-03-2023		Year ended 31-03-2022	
C. Cash flow from financing activities				
Borrowings:				
Non-current borrowings availed	347.59		352.45	
Current borrowings availed	310.00		130.00	
Other bank balances	65.03		(1.15)	
Finance cost paid	(137.10)		(123.06)	
Repayment of lease liabilities	(69.17)		(54.60)	
Dividend paid	(291.81)		(190.40)	
		224.54		113.24
Net cash from financing activities (C)		224.54		113.24
Total (A+B+C)		(94.40)		(530.23)
Cash and cash equivalents at the beginning of the year		328.75		858.98
Cash and cash equivalents at the end of the year		234.35		328.75
D. Net decrease in cash and cash equivalents		(94.40)		(530.23)

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

Change in liability arising from financing activities:

Particulars	As at 01-04-2022	Cash flow	Foreign exchange movement	Amortisation	As at 31-03-2023
Non-current borrowings (Including current maturities)	1,470.57	347.59	(14.09)	0.51	1,804.58
Current borrowings	130.00	310.00	–	–	440.00

Non-cash investing activities:

	2022-23	2021-22
Acquisition of right-of-use assets	125.85	293.30
Acquisition of investment	45.00	–

PROF. SIR RALF DIETER SPETH
Chairman
DIN: 03318908

SUDARSHAN VENU
Managing Director
DIN: 03601690

K.N.RADHAKRISHNAN
Director &
Chief Executive Officer
DIN: 02599393

As per our report annexed
For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Regn. No.: 109208W

Place : Chennai
Date : 4th May 2023

K. GOPALA DESIKAN
Chief Financial Officer

K.S. SRINIVASAN
Company Secretary

S. VENKATARAMAN
Partner
Membership No.: 023116

Notes to the Financial Statements

1 SIGNIFICANT ACCOUNTING POLICIES

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

a) Brief description of the Company

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

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

b) Basis of preparation

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

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

These financial statements for the year ended 31st March 2023 have been approved and authorized for issue by the board of directors at its meeting on 4th May 2023.

c) Use of estimates

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

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

d) Significant Estimates and judgements

The areas involving critical estimates or judgments are:

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

e) Revenue recognition

Performance obligation:

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

Sale of products:

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

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

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

Notes to the Financial Statements - (continued)

1 SIGNIFICANT ACCOUNTING POLICIES - (continued)

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

Sale of services:

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

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

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

Significant judgements:

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

f) Property, Plant and Equipment

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

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

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

Gains or Losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss within other income/expense.

g) Depreciation and amortization

i) Depreciation on property, plant and equipment is charged over the estimated useful life of the asset or part of the asset (after considering the required number of shifts in use) as evaluated by a Chartered Engineer, on straight line method, in accordance with Part A of Schedule II to the Companies Act, 2013. The useful life of the Property, plant and equipment are reviewed annually with respect to estimates and changes if any are, being accounted for on a prospective basis.

Notes to the Financial Statements - (continued)

1 SIGNIFICANT ACCOUNTING POLICIES - (continued)

ii) Keeping in mind the rigorous and periodic maintenance program followed by the Company, the estimated useful life of the tangible fixed assets as assessed by the Chartered Engineer and followed by the Company is given below:

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

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

h) Intangible assets

Intangible assets acquired separately:

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

Internally-generated intangible assets:

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

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

i) Impairment

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for, the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

j) Foreign currency translation

(i) Functional and presentation currency

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

Notes to the Financial Statements - (continued)

1 SIGNIFICANT ACCOUNTING POLICIES - (continued)

(ii) Transactions and balances

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

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

k) Hedge accounting

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

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

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

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

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

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

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

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

Notes to the Financial Statements - (continued)

1 SIGNIFICANT ACCOUNTING POLICIES - (continued)

l) Inventories

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

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

m) Employee benefits

i) Short term obligations:

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

ii) Other long term employee benefit:

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

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

iii) Post-employment obligation:

The Company operates the following post-employment schemes:

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

Pension and gratuity obligation:

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

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

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

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

Notes to the Financial Statements - (continued)

1 SIGNIFICANT ACCOUNTING POLICIES - (continued)

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

Provident fund:

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

iv) Bonus plans:

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

n) Taxes on income

Tax expense comprises of current and deferred taxes.

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

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

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

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

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

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

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

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

Notes to the Financial Statements - (continued)

1 SIGNIFICANT ACCOUNTING POLICIES - (continued)

o) Government Grants

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

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

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

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

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

p) Provisions and contingent liabilities

i) Provision:

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

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

ii) Contingent liabilities:

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

q) Segment reporting

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

r) Leases

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

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

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

Notes to the Financial Statements - (continued)

1 SIGNIFICANT ACCOUNTING POLICIES - (continued)

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

To determine the incremental borrowing rate, the Company:

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

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

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

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

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

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

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

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

s) Cash and Cash equivalents

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

t) Trade receivables

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

u) Contract liabilities

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

Notes to the Financial Statements - (continued)

1 SIGNIFICANT ACCOUNTING POLICIES - (continued)

v) Investments and Other financial assets

i) Classification

The Company classifies its financial assets in the following categories:

- Those to be measured subsequently at fair value (either Fair value through other comprehensive income (FVTOCI) or Fair Value through profit or loss (FVTPL); and
- Those measured at amortized cost.

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

ii) Measurement

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

Debt Instruments:

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

• Amortised Cost:

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

• Fair Value Through Other Comprehensive Income:

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

• Fair Value Through Profit or Loss:

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

Equity instruments:

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

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

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

Investment in subsidiaries / associates:

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

Notes to the Financial Statements - (continued)

1 SIGNIFICANT ACCOUNTING POLICIES - (continued)

iii) Impairment of financial assets

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

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

iv) Derecognition of financial assets

A financial asset is derecognised only when:

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

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

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

v) Income recognition

Interest Income:

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

Dividends:

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

w) Borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit and loss over the period of the borrowings, using the effective interest method. Fees paid on the established loan facilities are recognised as transaction cost of the loan, to the extent that it is probable that some or all the facility will be drawn down.

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

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

Notes to the Financial Statements - (continued)

x) Borrowing costs

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

y) Current and Non-current classification

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

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

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

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

All other assets are classified as non-current.

A liability is treated as current when:

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

All other liabilities are classified as non-current.

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

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

z) Earnings Per Share (EPS):

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

aa) Recent pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

- (i) Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.
- (ii) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.
- (iii) Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

Notes to the Financial Statements - (continued)

2 PROPERTY, PLANT & EQUIPMENT AND OTHER INTANGIBLE ASSETS - 31st March 2023 Rupees in crores

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

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements - (continued)

2 PROPERTY, PLANT & EQUIPMENT AND OTHER INTANGIBLE ASSETS - 31st March 2022 Rupees in crores

Description	Property, Plant & Equipment								Other Intangible		
	Land	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Right of Use Asset	Total	Software	Design Development	Total
Cost of assets											
Gross carrying value as at 01-04-2021	174.27	846.83	4,363.01	93.64	37.76	169.39	160.66	5,845.56	107.83	417.64	525.47
Additions	51.90	23.47	311.63	3.32	6.81	32.71	293.30	723.14	48.40	149.42	197.82
Sub-total	226.17	870.30	4,674.64	96.96	44.57	202.10	453.96	6,568.70	156.23	567.06	723.29
Sales / deletion	-	-	74.16	1.88	4.56	4.90	-	85.50	0.05	-	0.05
Total	226.17	870.30	4,600.48	95.08	40.01	197.20	453.96	6,483.20	156.18	567.06	723.24
Depreciation / Amortisation											
Upto 31-03-2021	-	244.52	2,602.33	60.45	20.46	124.39	47.87	3,100.02	96.30	164.36	260.66
For the year	-	33.53	369.74	8.90	10.24	26.10	67.12	515.63	23.64	72.17	95.81
Sub-total	-	278.05	2,972.07	69.35	30.70	150.49	114.99	3,615.65	119.94	236.53	356.47
Withdrawn on assets sold / deleted	-	-	63.15	0.73	3.49	4.88	-	72.25	0.05	-	0.05
Total	-	278.05	2,908.92	68.62	27.21	145.61	114.99	3,543.40	119.89	236.53	356.42
Carrying value As at 31-03-2022	226.17	592.25	1,691.56	26.46	12.80	51.59	338.97	2,939.80	36.29	330.53	366.82

- a) Cost of buildings includes ₹ 26.36 crores pertaining to buildings constructed on leasehold lands.
b) Land includes lease hold land of ₹ 0.51 crores, whose ownership is transferrable at the end of the lease term.
c) Borrowing cost capitalised during the year - Nil

Capital work-in-progress (at cost) as at 31-03-2022

(a) Building	83.29
(b) Plant & equipment	162.93
Total	<u>246.22</u>

(i) Ageing of Capital work-in-progress as at 31-03-2022:

Particulars	Amount in Capital work-in-progress for a period of				
	<1 Year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	205.03	24.40	0.95	15.84	246.22

Intangible assets under development (at cost) as at 31-03-2022

(ii) Ageing of Intangible assets under development as at 31-03-2022:

Particulars	Amount in Intangible assets under development for a period of				
	<1 Year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	145.80	27.85	3.24	1.37	178.26

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

Notes to the Financial Statements - (continued)

3 INVESTMENTS

3A NON CURRENT INVESTMENTS

Sl No.	Particulars	Subsidiary/ associate	No. of shares / units		Face Value	Currency	Rupees in crores	
			As at 31-03-2023	As at 31-03-2022			As at 31-03-2023	As at 31-03-2022
1	2	3	4	5	6	7	8	9
(a)	Investment in Equity Instruments: Fair Value through OCI:							
	Quoted :							
(i)	Ucal Fuel Systems Limited, Chennai		91,760	91,760	10.00	INR	1.00	1.03
	Unquoted :							
(ii)	Green Infra BTV Limited, New Delhi		32,50,000	32,50,000	10.00	INR	1.75	1.62
(iii)	TVS Lanka (Private) Limited, Colombo		50,00,000	50,00,000	10.00	LKR	4.38	5.75
(iv)	Green Infra Wind Power Projects Limited, New Delhi		1,11,600	1,11,600	10.00	INR	0.08	0.08
(v)	Green Infra Wind Power Generation Limited, New Delhi		2,16,000	2,16,000	10.00	INR	0.17	0.16
(vi)	Condivision Solutions Pvt. Limited, Bengaluru		6,760	6,760	10.00	INR	-	-
(vii)	Mulanur Renewable Energy Pvt. Limited, Chennai		15,000	15,000	10.00	INR	0.02	0.02
(viii)	Atria Wind Power Bijapur 1 Limited, Bengaluru		1,01,217	1,01,217	10.00	INR	2.00	2.00
(ix)	Alizon Systems Private Limited, Pune		10	10	10.00	INR	0.01	0.01
(x)	Roppen Transportation Services Private Limited, Hyderabad		10	-	1.00	INR	0.05	-
(xi)	Roppen Transportation Services Private Limited, Hyderabad§		23,985	-	10.00	INR	113.93	-
(xii)	Green Infra Wind Energy Generation Limited, Gurugram		23,45,000	-	10.00	INR	2.35	-
	Valued at Cost (Unquoted):							
(i)	Sundaram Auto Components Limited, Chennai	Subsidiary	4,45,69,000	4,45,69,000	10.00	INR	336.20	336.20
(ii)	TVS Motor Company (Europe) B.V., Amsterdam	Subsidiary	2,25,301	2,25,301	100.00	EUR	1.80	1.80
(iii)	TVS Motor (Singapore) Pte. Limited, Singapore	Subsidiary	42,01,55,810	39,69,03,850	1.00	SGD	2,021.12	1,892.64
(iv)	PT.TVS Motor Company Indonesia, Jakarta	Subsidiary	85,97,000	85,97,000	97,400.00	IDR	389.06	389.06
(v)	TVS Housing Limited, Chennai	Subsidiary	50,000	50,000	10.00	INR	0.05	0.05
(vi)	TVS Motor Services Limited, Chennai	Subsidiary	1,49,33,814	14,96,33,814	10.00	INR	148.68	148.68
(vii)	TVS Credit Services Limited, Chennai	Subsidiary	1,95,24,754	16,83,97,728	10.00	INR	1,960.99	1,460.99
(viii)	Intellicar Telematics Private Limited, Bengaluru	Subsidiary	-	60,241	10.00	INR	-	15.00
(ix)	TVS Electric Mobility Limited, Chennai	Subsidiary	10,00,000	10,00,000	10.00	INR	1.00	1.00
(x)	Emerald Haven Realty Limited, Chennai	Associate	11,12,19,512	11,12,19,512	10.00	INR	111.22	111.22
(xi)	Ultraviolette Automotive Private Limited, Bengaluru	Associate	14,850	14,850	10.00	INR	11.00	11.00
(xii)	Ultraviolette Automotive Private Limited, Bengaluru§	Associate	12,316	12,316	-	INR	110.00	110.00
(xiii)	Tagbox Solutions Private Limited, Bengaluru	Associate	45,710	45,710	1.00	INR	1.19	1.19
(xiv)	Tagbox Solutions Private Limited, Bengaluru§	Associate	3,83,983	3,83,983	16.00	INR	9.99	9.99
(xv)	DriveX Mobility Pvt Ltd, Coimbatore	Associate	9,766	-	10.00	INR	87.17	-
	Total value of Equity Instruments (a)						5,315.21	4,499.49
(b)	Investments in Preference Shares (Unquoted): Fair valued through OCI :							
(i)	Axiom Research Labs Private Limited, Delhi		82	82	10.00	INR	-	-
(ii)	Pinnacle Engines Inc., USA (face value 0.01 cent)		24,09,638	24,09,638	0.0001	USD	-	-
	Valued at Amortised Cost:							
(iii)	Intellicar Telematics Private Limited, Bengaluru	Subsidiary	-	30,121	10.00	INR	-	8.14
	Fair valued through Profit and Loss :							
(iv)	TVS Motor Services Limited, Chennai	Subsidiary	5,00,00,000	-	10.00	INR	50.00	-
	Total value of Preference shares (b)						50.00	8.14
(c)	Investment in Debt Instruments (unquoted): Valued at Amortised Cost :							
(i)	Fabric IOT Private Limited, Bengaluru					INR	16.28	-
	<i>Pension Funds / Government Securities</i>							
(ii)	ICICI Prudential Life Insurance Group Superannuation Fund, Mumbai					INR	6.39	6.28
(iii)	Life Insurance Corporation Pension Policy, Mumbai					INR	19.00	19.46
	Fair valued through Profit and Loss :							
(iv)	Fabric IOT Private Limited, Bengaluru					INR	45.00	-
	Total value of Debt instruments (c)						86.67	25.74
(d)	Other non-current investments (Unquoted): Fair valued through OCI:							
(i)	Autotech Fund I, L.P., USA					USD	40.07	52.38
	Total value of other non-current investments (d)						40.07	52.38
	Total (a) + (b) + (c) + (d)						5,491.95	4,585.75
	Aggregate amount of quoted investments and market value thereof						1.00	1.03
	Aggregate amount of unquoted investments						5,490.95	4,584.72
	Total						5,491.95	4,585.75
All investments are fully paid up.								
§ Preference shares in the nature of equity instruments								
			No. of shares / units				Face Value (in ₹)	
			As at 31-03-2023	As at 31-03-2022				
* Particulars of Preference shares held in Ultraviolette Automotive Private Limited, Bengaluru								
Series A2 Preference Shares			990	990			50,545	
Series B Preference Shares			7,387	7,387			40,616	
Series C Preference Shares			3,939	3,939			190,384	
Total			12,316	12,316				

Notes to the Financial Statements – (continued)

3B CURRENT INVESTMENTS

Sl. No.	Particulars	Subsidiary / associate	No. of shares / units		Face Value	Currency	Rupees in crores	
			As at 31-03-2023	As at 31-03-2022			As at 31-03-2023	As at 31-03-2022
(a)	Investment in Equity Instruments Fair valued through Profit or Loss:							
	Unquoted:							
(i)	TVS Supply Chain Solutions Limited, Chennai		1,06,62,200	1,06,62,200	1.00	INR	191.92	130.23
	Total (a)						191.92	130.23
Aggregate amount of unquoted investments							191.92	130.23
Total							191.92	130.23

All investments are fully paid up.

Rupees in crores

	As at 31-03-2023	As at 31-03-2022
4 OTHER FINANCIAL ASSETS - NON CURRENT		
Other bank balances (Bank deposit)	-	0.24
Claims receivable	37.13	44.88
Share application money paid (pending allotment)	445.41	20.17
	482.54	65.29
5 OTHER NON-CURRENT ASSETS		
Capital advances	69.70	57.21
Advances other than capital advances:		
Deposits made	30.36	20.59
	100.06	77.80
6 INVENTORIES		
Raw materials and components	655.57	625.26
Goods-in-transit - Raw materials and components	107.41	27.37
Work-in-progress	46.06	43.07
Finished goods	255.24	278.72
Stock-in-trade	113.86	98.58
Stores and spares	58.22	49.68
	1,236.36	1,122.68

The cost of inventories recognised as an expense during the year is disclosed in Note No. 23 and it includes write down of inventory to Net realisable value as expense and reversal of provision for write down recorded as (gain). (current year - Rs. 0.89 crore / previous year Rs. (1.50) crores)

Refer Note No. 1(l) for mode of valuation.

7 TRADE RECEIVABLES

Secured, considered good	11.53	10.34
Unsecured, considered good*	970.47	990.64
	982.00	1,000.98
Less: Loss allowance	26.93	28.23
	955.07	972.75

* Balances include balance with related parties [refer Note 34(c)(i)]

Notes to the Financial Statements – (continued)

Rupees in crores

Ageing for trade receivable as on 31-03-2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	700.49	224.44	15.55	15.34	13.14	968.96
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	0.06	-	-	1.31	11.67	13.04
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total	700.55	224.44	15.55	16.65	24.81	982.00

Ageing for trade receivable as on 31-03-2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	780.59	152.18	22.16	11.70	20.31	986.94
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	0.08	0.03	1.43	6.03	6.47	14.04
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total	780.67	152.21	23.59	17.73	26.78	1,000.98

	As at 31-03-2023	As at 31-03-2022
8 CASH AND CASH EQUIVALENTS		
Balances with banks	234.20	328.23
Cheques / drafts on hand	-	0.38
Cash on hand	0.15	0.14
	<u>234.35</u>	<u>328.75</u>
Cash and cash equivalents for the purpose of cash flow statement	<u>234.35</u>	<u>328.75</u>
9 OTHER BANK BALANCES		
Earmarked balances with banks	7.51	72.54
Deposits with maturity of more than three month and less than one year from the date of deposit	0.10	-
	<u>7.61</u>	<u>72.54</u>

Notes to the Financial Statements – (continued)

Rupees in crores

	As at 31-03-2023	As at 31-03-2022
10 OTHER FINANCIAL ASSETS - CURRENT		
Unsecured, considered good:		
- Employee advances	11.16	9.54
- Other bank balances (Bank deposit)	0.14	-
- Security deposits	4.75	5.22
- Claims receivable	23.82	18.76
- Hedge asset - receivable	5.91	16.01
	<u>45.78</u>	<u>49.53</u>
11 OTHER CURRENT ASSETS		
Balances with tax authorities	370.72	475.87
Prepaid expense	50.50	32.89
Vendor advance*	97.23	85.76
Trade deposits	0.67	0.51
Incentive receivable from Government ^	472.10	128.92
Employee benefit assets (Refer Note 33)	7.42	-
	<u>998.64</u>	<u>723.95</u>
Less: Loss allowance	2.23	-
	<u>996.41</u>	<u>723.95</u>

* Includes balances with related parties [refer Note 34(c)(i)].

^ Includes EV subsidy receivable of Rs. 448.40 crores (Previous Year : Rs. 30.11 crores).

12 EQUITY SHARE CAPITAL

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

Particulars	As at 31-03-2023		As at 31-03-2022	
	Number	Rupees in crores	Number	Rupees in crores
Authorised:				
Equity shares of ₹ 1/- each	50,00,00,000	50.00	50,00,00,000	50.00
Issued, subscribed and fully paid up:				
Equity shares of ₹ 1/- each	47,50,87,114	47.51	47,50,87,114	47.51
	<u>47,50,87,114</u>	<u>47.51</u>	<u>47,50,87,114</u>	<u>47.51</u>

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

Particulars	As at 31-03-2023		As at 31-03-2022	
	Number	Rupees in crores	Number	Rupees in crores
Shares outstanding at the beginning of the year	47,50,87,114	47.51	47,50,87,114	47.51
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	<u>47,50,87,114</u>	<u>47.51</u>	<u>47,50,87,114</u>	<u>47.51</u>

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

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

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

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

Name of shareholder	Class of share	As at 31-03-2023		As at 31-03-2022	
		Number of shares held	% of holding	Number of shares held	% of holding
Sundaram-Clayton Limited, Chennai (Holding Company)	Equity	23,87,82,786	50.26	23,87,82,786	50.26

12 EQUITY SHARE CAPITAL - (continued)

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

Name of shareholder	Class of share	As at 31-03-2023		As at 31-03-2022	
		Number of shares held	% of holding	Number of shares held	% of holding
ICICI Prudential Mutual Fund	Equity	4,44,08,126	9.35	4,67,41,798	9.84
Life Insurance Corporation of India	Equity	1,39,56,650	2.94	3,01,12,473	6.34

(f) Shares held by Promoters at the end of the year 31-03-2023

Promoter name	Class of share	As at 31-03-2023		As at 31-03-2022		% Change during the year
		Number of shares held	% of holding	Number of shares held	% of holding	
Sundaram-Clayton Limited	Equity	23,87,82,786	50.26	23,87,82,786	50.26	-

Shares held by Promoters at the end of the year 31-03-2022

Promoter name	Class of share	As at 31-03-2022		As at 31-03-2021		% Change during the year
		Number of shares held	% of holding	Number of shares held	% of holding	
Sundaram-Clayton Limited	Equity	23,87,82,786	50.26	27,26,82,786	57.40	(7.14)

13 OTHER EQUITY

Particulars	As at 31-03-2023	As at 31-03-2022
General reserve	865.64	865.64
Capital reserve	6.43	6.43
Retained earnings	5,125.20	3,891.46
Other Reserves	3.07	11.00
	6,000.34	4,774.53

14 NON-CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS

Description	Frequency	No. of instalments due	Maturity	As at 31-03-2023	As at 31-03-2022
Secured:					
ECB Loan from Bank I	-	-	-	-	227.17
State owned corporation	Yearly	3	Apr 2030	84.68	84.31
Unsecured:					
Non Convertible Debentures - I	End of Tenure	1	May 2023	499.93	499.03
Non Convertible Debentures - II	End of Tenure	1	Mar 2026	124.81	-
Non-Convertible Zero Coupon Debentures #	End of Tenure	1	Dec 2032	310.00	-
Term loan from Bank - I	Quarterly	16	Mar 2027	479.93	489.90
Term loan from Bank - II	Quarterly	8	Mar 2026	199.20	-
ECB Loan from Bank - II	Half Yearly	1	Sep 2023	27.39	75.79
Sales Tax Deferral	Yearly	5	Jun 2027	78.64	94.37
Total Long-term Borrowings:				1,804.58	1,470.57
Less : Current Maturities of Long-term Borrowings				593.04	303.43
Total Long-term Borrowings (net)				1,211.54	1,167.14

Details of securities created:

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

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

14 NON-CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS - (continued)

Amount payable in each instalments:

Description	Currency	Amount*	Rate of Interest
State owned corporation	INR	₹ 75.40 crores, ₹ 4.45 crores and ₹ 9.24 crores (Three instalments between April 2024 and April 2030)	0.10%
Non Convertible Debentures - I (5000 numbers, face value of ₹ 10 lakhs each)	INR	₹ 500 crores at the end of the term - May 2023	7.50%
Non Convertible Debentures - II (12500 numbers, face value of ₹ 1 lakh each)	INR	₹ 125 crores at the end of the term - March 2026	Repo Rate plus Margin
Non Convertible Zero Coupon Debentures (310 numbers, face value of ₹ 1 crore each)	INR	₹ 310 crores at the end of the term - December 2032	Nil
Term Loan from Bank - I	INR	16 quarterly unequated instalments from 30 th June 2023	6.30%
Term Loan from Bank - II	INR	8 quarterly equated instalments beginning from 30 th June 2024	Repo Rate plus Margin
ECB Loan from Bank - II	USD	1 instalment of USD 3.33 mn in September 2023	3 Month USD LIBOR plus Margin
Sales tax deferral	INR	₹ 15.73 crores per annum from June - 2023 to June - 2027	Nil

* undiscounted cash outflows

15 PROVISIONS

Particulars	As at 31-03-2023		As at 31-03-2022	
	Current	Non-current	Current	Non-current
Provision for employee benefits				
(a) Pension	48.39	94.44	55.32	86.24
(b) Leave salary	8.82	67.66	7.43	52.03
(c) Gratuity	-	-	3.44	-
Others:				
(a) Warranty	41.33	13.78	30.99	10.33
	98.54	175.88	97.18	148.60

16 DEFERRED TAX LIABILITIES (NET)

The balance comprises temporary differences attributable to:

Particulars	As at 31-03-2023	As at 31-03-2022
Deferred tax liability consists of tax impact on:		
- Depreciation	290.80	295.48
- Others	33.81	26.64
Total deferred tax liability (A)	324.61	322.12
Deferred tax asset consists of tax impact on:		
- Employee benefit expenses	42.82	47.32
- Warranty provision	15.59	12.12
- Others	68.00	64.81
Total deferred tax assets (B)	126.41	124.25
Net deferred tax liability (A)-(B)	198.20	197.87

Movement in deferred tax:

Particulars	Depreciation	Others	Total
As at 31-03-2021			195.45
Charged / (credited):			
- to profit or loss	37.58	(17.95)	19.63
- to other comprehensive income	-	(17.21)	(17.21)
As at 31-03-2022			197.87
Charged / (credited):			
- to profit or loss	(4.68)	13.37	8.69
- to other comprehensive income	-	(8.36)	(8.36)
As at 31-03-2023			198.20

Notes to the Financial Statements – (continued)

Rupees in crores

	As at 31-03-2023	As at 31-03-2022
17 FINANCIAL LIABILITIES - BORROWINGS CURRENT		
Borrowings repayable on demand from banks		
Unsecured	440.00	130.00
Current Maturities of long term borrowings:		
Secured	–	227.17
Unsecured	593.04	76.26
	<u>1,033.04</u>	<u>433.43</u>
Interest rate for borrowings repayable on demand from banks 4.2% to 7.85% p.a.		
18 TRADE PAYABLES		
Dues to Micro and Small Enterprises **	45.42	56.85
Dues to enterprises other than Micro and Small Enterprises #	4,085.14	3,972.73
	<u>4,130.56</u>	<u>4,029.58</u>

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

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

Ageing for trade payable as on 31-03-2023

Particulars	Outstanding for following periods from due date of payment					
	Not due	<1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro and Small Enterprises (MSME)	45.42	-	-	-	-	45.42
(ii) Others	831.14	2,601.99	18.68	7.56	16.33	3,475.70
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total (i) to (iv)	876.56	2,601.99	18.68	7.56	16.33	3,521.12
Accrued expenses						609.44
Total						4,130.56

Ageing for trade payable as on 31-03-2022

Particulars	Outstanding for following periods from due date of payment					
	Not due	<1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro and Small Enterprises (MSME)	56.85	-	-	-	-	56.85
(ii) Others	2,360.62	896.18	8.43	7.76	20.62	3,293.61
(iii) Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total (i) to (iv)	2,417.47	896.18	8.43	7.76	20.62	3,350.46
Accrued expenses						679.12
Total						4,029.58

Notes to the Financial Statements – (continued)

Rupees in crores

	As at 31-03-2023	As at 31-03-2022
19 OTHER FINANCIAL LIABILITIES		
Interest accrued but not due on loans	37.96	34.91
Trade deposits received	32.75	36.56
Unclaimed dividends (Not due for transfer to Investor Education and Protection Fund)	3.88	3.79
Dividend declared but not paid	–	54.27
Payables against capital goods	47.05	36.26
	<u>121.64</u>	<u>165.79</u>
20 OTHER CURRENT LIABILITIES		
Statutory dues	117.70	126.85
Employee related	159.74	134.97
Advance received from customers	228.10	164.08
Deferred income	7.75	7.75
	<u>513.29</u>	<u>433.65</u>

	Year ended 31-03-2023	Year ended 31-03-2022
21 REVENUE FROM OPERATIONS		
Sale of products	25,938.78	20,361.14
Sale of services	69.28	75.70
Other operating revenue#	370.03	353.67
	<u>26,378.09</u>	<u>20,790.51</u>
# Includes Government Grants of ₹ 234.10 crores (Last year ₹ 278.65 crores)		
22 OTHER INCOME		
Dividend income from:		
(i) Subsidiaries	2.23	–
(ii) Other investments designated as Fair Value through OCI	0.02	3.81
Interest income	6.21	6.74
Profit on sale of investments (Net)	22.01	0.23
Profit on sale of property, plant and equipment (Net)	2.82	2.58
Gain on valuation of investments Fair Valued through profit and loss (Net)	61.69	–
Other non-operating income	5.59	5.63
	<u>100.57</u>	<u>18.99</u>

Notes to the Financial Statements – (continued)

Rupees in crores

	Year ended 31-03-2023	Year ended 31-03-2022
23 MATERIAL COST		
Cost of materials consumed :		
Opening stock of raw materials and components	625.26	570.22
Add: Purchases	19,639.92	15,601.69
	<u>20,265.18</u>	<u>16,171.91</u>
Less: Closing stock of raw materials and components	655.57	625.26
	<u>19,609.61</u>	<u>15,546.65</u>
Purchases of stock-in-trade :		
Spare parts	202.53	163.37
Engine oil	175.47	122.68
	<u>378.00</u>	<u>286.05</u>
Changes in inventories of finished goods, work-in-progress and stock-in-trade:		
Opening stock:		
Work-in-progress	43.07	36.00
Stock-in-trade	98.58	83.87
Finished goods	278.72	275.97
	<u>420.37</u>	<u>395.84</u>
	(A)	
Closing stock:		
Work-in-progress	46.06	43.07
Stock-in-trade	113.86	98.58
Finished goods	255.24	278.72
	<u>415.16</u>	<u>420.37</u>
	(B)	
	<u>(A)-(B)</u>	<u>(24.53)</u>
24 EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	1,149.19	964.25
Contribution to provident and other funds	92.85	75.07
Staff welfare expenses	103.05	97.63
	<u>1,345.09</u>	<u>1,136.95</u>
25 FINANCE COSTS		
Interest on borrowings	109.16	95.01
Interest on lease liabilities	31.26	30.18
Exchange differences	0.24	0.73
	<u>140.66</u>	<u>125.92</u>
26 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on property, plant and equipment	427.66	448.51
Amortisation on right of use asset	81.07	67.12
Amortisation on intangible assets	122.50	95.81
	<u>631.23</u>	<u>611.44</u>

Notes to the Financial Statements – (continued)

Rupees in crores

	Year ended 31-03-2023	Year ended 31-03-2022
27 OTHER EXPENSES		
(a) Consumption of stores, spares and tools	52.43	49.49
(b) Power and fuel	101.93	93.12
(c) Repairs - buildings	21.62	14.09
(d) Repairs - plant and equipment	74.68	63.14
(e) Insurance	35.04	26.96
(f) Rates and taxes (excluding taxes on income)	5.59	4.27
(g) Audit fees (Refer Note no. 39)	1.15	1.15
(h) Cost audit fees	0.08	0.06
(i) Packing and freight charges	499.72	497.30
(j) Advertisement and publicity	328.56	317.11
(k) Other marketing expenses	343.81	179.42
(l) Corporate Social Responsibility expenditure (Refer Note no. 45)	19.00	17.01
(m) Contributions to Electoral Trust / Bond	5.00	5.00
(n) Miscellaneous expenses (under this head there is no expenditure which is in excess of 1% of revenue from operations or ₹ 10 lakhs whichever is higher)	876.88	615.53
	<u>2,365.49</u>	<u>1,883.65</u>
28 TAX EXPENSE AND RECONCILIATION		
(a) Tax expense		
Current tax:		
On profits for the year	504.82	300.02
Adjustments for prior periods	(1.17)	-
	<u>503.65</u>	<u>300.02</u>
	(A)	
Deferred tax:		
Decrease / (increase) in deferred tax assets	(54.04)	(69.88)
(Decrease) / increase in deferred tax liabilities	62.73	89.51
	<u>8.69</u>	<u>19.63</u>
	(B)	
	<u>(A + B)</u>	<u>319.65</u>
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	2,003.37	1,213.21
Tax expense at 25.168%	504.21	305.34
Add / (Less) : Tax Impact on		
Capital receipts	(1.63)	(3.44)
Expenses not admissible for deduction	10.93	14.02
Others	-	3.73
Tax relating to earlier years	(1.17)	-
Tax expense	<u>512.34</u>	<u>319.65</u>

Rupees in crores

29 FAIR VALUE MEASUREMENTS

Particulars	As at 31-03-2023			As at 31-03-2022		
	FVTPL [§]	FVTOCI *	Amortised cost	FVTPL [§]	FVTOCI *	Amortised cost
Financial assets						
Investments						
- Equity instruments	191.92	125.74	–	130.23	10.67	–
- Preference shares	50.00	–	–	–	–	8.14
- Other non-current investments	–	40.07	–	–	52.38	–
- Debt Instruments	45.00	–	41.67	–	–	25.74
Trade receivables	–	–	955.07	–	–	972.75
Derivative financial asset	–	5.91	–	–	16.01	–
Cash and cash equivalents	–	–	234.35	–	–	328.75
Other bank balances - Bank deposit	–	–	0.24	–	–	0.24
Earmarked balances with banks	–	–	7.51	–	–	72.54
Other financial assets	–	–	76.86	–	–	78.40
	286.92	171.72	1,315.70	130.23	79.06	1,486.56
Financial liabilities						
Borrowings	–	–	2,244.58	–	–	1,600.57
Trade payables	–	–	4,130.56	–	–	4,029.58
Lease liability	–	–	418.78	–	–	362.15
Other financial liability	–	–	121.64	–	–	165.79
	–	–	6,915.56	–	–	6,158.09

* FVTOCI - Fair Value Through Other Comprehensive Income § FVTPL- Fair Value Through Profit or Loss.

(i) Fair value hierarchy

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

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

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

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

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

Rupees in crores

29 FAIR VALUE MEASUREMENTS - (continued)

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

As at 31-03-2022	Notes	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Financial Investments at FVTPL	3B	–	–	130.23	130.23
Financial Investments at FVTOCI	3A	1.03	52.38	9.64	63.05
Derivatives	10	–	16.01	–	16.01
		1.03	68.39	139.87	209.29

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

As at 31-03-2022	Notes	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
<u>Investments</u>					
Preference shares	3A	–	–	8.14	8.14
Debt instruments	3A	–	–	25.74	25.74
		–	–	33.88	33.88
<u>Financial liabilities</u>					
Borrowings	14 & 17	–	–	1,600.57	1,600.57
		–	–	1,600.57	1,600.57

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

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

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

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

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

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

Specific valuation techniques used to value financial instruments include:

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

Notes to the Financial Statements – (continued)

29 FAIR VALUE MEASUREMENTS – (continued)

Rupees in crores

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

Particulars	Unlisted Equity Shares	Unlisted Preference Shares	Debt Instruments	Total
As at 01-04-2021	11.63	–	–	11.63
Additions / (Deletions)	130.34	–	–	130.34
Reclassified from amortised cost	12.70	–	–	12.70
Gains / (losses) recognised in profit or loss	0.23	–	–	0.23
Gains / (losses) recognised in other comprehensive income	(15.03)	–	–	(15.03)
As at 31-03-2022	139.87	–	–	139.87
Additions / (Deletions)	116.41	50.00	45.00	211.41
Gains / (losses) recognised in profit or loss	61.69	–	–	61.69
Gains / (losses) recognised in other comprehensive income	(1.31)	–	–	(1.31)
As at 31-03-2023	316.66	50.00	45.00	411.66

(iv) Valuation inputs and relationships to fair value

Particulars	Fair value as at		Significant unobservable input	Probability weighted range		Sensitivity
	31-03-2023	31-03-2022		31-03-2023	31-03-2022	
Preference Share	50.00	–	a) Earnings growth rate b) Risk adjusted discount rate	1-3% 8%	1-3% 8%	Not significant
Debt Instrument	45.00	–	a) Earnings growth rate b) Risk adjusted discount rate	1-3% 8%	1-3% 8%	Not significant
Unquoted Equity shares	221.66	139.87	a) Earnings growth rate b) Risk adjusted discount rate	1-3% 8%	1-3% 8%	Not significant

(v) Valuation processes

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

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

Particulars	As at 31-03-2023		As at 31-03-2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investments				
Preference shares	–	–	8.14	8.14
Debt instruments	41.67	41.67	25.74	25.74
	41.67	41.67	33.88	33.88
Financial liabilities				
Borrowings	2,244.58	2,244.58	1,600.57	1,600.57
	2,244.58	2,244.58	1,600.57	1,600.57

Notes to the Financial Statements – (continued)

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

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

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

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

30 FINANCIAL RISK MANAGEMENT

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

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

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

(A) Credit risk

Basis of recognition of expected credit loss provision

Rating	Category	Description of category	investments	Loans and deposits	Trade receivables
1	High Quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil.	12 month expected credit losses	12 month expected credit losses	Life time expected credit losses (simplified approach)
2	Quality assets, low credit risk	Assets where there is low risk of default and where the counter-party has sufficient capacity to meet the obligations and where there has been low frequency of defaults in the past			
3	Standard Assets, moderate credit risk	Assets where the probability of default is considered moderate and where the counter-party's capacity to meet the obligations is not strong.			
4	Substandard Assets, relatively high credit risk	Assets where there has been a significant increase in credit risk since initial recognition.	Life time expected credit losses		
5	Low quality assets, very high credit risk	Assets where there is a high probability of default. Also includes assets where the credit risk of counter-party has increased significantly though payments may not be more than 180 days past due.			

(A) Credit risk

Basis of recognition of expected credit loss provision - (continued)

Rating	Category	Description of category	investments	Loans and deposits	Trade receivables
6	Doubtful assets, credit impaired	Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.	Asset is written off		

As at 31-03-2023

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

Particulars	Internal rating	Asset / Asset group	Gross carrying amount	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	2	Investments at amortised cost	41.67	0%	-	41.67
	1	Other financial assets	76.86	0%	-	76.86

b) Expected credit loss for trade receivables under simplified approach

Particulars	0 to 180 days past due	More than 180 days past due	Total
Gross carrying amount	700.55	281.45	982.00
Expected loss rate	-	10%	
Expected credit losses	-	26.93	26.93
Carrying amount of trade receivables	700.55	254.52	955.07

As at 31-03-2022

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

Particulars	Internal rating	Asset / Asset group	Gross carrying amount	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit loss	2	Investments at amortised cost	33.88	0%	-	33.88
	1	Other financial assets	78.40	0%	-	78.40

b) Expected credit loss for trade receivables under simplified approach

Particulars	0 to 180 days past due	More than 180 days past due	Total
Gross carrying amount	780.67	220.31	1,000.98
Expected loss rate	-	13%	
Expected credit losses	-	28.23	28.23
Carrying amount of trade receivables	780.67	192.08	972.75

Notes to the Financial Statements – (continued)

Rupees in crores

30 FINANCIAL RISK MANAGEMENT - (continued)

Reconciliation of loss allowance provision - Trade receivables

Loss allowance on 01-04-2021	22.03
Changes in loss allowance	6.20
Loss allowance on 31-03-2022	28.23
Changes in loss allowance	(1.30)
Loss allowance on 31-03-2023	26.93

(B) Liquidity risk

(i) Financing arrangements

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

Particulars	As at 31-03-2023	As at 31-03-2022
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	1,779.58	2,038.45
- Expiring beyond one year (bank loans)	–	–

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

(ii) Maturities of financial liabilities

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

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

As at 31-03-2023

Contractual Maturities of Financial Liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	968.15	12.50	52.39	907.00	310.00	2,250.04
Lease liabilities	27.43	26.10	52.01	379.90	11.81	497.25
Trade payables	4,130.56	–	–	–	–	4,130.56
Other financial liabilities	121.64	–	–	–	–	121.64

As at 31-03-2022

Contractual Maturities of Financial Liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	205.02	84.56	143.85	1,163.75	9.24	1,606.42
Lease liabilities	21.68	21.48	41.29	291.64	75.40	451.49
Trade payables	4,029.58	–	–	–	–	4,029.58
Other financial liabilities	165.79	–	–	–	–	165.79

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

Notes to the Financial Statements – (continued)

Rupees in crores

30 FINANCIAL RISK MANAGEMENT - (continued)

(C) Market risk

(i) Foreign exchange risk

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

Particulars	As at 31-03-2023		As at 31-03-2022	
	USD	EUR	USD	EUR
Exposure in foreign currency				
Financial assets:				
Trade receivables	740.28	66.88	692.61	60.00
Investments	40.07	–	52.38	–
Derivative assets:				
Foreign exchange forward contracts				
Sell foreign currency	(847.89)	(62.75)	(1,583.99)	(63.46)
Financial liabilities:				
Foreign currency loan	27.39	–	302.96	–
Trade payables	176.24	7.53	80.61	6.50
Derivative liabilities:				
Foreign exchange forward contracts				
Buy foreign currency	–	–	–	–
Principal swap				
Buy foreign currency	(27.39)	–	(302.96)	–

Sensitivity

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

Particulars	Impact on profit after tax*		Impact on other components of equity*	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
USD sensitivity				
INR/USD increases by 10%	41.98	45.07	(60.12)	(112.80)
INR/USD decreases by 10%	(41.98)	(45.07)	60.12	112.80
EURO sensitivity				
INR/EURO increases by 10%	4.42	3.94	(4.67)	(4.68)
INR/EURO decreases by 10%	(4.42)	(3.94)	4.67	4.68

* Holding all other variables constant

(ii) Interest rate risk

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

Particulars	As at 31-03-2023	As at 31-03-2022
Variable rate borrowings	792.39	302.97
Fixed rate borrowings	1,457.73	1,303.45

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

Sensitivity	Impact on profit after tax	
	As at 31-03-2023	As at 31-03-2022
Increase in interest rates by 100 bps	(5.90)	(2.23)
Decrease in interest rates by 100 bps	5.90	2.23

Notes to the Financial Statements – (continued)

Rupees in crores

30 FINANCIAL RISK MANAGEMENT - (continued)

(iii) Price Risk

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

(D) Impact of hedging activities

(i) Disclosure of effects of hedge accounting on financial position

(a) Disclosure of effects of hedge accounting on financial position as at 31-03-2023

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

(b) Disclosure of effects of hedge accounting on financial position as at 31-03-2022

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Changes in fair value of hedging instrument since inception of hedge	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities			
Cash flow hedge Foreign exchange forward contracts	1,647.45	-	4.45	-	Apr'22 to Dec'22	4.45	(4.45)
Foreign currency loan: • Principal swap • Interest rate swap	-	302.96	14.62	-	Sep'22 to Sep'23	14.62	(14.62)
	-	302.96	-	3.06		(3.06)	3.06

(ii) Disclosure of effects of hedge accounting on financial performance:
for the year ended 31-03-2023:

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

for the year ended 31-03-2022:

Type of hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit and loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge: Foreign exchange risk/POS/IRS	(1.65)	-	(3.68)	Revenue and Borrowing cost

Notes to the Financial Statements – (continued)

Rupees in crores

31 CAPITAL MANAGEMENT

(a) Risk management

The Company's objectives when managing capital are to

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

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

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

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

Particulars	As at 31-03-2023	As at 31-03-2022
Net debt	2,010.23	1,271.82
Total equity	6,047.85	4,822.04
Net debt to equity ratio (times)	0.3	0.3

The Company also monitors Interest coverage ratio:

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

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

The Interest coverage ratio were as follows:

Particulars	Year ended 31-03-2023	Year ended 31-03-2022
EBIT	2,144.03	1,369.29
Interest	140.66	125.92
Interest coverage ratio (times)	15.2	10.9

(b) Dividends

Particulars	Year ended 31-03-2023	Year ended 31-03-2022
(i) Equity shares Interim dividend for the year ended 31-03-2023 of ₹ 5.00 (31-03-2022 of ₹ 3.75) per fully paid share	237.54	178.16
(ii) Dividends not recognised at the end of the reporting period	-	-

32 KEY FINANCIAL RATIOS

S.No.	Particulars	As at 31-03-2023	As at 31-03-2022	Variance
1	Current ratios (times) [Current Assets / Current Liabilities]	0.6	0.6	0.0%
2	Net Debt / Equity Ratio (times) [(Total borrowing - Cash) / Equity]	0.3	0.3	0.0%
3	Debt Service Coverage Ratio (times) [Earnings before Interest, Tax and Exceptional Items / (Interest Expense + Principal repayments of long term loan made during the period excluding prepayment)]	5.0	5.2	(3.8%)
4	Return on Equity (%) [Net Profit after tax / Average shareholders equity] - Note 1	27.4%	19.9%	38.1%
5	Inventory Turnover Ratio (times) [Annualised Cost of goods sold / Average Inventory]	16.9	13.9	(21.9%)
6	Debtors Turnover ratio (times) [Annualised Turnover / Average Debtors]	27.4	22.6	(21.3%)
7	Trade Payable turnover ratio (times) [(Cost of Goods sold + Other expenses) / Average Trade payable]	5.5	4.5	(23.1%)
8	Net Capital Turnover ratio (times) [Net Sales / (Current Asset - Current Liabilities excluding current maturities of long term borrowing)]	NA	NA	NA
9	Net Profit ratio (%) [Profit after tax / Turnover] - Note 1	5.7%	4.3%	31.5%

Notes to the Financial Statements – (continued)

32 KEY FINANCIAL RATIOS - (continued)

Rupees in crores

S.No.	Particulars	As at 31-03-2023	As at 31-03-2022	Variance
10	Return on Capital Employed (%) [Earnings before Interest, Tax and Exceptional Items / Capital Employed]	25.3%	20.7%	22.1%
11	Return on Investment (%) [Income generated from invested funds / Average invested funds.] - Note 2	NA	NA	NA

1 Reflects better operational performance.

2. Significant investments held by the Company is for strategic purposes. Benchmarking the return on annual basis will not reflect yield from such investments.

33 EMPLOYEE BENEFIT OBLIGATIONS

Defined benefit plans as per actuarial valuation

Particulars	Funded plan			Unfunded plans	
	Gratuity			Pension	Leave salary
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Present value of obligation
As at 01-04-2021	124.64	(122.15)	2.49	93.22	47.95
Current service cost	19.87	–	19.87	–	–
Interest expense/(income)	9.81	(8.79)	1.02	6.55	3.24
Total amount recognised in profit or loss	29.68	(8.79)	20.89	6.55	3.24
Remeasurements					
Return on plan assets, excluding amounts included in interest expense / (income)	–	(2.78)	(2.78)	–	–
(Gain) / loss from change in financial assumptions	(4.85)	–	(4.85)	(2.83)	(1.58)
Experience (gains) / losses	24.16	–	24.16	46.26	23.97
Total amount recognised in other comprehensive income	19.31	(2.78)	16.53	43.43	22.39
Employer contributions	–	(36.47)	(36.47)	–	–
Benefit payments	(12.71)	12.71	–	(1.64)	(14.12)
As at 31-03-2022	160.92	(157.48)	3.44	141.56	59.46
Current service cost	29.53	–	29.53	–	–
Interest expense / (income)	12.46	(11.59)	0.87	9.03	4.32
Total amount recognised in profit or loss	41.99	(11.59)	30.40	9.03	4.32
Remeasurements					
Return on plan assets, excluding amounts included in interest expense / (income)	–	0.10	0.10	–	–
(Gain) / loss from change in financial assumptions	4.87	–	4.87	(18.65)	0.42
Experience (gains)/losses	(2.65)	–	(2.65)	14.89	27.41
Total amount recognised in other comprehensive income	2.22	0.10	2.32	(3.76)	27.83
Employer contributions	–	(43.58)	(43.58)	–	–
Benefit payments	(18.87)	18.87	–	(4.00)	(15.13)
As at 31-03-2023	186.26	(193.68)	(7.42)	142.83	76.48

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

Notes to the Financial Statements – (continued)

33 EMPLOYEE BENEFIT OBLIGATIONS - (continued)

Rupees in crores

The defined benefit obligations maturing after year ended March 31, 2023 are as follows

Year ending March 31,	Defined Benefit Obligations
2024	20.93
2025	12.90
2026	17.34
2027	13.20
2028	14.48
2029-2033	71.00

The significant actuarial assumptions were as follows:

Particulars	As at 31-03-2023	As at 31-03-2022
Discount rate (Gratuity)	7.2%	7.3%
Discount rate (Pension)	7.0%	5.5%
Discount rate (Leave salary)	7.2%	7.3%
Salary growth rate	5.5%	5.5%
Pre-retirement mortality rate	IALM (2006-08) Ultimate	
Post retirement mortality rate	LIC Ann (1996-98)	
Attrition rate (For Leave salary & Gratuity)	3.0%	3.0%
Attrition rate (For Pension)	0.0%	0.0%

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

(i) Sensitivity analysis

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

Particulars	Impact on defined benefit obligation - Gratuity					
	Change in assumption		Increase in assumption		Decrease in assumption	
	Year ended		Year ended		Year ended	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
Discount rate	0.50%	0.50%	178.57	154.32	194.53	167.95
Salary growth rate	0.50%	0.50%	194.63	168.04	178.42	154.18
Mortality	5.00%	5.00%	186.30	160.92	186.22	160.85

Particulars	Impact on defined benefit obligation - Pension					
	Change in assumption		Increase in assumption		Decrease in assumption	
	Year ended		Year ended		Year ended	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
Discount rate	1.00%	1.00%	129.49	126.30	159.40	159.91
Salary growth rate	1.00%	1.00%	160.28	160.64	128.60	125.52
Mortality	5.00%	5.00%	142.02	140.25	144.38	142.93

Notes to the Financial Statements – (continued)

33 EMPLOYEE BENEFIT OBLIGATIONS - (continued)

Rupees in crores

Particulars	Impact on defined benefit obligation - Leave salary					
	Change in assumption		Increase in assumption		Decrease in assumption	
	Year ended		Year ended		Year ended	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
Discount rate	0.50%	0.50%	73.87	57.22	79.92	61.87
Salary growth rate	0.50%	0.50%	79.96	61.90	73.82	57.17
Mortality	5.00%	5.00%	76.80	59.47	76.78	59.45

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

(ii) Risk exposure

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

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

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

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

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

(iii) Defined contribution plans:

The Company's contribution to defined contribution plan i.e., provident fund of ₹ 36.63 crores (previous year ₹ 28.63 crores) has been recognised in the Statement of Profit and Loss.

Notes to the Financial Statements – (continued)

34 RELATED PARTY DISCLOSURE

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

Holding company:

Sundaram-Clayton Limited, Chennai

Ultimate holding company:

TVS Holdings Private Limited, Chennai

Subsidiaries:

Sundaram Auto Components Limited, Chennai

TVS Housing Limited, Chennai

TVS Motor Services Limited, Chennai

TVS Credit Services Limited, Chennai

Intellicar Telematics Private Limited, Bengaluru (upto 24th May 2022)Intellicar Telematics (Singapore) Pte Limited (upto 24th May 2022)

TVS Electric Mobility Limited, Chennai

TVS Motor (Singapore) Pte. Limited, Singapore

TVS Motor Company (Europe) B.V, Amsterdam

PT. TVS Motor Company Indonesia, Jakarta

Sundaram Holding USA Inc, Delaware USA (upto 22nd Sep 2022)Green Hills Land Holding LLC, South Carolina USA (upto 22nd Sep 2022)Component Equipment Leasing LLC, South Carolina USA (upto 22nd Sep 2022)Sundaram-Clayton USA LLC, South Carolina USA (upto 22nd Sep 2022)Premier Land Holding LLC, South Carolina USA (upto 22nd Sep 2022)

Harita ARC Services Private Limited, Chennai

TVS Two Wheeler Mall Private Limited, Chennai

TVS Housing Finance Private Limited, Chennai

The GO Corporation, Switzerland

Swiss E-mobility (Group) Holding AG, Switzerland

The Norton Motorcycle Co. Ltd, UK

TVS Digital Pte Limited, Singapore

EBCO Limited, UK (with effect from 1st April 2022)Celerity Motor GmbH, Germany (with effect from 6th Dec 2022)

EGO Movement Stuttgart, GmbH, Germany

Swiss E-Mobility Group (Schweiz) AG Switzerland, Zurich

Colag E-Mobility GmBH, Nuremburg, Germany

Alexand'Ro Edouard'O Passion Vélo Sàrl ("Passion Vélo"), Germany (with effect from 12th Apr 2022)

Associate companies:

Emerald Haven Realty Limited, Chennai

Ultraviolette Automotive Private Limited, Bengaluru

Tagbox Solutions Private Limited, Bengaluru

DriveX Mobility Private Limited, Coimbatore (with effect from 15th Oct 2022]

(Formerly known as Nkars Mobility Millennial Solutions Private Limited)

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

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

Predictrics Corporation, USA

Notes to the Financial Statements – (continued)

34 RELATED PARTY DISCLOSURE - (continued)

Enterprises in which directors are interested:

TVS Organics Private Limited, Chennai (upto 27th Jun 2022)
 Harita Techserv Limited, Chennai (upto 27th Jun 2022)
 Dua Associates, Delhi
 Dua Consulting Private Limited, Delhi
 McCann-Erickson (India) Private Limited, Delhi
 Trichur Sundaram Santhanam & Family Private Limited, Chennai
 TV Sundram Iyengar & Sons Private Limited, Madurai
 Lakshmi Energy and Environment Design Private Limited, Coimbatore

Key Management personnel:

Executive Directors:

Mr. Venu Srinivasan, Chairman Emeritus & Managing Director
 Mr. Sudarshan Venu, Managing Director
 Mr. K.N. Radhakrishnan, Director and CEO

Non-executive Directors:

Independent Directors:

Mr. T.Kannan
 Mr. C.R.Dua
 Mr. R Gopalan
 Mr. Hemant Krishan Singh
 Mrs. Lalita D. Gupte
 Mr. Kuok Meng Xiong
 Mr. B Sriram

Non-Independent Directors:

Prof. Sir Ralf Dieter Speth, Chairman
 Dr. Lakshmi Venu
 Mr. H.Lakshmanan (upto 27th Jun 2022)

Chief Financial Officer

K. Gopala Desikan

Company Secretary

K.S. Srinivasan

Post-Employment benefit plans:

TVS Motor Company Employees' Gratuity Fund
 TVS Motor Company Employees' Provident Fund

Notes to the Financial Statements – (continued)

34 RELATED PARTY DISCLOSURE - (continued)

Rupees in crores

	As at/ Year ended 31-03-2023	As at/ Year ended 31-03-2022
(b) Transactions with related parties: (Transactions from the date of becoming / upto the date of ceasing to be related party)		
(i) Purchase of goods (Including Sales reversal)		
- Holding company (Sundaram-Clayton Limited, Chennai)	412.62	474.89
- Subsidiary companies		
Sundaram Auto Components Limited, Chennai	377.46	375.50
PT.TVS Motor Company Indonesia, Jakarta	0.35	0.20
Swiss E-Mobility Group (Schweiz) AG Switzerland, Zurich	0.08	-
Intellicar Telematics Private Limited, Bengaluru (upto 24 th May 2022)	-	0.05
- Associate / joint venture		
Tagbox Solutions Private Limited, Bengaluru	1.43	0.52
- Enterprises in which directors are interested		
TV Sundram Iyengar & Sons Private Limited, Madurai	0.23	-
TVS Organics Private Limited, Chennai (upto 27 th Jun 2022)	0.19	0.53
(ii) Sale of goods		
- Ultimate holding company		
TVS Holdings Private Limited, Chennai	420.09	79.83
- Holding company (Sundaram-Clayton Limited, Chennai)	19.52	0.06
- Subsidiary companies		
Sundaram Auto Components Limited, Chennai	0.11	0.17
PT.TVS Motor Company Indonesia, Jakarta	405.02	250.47
- Enterprises in which directors are interested		
TV Sundram Iyengar & Sons Private Limited, Madurai	-	375.50
(iii) Purchase of assets		
- Associate / joint venture		
Ultraviolette Automotive Private Limited, Bengaluru	3.00	-
Tagbox Solutions Private Limited, Bengaluru	-	0.25
- Associate / joint venture of holding / ultimate holding / subsidiary / fellow subsidiary company		
Predictronics Corporation, USA	0.07	-
- Key Management personnel	-	43.06
(iv) Rendering of services		
- Holding company (Sundaram-Clayton Limited, Chennai)	1.79	2.62
- Subsidiary companies		
Sundaram Auto Components Limited, Chennai	0.11	0.12
PT. TVS Motor Company Indonesia, Jakarta	0.55	0.59
TVS Credit Services Limited, Chennai	8.61	9.11
The Norton Motorcycle Co. Ltd, UK	4.23	-

TVS MOTOR COMPANY LIMITED
STANDALONE FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements – (continued)

Rupees in crores

34 RELATED PARTY DISCLOSURE - (continued)	As at/ Year ended 31-03-2023	As at/ Year ended 31-03-2022
(v) Availing of services (includes sub-contract charges paid)		
- Holding company (Sundaram-Clayton Limited, Chennai)	62.15	62.81
- Subsidiary company		
Sundaram Auto Components Limited, Chennai	0.87	-
TVS Credit Services Limited, Chennai	5.17	7.34
TVS Digital Pte Limited, Singapore	0.26	-
- Associate / Joint Venture (Tagbox Solutions Private Limited, Bengaluru)	0.16	-
- Enterprises in which directors are interested		
Dua Associates, Delhi	0.70	1.92
Dua Consulting Private Limited, Delhi	4.33	4.74
McCann-Erickson (India) Private Limited, Delhi	3.47	5.68
Lakshmi Energy and Environment Design Private Limited, Coimbatore	0.20	0.15
Harita Techserv Limited, Chennai (upto 27 th Jun 2022)	0.90	4.17
TV Sundram Iyengar & Sons Private Limited, Madurai	0.83	0.26
Trichur Sundaram Santhanam & Family Private Limited, Chennai	0.12	-
(vi) Investments made during the year		
- Subsidiary companies		
TVS Motor (Singapore) Pte. Limited, Singapore	108.31	1,083.43
TVS Motor Services Limited, Chennai	50.00	96.00
TVS Credit Services Limited, Chennai	500.00	100.00
TVS Electric Mobility Limited, Chennai	-	1.00
- Associate / Joint venture		
Ultraviolette Automotive Private Limited, Bengaluru	-	75.00
DriveX Mobility Private Limited, Coimbatore	87.17	-
(vii) Share application money pending allotment		
- Subsidiary companies		
TVS Motor (Singapore) Pte Limited, Singapore	445.41	20.17
(viii) Remuneration to key management personnel:		
Short-term employee benefits	84.24	64.07
Post-employment benefits	0.47	0.24
(ix) Obligation arising out of agreements facilitating credit / payment to service provider		
- Subsidiary companies		
PT. TVS Motor Company Indonesia, Jakarta	41.09	75.79
TVS Motor (Singapore) Pte. Limited, Singapore	82.17	75.79
(x) Contributions to post employment benefit plans:		
TVS Motor Company Employees' Gratuity Fund	43.71	36.57
TVS Motor Company Employees' Provident Fund (Including Employee and Employer Contributions)	92.25	75.25

TVS MOTOR COMPANY LIMITED
STANDALONE FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements – (continued)

Rupees in crores

34 RELATED PARTY DISCLOSURE - (continued)	As at/ Year ended 31-03-2023	As at/ Year ended 31-03-2022
(xi) Loan and Advances received		
- Issue of Non convertible zero coupon debentures Sundaram Auto Components Limited, Chennai	310.00	-
(xii) Dividend received from Subsidiary Company		
- Sundaram Auto Components Limited, Chennai	2.23	-
(xiii) Dividend paid to		
- Holding Company (Sundaram-Clayton Limited, Chennai)	119.39	89.54
(c) Balances with related parties:		
(i) Trade receivables / Other current assets		
- Ultimate holding company		
TVS Holdings Private Limited, Chennai	17.36	8.04
- Subsidiary companies		
Sundaram Auto Components Limited, Chennai	0.14	-
PT. TVS Motor Company Indonesia, Jakarta	376.93	187.33
TVS Credit Services Limited, Chennai	4.72	7.48
The Norton Motorcycle Co. Ltd, UK	6.61	-
TVS Digital Pte Limited, Singapore	6.66	3.96
- Associate / joint venture		
Emerald Haven Realty Limited, Chennai	5.78	4.15
Tagbox Solutions Private Limited, Bengaluru	0.16	-
(ii) Trade payables		
- Holding company (Sundaram-Clayton Limited, Chennai)	7.97	38.30
- Subsidiary companies		
Sundaram Auto Components Limited, Chennai	-	5.44
TVS Motor (Singapore) Pte Limited, Singapore	4.03	6.85
- Associate / joint venture		
Tagbox Solutions Private Limited, Bengaluru	-	0.32
- Associate / joint venture of holding / ultimate holding / subsidiary / fellow subsidiary company		
Predictronics Corporation, USA	0.07	-
- Enterprises in which directors are interested		
Dua Consulting Private Limited, Delhi	0.32	0.26
McCann-Erickson (India) Private Limited, Delhi	0.32	-
TV Sundram Iyengar & Sons Private Limited, Madurai	0.03	-
Lakshmi Energy and Environment Design Private Limited, Coimbatore	0.06	-
(iii) Guarantees issued	123.26	151.58

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

35 REVENUE FROM CONTRACTS WITH CUSTOMERS

A Disaggregated revenue:

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

Sl. No.	Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
(a)	Type of goods or service		
(i)	Two wheelers	21,243.75	16,261.63
(ii)	Three wheelers	1,989.90	1,731.48
(iii)	Parts and accessories	2,705.13	2,368.03
(iv)	Technical / IT Services	61.26	67.03
(v)	Royalty	8.02	8.67
		26,008.06	20,436.84
(b)	Geographical markets		
(i)	Domestic	18,862.57	13,076.36
(ii)	Exports	7,145.49	7,360.48
		26,008.06	20,436.84

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

C Reconciliation of contracts with customers:

Movement of contract liabilities for the reporting period given below:

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
Contract Liabilities at the beginning of the period	147.64	143.90
Add / (Less):		
Consideration received during the year as advance	154.70	147.64
Revenue recognized from contract liability	(147.64)	(143.90)
Contract Liabilities at the end of the period	154.70	147.64

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

D Transaction price allocated to the remaining performance obligations:

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

E Reconciliation of revenue with contract price:

Sl. No.	Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
(i)	Contract price	26,871.83	21,095.07
(ii)	Adjustments :		
	Incentive schemes	450.97	335.25
	Transport cost	412.80	322.98
(iii)	Revenue from sale of products / services (refer Note 21)	26,008.06	20,436.84

	As at/ Year ended 31-03-2023	As at/ Year ended 31-03-2022
36 EARNINGS PER SHARE		
Profit after tax	1,491.03	893.56
Number of equity shares	47,50,87,114	47,50,87,114
Face value of the share (in rupees)	1.00	1.00
Weighted average number of equity shares	47,50,87,114	47,50,87,114
Basic and diluted earnings per share for continued operations (in rupees)	31.38	18.81
Basic and diluted earnings per share for discontinued operations (in rupees)	-	-
Basic and diluted earnings per share for continued and discontinued operations (in rupees)	31.38	18.81
37 WARRANTY PROVISION		
Opening balance	41.32	48.88
Add: Provision for the year (net)	55.11	41.32
	96.43	90.20
Less: Payments / debits (net)	41.32	48.88
Closing balance	55.11	41.32
38 DISCLOSURE UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006		
Trade payable pertaining to dues to Micro and Small enterprises (all are within agreed credit period and not due for payment) [Refer Note 18]	45.42	56.85
(i) The principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	Nil	Nil
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
39 PAYMENT TO AUDITORS COMPRISES		
As statutory auditors	0.85	0.85
Taxation matters	0.20	0.20
Certification matters	0.10	0.10
	1.15	1.15
Miscellaneous expenses include travel and stay expenses of auditors	0.05	0.05
	1.20	1.20

Notes to the Financial Statements – (continued)

Rupees in crores

	As at/ Year ended 31-03-2023	As at/ Year ended 31-03-2022
40 CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR		
(a) Claims against the company not acknowledged as debts:		
(i) Excise	52.44	53.05
(ii) Service tax	0.95	0.95
(iii) Customs	39.27	40.63
(iv) Sales tax	2.00	2.00
(v) Income tax	53.24	53.24
The future cash flows on the above items are determinable only on receipt of the decisions / judgments that are pending at various forums / authorities. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.		
(b) Other money for which the Company is contingently liable:		
On bills discounted with banks	146.91	246.24
(c) Commitments:		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	259.85	186.94
(ii) On Investments	3.90	3.60

41 LEASES**COMPANY AS A LESSEE**

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

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

Payment made towards short term leases during the year is ₹ 45.34 Cr (Previous year: ₹ 37.82 Cr)

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

Payment relating to leases are disclosed in Cash flow statement

Income from sub-leasing of Right of use asset is ₹ 7.47 Cr. (Previous year: ₹ 7.08 Cr.)

42 ADDITIONAL REGULATORY DISCLOSURES AS PER SCHEDULE III OF COMPANIES ACT, 2013

- (i) The Title deeds of the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (ii) The Company does not have any investment property.
- (iii) As per the Company's accounting policy, Property, Plant and Equipment (including Right of Use Assets) and intangible assets are carried at historical cost (less accumulated depreciation & impairment, if any), hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.
- (iv) The Company has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013) , which are repayable on demand or without specifying any terms or period of repayments.

Notes to the Financial Statements – (continued)

42 ADDITIONAL REGULATORY DISCLOSURES AS PER SCHEDULE III OF COMPANIES ACT, 2013 - (continued)

- (v) No proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (vi) The Company has sanctioned facilities from banks on the basis of security of current assets. The periodic returns filed by the Company with such banks are in agreement with the books of accounts of the Company.
- (vii) The Company has adhered to debt repayment and interest service obligations on time. "Wilful defaulter" related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.
- (viii) There are no transactions with the Companies whose name were struck off under section 248 of The Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2023.
- (ix) All applicable cases where registration of charges or satisfaction is required to be filed with Registrar of Companies have been filed. No registration or satisfaction is pending at the year ended 31st March 2023.
- (x) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- (xi) No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.
- (xii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary"
- (xiii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries"
- (xiv) The Company has not operated in any crypto currency or Virtual Currency transactions
- (xv) During the year the Company has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.

Notes to the Financial Statements – (continued)

43 DISCLOSURE MADE IN TERMS OF REGULATION 34(3) OF THE LISTING REGULATIONS

Rupees in crores

Sl. No.	Particulars	Name of the company	Amount outstanding as at 31-03-2023	Amount outstanding as at 31-03-2022
(a)	Investments by the Company			
(i)	In subsidiary companies			
		Sundaram Auto Components Limited, Chennai [4,45,69,000 (last year-4,45,69,000) Equity shares of ₹ 10/- each fully paid up] Maximum amount held at any time During the year 336.20 During the previous year 336.20	336.20	336.20
		TVS Housing Limited, Chennai [50,000 (last year - 50,000) Equity shares of ₹ 10/- each fully paid up] Maximum amount held at any time During the year 0.05 During the previous year 0.05	0.05	0.05
		TVS Motor Services Limited, Chennai [14,96,33,814 (last year -14,96,33,814) Equity shares of ₹ 10/- each fully paid up] Maximum amount held at any time During the year 148.68 During the previous year 148.68	148.68	148.68
		TVS Motor Services Limited, Chennai [5,00,00,000 (last year -Nil) Preference shares of ₹ 10/- each fully paid up] Maximum amount held at any time During the year 50.00 During the previous year -	50.00	-
		TVS Credit Services Limited, Chennai [19,54,24,754 (last year - 16,83,97,728) Equity shares of ₹ 10/- each fully paid up] Maximum amount held at any time During the year 1,960.99 During the previous year 1,460.99	1,960.99	1,460.99
		TVS Motor Company (Europe) B.V., Amsterdam [2,25,301 (last year- 2,25,301) Ordinary shares of Euro 100/- each fully paid up] Maximum amount held at any time During the year 1.80 During the previous year 1.80	1.80	1.80
		TVS Motor (Singapore) Pte. Limited, Singapore [42,01,55,810 (last year 39,69,03,850) Ordinary shares of Singapore \$ 1/- each fully paid up] Maximum amount held at any time During the year 2,466.53 During the previous year 1,912.81 (* - Including share application money pending allotment)	2466.53*	1912.81*

Notes to the Financial Statements – (continued)

43 DISCLOSURE MADE IN TERMS OF REGULATION 34(3) OF THE LISTING REGULATIONS - (continued)

Rupees in crores

Sl. No.	Particulars	Name of the company	Amount outstanding as at 31-03-2023	Amount outstanding as at 31-03-2022
		PT. TVS Motor Company Indonesia, Jakarta [85,97,000 Equity shares (last year - 85,97,000) of Indonesian Rp.97,400/- each fully paid up] Maximum amount held at any time During the year 389.06 During the previous year 389.06	389.06	389.06
		Intellicar Telematics Private Limited, Bengaluru [Nil Equity shares (last year - 60,241) of ₹ 10/- each fully paid up] Maximum amount held at any time During the year 15.00 During the previous year 15.00	-	15.00
		Intellicar Telematics Private Limited, Bengaluru [Nil Preference shares (last year - 30,121) of ₹ 10/- each fully paid up] Maximum amount held at any time During the year 8.14 During the previous year 8.14	-	8.14
		TVS Electric Mobility Ltd, Chennai [10,00,000 (last year -10,00,000) Equity shares of ₹ 10/- each fully paid up] Maximum amount held at any time During the year 1.00 During the previous year 1.00	1.00	1.00
(ii)	in associate companies			
		Emerald Haven Realty Limited, Chennai, [11,12,19,512 (last year - 11,12,19,512) Equity shares of ₹ 10/- each fully paid up] Maximum amount held at any time During the year 111.22 During the previous year 111.22	111.22	111.22
		Ultraviolette Automotive Private Limited, Bengaluru [14,850 (last year-14,850) Equity shares of ₹ 10/- each fully paid up] Maximum amount held at any time During the year 11.00 During the previous year 11.00	11.00	11.00

Notes to the Financial Statements – (continued)

43 DISCLOSURE MADE IN TERMS OF REGULATION 34(3) OF THE LISTING REGULATIONS - (continued)

Rupees in crores

Sl. No.	Particulars	Name of the company	Amount outstanding as at 31-03-2023	Amount outstanding as at 31-03-2022	
(ii)	in associate companies - (continued)	Ultraviolette Automotive Private Limited, Bengaluru [990(last year - 990) Preference shares of ₹ 50,545/- each fully paid up] Maximum amount held at any time			
		During the year	5.00		
		During the previous year	5.00		
		(7387 (last year - 7387) Preference shares of ₹ 40,616/- each fully paid up] Maximum amount held at any time		30.00	30.00
		During the year	30.00		
		During the previous year	30.00		
		[3939 (last year - 3939) Preference shares of ₹ 1,90,384/- each fully paid up] Maximum amount held at any time		75.00	75.00
		During the year	75.00		
		During the previous year	75.00		
		Tagbox Solutions Private Limited, Bengaluru [45,710 (last year - 45,710) Equity shares of ₹ 1 each fully paid] Maximum amount held at any time		1.19	1.19
		During the year	1.19		
		During the previous year	1.19		
Tagbox Solutions Private Limited, Bengaluru [383,983 (last year - 383,983) Preference shares of ₹ 16 each fully paid] Maximum amount held at any time		9.99	9.99		
During the year	9.99				
During the previous year	9.99				
DriveX Mobility Private Limited, Coimbatore [9766 (last year - nil) Equity shares of ₹ 10 each fully paid] Maximum amount held at any time		87.17	-		
During the year	87.17				
During the previous year	-				
(b)	Investments by the holding company	Sundaram-Clayton Limited, Chennai holds 23,87,82,786 (last year 23,87,82,786) Equity shares of ₹ 1/- each fully paid up Maximum amount held at any time		17.15	17.15
		During the year	17.15		
		During the previous year	17.15		

Notes to the Financial Statements – (continued)

Rupees in crores

44 DETAILS OF LOANS GIVEN, INVESTMENTS MADE AND GUARANTEES GIVEN

(Disclosure as per Section 186 of the Companies Act, 2013)

(a) Investments made - Refer Note No. 3.

(b) Guarantee issued towards credit facility / business purpose - Refer Note No. 34 b(ix)

45 CORPORATE SOCIAL RESPONSIBILITY

Expenditure incurred on Corporate Social Responsibility (CSR) activities:

(a) Gross amount required to be spent during the year is ₹ 18.61 crores (Previous Year : ₹ 16.91 crores).

(b) Amount spent during the year:

Sl. No.	Particulars	In cash	Yet to be paid in cash	Year ended 31-03-2023	Year ended 31-03-2022
1	Construction / acquisition of any asset	-	-	-	-
2	Other than the above	19.00	-	19.00	17.01

Sl. No.	Particulars	Year ended 31-03-2023	Year ended 31-03-2022
1	Amount required to be spent by the Company during the year	18.61	16.91
2	Amount of expenditure incurred	19.00	17.01
3	Shortfall at the end of the year	-	-
4	Total of previous years shortfall	-	-
5	Reasons for shortfall	Not Applicable	
6	Details of related party transactions	-	-
7	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in position	-	-
Nature of CSR Activities : Rural development, economic development, Women empowerment, health care, education, environment sustainability, social empowerment, infrastructure development and conservation of natural resources;			

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

PROF. SIR RALF DIETER SPETH
Chairman
DIN: 03318908

SUDARSHAN VENU
Managing Director
DIN: 03601690

K.N.RADHAKRISHNAN
Director &
Chief Executive Officer
DIN: 02599393

As per our report annexed
For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Regn. No.: 109208W

Place : Chennai
Date : 4th May 2023

K. GOPALA DESIKAN
Chief Financial Officer

K.S. SRINIVASAN
Company Secretary

S. VENKATARAMAN
Partner
Membership No.: 023116

CONSOLIDATED FINANCIAL STATEMENTS OF
TVS MOTOR COMPANY LIMITED

TVS
Jupiter
ZYADA KA FAYDA

The new TVS Jupiter 110 ZX with SmartXonnect opens up new mobility experience for the scooter commuters in India. It is the only scooter in its segment to include navigation and voice assist features.



CONSOLIDATED
FINANCIAL STATEMENTS OF
TVS MOTOR COMPANY LIMITED





Tradition & innovation find fusion in these e-bicycles. They are a testament to our commitment to sustainable mobility worldwide.

TVS MOTOR COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2023

To the members of TVS Motor Company Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of TVS Motor Company Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associates, which comprise the consolidated Balance Sheet as at March 31, 2023, and the consolidated statement of Profit and Loss, (including Other Comprehensive Income), the consolidated statement of changes in equity and the consolidated cash flows statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards), Rules 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates as at March 31, 2023, and its consolidated profit, its consolidated total comprehensive income, its consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming

our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Principal Audit Procedures
Carrying Value of Goodwill Management has obtained a valuation report of the Cash Generating Unit, wherein valuers have arrived at a fair value, based on weighted average of the Discounted Cash Flow Method and Comparable Companies Multiples Method. We gained	Management has obtained a valuation report of the Cash Generating Unit, wherein valuers have arrived at a fair value, based on weighted average of the Discounted Cash Flow Method and Comparable Companies Multiples Method. We gained an understanding of the key assumptions used to forecast the cash flows and the discount rates applied Weighted Average Cost of Capital (WACC) as well as the Comparable Companies considered in arriving at the fair value. We consider that the management conclusions concerning the absence of impairment in the goodwill are adequately supported and consistent with the information currently available.

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

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

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

- Identify and assess the risk of material misstatement of consolidated financial statements, whether due to fraud or

error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis of our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusions, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. We communicate with those charged with governance of the holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements

regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

We did not audit the financial statements / Consolidated financial statements of 10 subsidiaries, whose financial statements reflect total assets of ₹ 5,463.06crores as at 31st March 2023, total revenues of ₹ 5,070.69 crores and net cash flows amounting to ₹ 542.78 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 32.68 crores for the year ended 31st March 2023, as considered in the consolidated financial statements, in respect of 2 associate. These financial statements / consolidated financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and Associates and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

The subsidiaries located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries. The Holding Company's Management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to Ind AS. We have audited those conversion adjustments made by the Holding Company's Management. Our opinion insofar as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

We did not audit the financial statement / financial information of 15 subsidiaries included in the consolidated financial statement, whose financial statement / financial information reflect total assets of ₹ 4.90crores as at 31st March 2023, total revenues of ₹ 617.53crores and net cash outflows of ₹ 4.40. crores for the year ended on that date, as considered in the consolidated financial statement. The consolidated financial statements also include the Group's share of net loss of ₹ 8.05 crores for the year ended 31st March 2023, as considered in the consolidated financial statements, in respect of 6 associates, whose financial statements / financial information have not been audited by us.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2023, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and its associate companies, incorporated in India, none of the directors of the Group companies, its associate companies incorporated in India is disqualified as on 31st March, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure.
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements

of Section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group (refer note no43).

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts (refer note no 45 (viii)), no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts (refer note no

45 (ix) no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries 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.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Holding Company has declared dividends and paid the same during the year and until the date of this audit report are in accordance with Section 123 of the Companies Act 2013.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiaries including associates, which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. With respect to the matters specified in paragraphs 3(xxii) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For V. SANKAR AIYAR & CO
Chartered Accountants
Firm Regn. No.: 109208W

S. VENKATARAMAN
Partner

Place : Chennai

Date : 4th May 2023

Membership No.: 023116

UDIN: 23023116BGXEKR6743

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Annexure to the Independent Auditors' Report for the year ended 31st March 2023

To the members of TVS Motor Company Limited

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of TVS Motor Company Ltd ("the Holding Company"), the subsidiary companies and its associate incorporated in India.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit

opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion the Holding Company, its subsidiary companies and its associate, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For V. SANKAR AIYAR & CO
Chartered Accountants
Firm Regn. No.: 109208W

S. VENKATARAMAN
Partner

Place: Chennai
Date : 4th May 2023

Membership No.: 023116
UDIN: 23023116BGXEKR6743

Balance Sheet as at 31st March 2023

Rupees in crores

	Notes	As at 31-03-2023	As at 31-03-2022
ASSETS			
Non-current assets			
Property, plant and equipment	2	4,177.40	4,377.98
Capital work-in-progress	2	315.81	320.18
Investment properties	3	137.70	137.70
Goodwill on consolidation		597.05	569.47
Other intangible assets	2	835.88	889.49
Intangible assets under development		427.64	231.35
Financial assets			
i. Investments	4	364.10	109.51
ii. Loans (receivable from financing activity)	5	10,321.42	6,716.45
iii. Other financial assets	6	192.93	124.14
Investments accounted using equity method	7	411.23	364.82
Non-current tax assets (Net)		27.60	49.60
Deferred tax assets	8	305.73	217.88
Other non-current assets	9	111.19	130.46
		<u>18,225.68</u>	<u>14,239.03</u>
Current assets			
Inventories	10	1,921.51	1,642.36
Financial assets			
i. Investments	4	191.92	130.23
ii. Trade receivables	11	1,232.20	1,177.30
iii. Loans (receivable from financing activity)	5	10,225.16	7,299.25
iv. Cash and cash equivalents	12	1,851.19	1,445.68
v. Bank balances other than (iv) above	13	27.92	89.93
vi. Other financial assets	14	224.21	131.62
Current tax assets (Net)		4.56	1.42
Other current assets	15	1,328.56	969.84
		<u>17,007.23</u>	<u>12,887.63</u>
Total assets		<u>35,232.91</u>	<u>27,126.66</u>
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	47.51	47.51
Other equity	17	5,457.49	4,351.94
Equity attributable to owners		5,505.00	4,399.45
Non-controlling interest		404.85	653.56
		<u>5,909.85</u>	<u>5,053.01</u>
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	18	9,064.08	7,305.77
ii. Lease Liabilities		563.51	403.05
iii. Others		-	9.85
Provisions	19	231.26	196.24
Deferred tax liabilities (Net)	20	208.37	207.56
Other non current liabilities		37.14	44.88
		<u>10,104.36</u>	<u>8,167.35</u>
Current liabilities			
Financial liabilities			
i. Borrowings	21	12,562.15	7,991.51
ii. Lease Liabilities		185.84	126.88
iii. Trade payables	22	75.83	69.78
a. Total outstanding dues of micro and small enterprises		5,020.84	4,593.35
b. Total outstanding dues of other than (iii) (a) above		355.60	325.71
iv. Other financial liabilities	23	886.65	691.65
Other current liabilities	24	115.74	107.42
Provisions	19	16.05	-
Current tax liabilities		19,218.70	13,906.30
		<u>29,323.06</u>	<u>22,073.65</u>
Total liabilities		<u>35,232.91</u>	<u>27,126.66</u>
Total equity and liabilities		<u>35,232.91</u>	<u>27,126.66</u>
Significant accounting policies	1		
See the accompanying notes to the financial statements			

PROF. SIR RALF DIETER SPETH Chairman
DIN: 03318908

SUDARSHAN VENU Managing Director
DIN: 03601690

K.N.RADHAKRISHNAN Director & Chief Executive Officer
DIN: 02599393

As per our report annexed For V. Sankar Aiyar & Co. Chartered Accountants Firm Regn. No.: 109208W

Place: Chennai
Date: 4th May 2023

K. GOPALA DESIKAN
Chief Financial Officer

K.S. SRINIVASAN
Company Secretary

S. VENKATARAMAN
Partner
Membership No.: 023116

Statement of Profit and Loss for the year ended 31st March 2023

Rupees in crores

	Notes	Year ended 31-03-2023	Year ended 31-03-2022
I Revenue from operations	25	31,973.99	24,355.31
II Other income	26	138.00	32.87
III Total Income (I +II)		<u>32,111.99</u>	<u>24,388.18</u>
IV Expenses:			
Cost of material consumed	27	20,093.26	15,938.65
Purchase of stock in trade	27	890.95	579.04
Changes in inventories of finished goods, Stock-in -trade and work-in-progress	27	(140.93)	(260.40)
Employee benefits expense	28	2,890.25	2,124.62
Finance costs	29	1,367.89	940.22
Depreciation and amortisation expense	30	858.86	742.86
Other expenses	31	4,173.08	3,218.77
Total expenses		<u>30,133.36</u>	<u>23,283.76</u>
V Profit before exceptional items, share of net profit / (loss) from associates and tax (III - IV)		1,978.63	1,104.42
VI Share of net profit / (loss) from associates using equity method		(40.73)	2.49
VII Profit before exceptional items and tax (V + VI)		1,937.90	1,106.91
VIII Exceptional items		(1.87)	(40.12)
IX Profit before tax (VII + VIII)		1,936.03	1,066.79
X Tax expense	32		
i) Current tax		703.46	364.55
ii) Deferred tax		(76.89)	(28.64)
Total tax expenses (i + ii)		<u>626.57</u>	<u>335.91</u>
XI Profit for the year (IX - X)		1,309.46	730.88
XII (Profit) / Loss attributable to non-controlling Interest		19.21	25.94
XIII Profit for the year attributable to owners (XI + XII)		<u>1,328.67</u>	<u>756.82</u>
XIV Other comprehensive income			
A. Items that will not be reclassified to profit or loss:			
Remeasurements of post employment benefit obligations		(27.62)	(85.33)
Change in fair value of equity instruments		(13.49)	0.72
Share of other comprehensive income of an associate		(0.03)	(0.29)
Income tax relating to these items		10.38	18.53
B. Items that will be reclassified to profit or loss:			
Fair value changes on cash flow hedges		16.85	43.26
Foreign currency translation adjustments		78.17	36.87
Income tax relating to these items		(4.98)	(10.87)
Other comprehensive income for the year, net of tax (XIV)		59.28	2.89
XV Other comprehensive income attributable to non-controlling interest		23.29	14.66
XVI Other comprehensive income attributable to owners (XIV - XV)		<u>35.99</u>	<u>(11.77)</u>
XVII Total comprehensive income attributable to owners (XIII +XVI)		<u>1,364.66</u>	<u>745.05</u>
XVIII Earnings per equity share (Face value of Re.1/- each)			
Basic & Diluted earnings per share (in rupees)	41	27.97	15.93
Significant accounting policies	1		
See the accompanying notes to the financial statements			

PROF. SIR RALF DIETER SPETH Chairman
DIN: 03318908

SUDARSHAN VENU Managing Director
DIN: 03601690

K.N.RADHAKRISHNAN Director & Chief Executive Officer
DIN: 02599393

As per our report annexed For V. Sankar Aiyar & Co. Chartered Accountants Firm Regn. No.: 109208W

Place: Chennai
Date: 4th May 2023

K. GOPALA DESIKAN
Chief Financial Officer

K.S. SRINIVASAN
Company Secretary

S. VENKATARAMAN
Partner
Membership No.: 023116

Statement of changes in Equity

Rupees in crores

a Equity Share Capital

As at 01-04-2021	47.51
Changes in Equity Share capital due to prior period errors	-
Restated balance as at 01-04-2021	47.51
Changes in equity share capital during the year	-
As at 31-03-2022	47.51
Changes in Equity Share capital due to prior period errors	-
Restated balance as at 01-04-2022	47.51
Changes in equity share capital during the year	-
As at 31-03-2023	47.51

b Other Equity

Particulars	Reserves & Surplus				Other Reserves				Non Controlling interest	Total
	General reserve	Capital reserve	Statutory reserve	Retained earnings	Equity Instruments Fair Valued through Other Comprehensive Income	Foreign currency translation reserve	Hedging reserve			
Balance as at 31-03-2021	876.24	6.51	92.51	2,707.36	95.77	25.51	(24.80)	387.90	4,167.00	
Add: Profit for the year 2021-22	-	-	-	756.82	-	-	-	(25.94)	730.88	
Add: Other comprehensive income for the year 2021-22	-	-	-	(58.04)	(2.12)	26.82	(4.61)	8.71	(29.24)	
Add: Share of OCI from associates, net of tax	-	-	-	(0.26)	-	-	-	-	(0.26)	
Less: Reclassification to profit or loss, net of tax	-	-	-	-	-	-	(24.80)	-	(24.80)	
Less: Change in fair value of hedging instruments, net of tax	-	-	-	-	-	-	(7.59)	-	(7.59)	
Add: Transfer of realised gain	-	-	-	80.94	(80.94)	-	-	-	-	
Add: Transfer from Retained earnings to Statutory reserve	-	-	20.34	(20.34)	-	-	-	-	-	
Add: Arising out of business combination	-	-	-	-	-	-	-	54.40	54.40	
Transaction in capacity as owners	-	-	-	-	-	-	-	-	-	
Add: Transactions with non-controlling interest	-	-	3.81	(3.81)	-	-	-	228.49	228.49	
Less: Distribution to shareholders : 2021-22 Interim dividend declared	-	-	-	178.16	-	-	-	-	178.16	
Balance as at 31-03-2022	876.24	6.51	116.66	3,284.51	12.71	52.33	2.98	653.56	5,005.50	
Add: Profit for the year 2022-23	-	-	-	1,328.67	-	-	-	(19.21)	1,309.46	
Add: Other comprehensive income for the year 2022-23	-	-	-	(19.88)	(10.76)	55.70	-	24.20	49.26	
Add: Share of OCI of an associate, net of tax	-	-	-	(0.03)	-	-	-	-	(0.03)	
Less: Reclassification to profit or loss, net of tax	-	-	-	-	-	-	6.02	-	6.02	
Less: Reclassification to retained earnings, net of tax	-	-	-	(0.41)	-	-	0.41	-	-	
Less: Change in fair value of hedging instruments, net of tax	-	-	-	-	-	-	(16.98)	0.91	(16.07)	
Add: Transfer from retained earnings to statutory reserve	-	-	77.73	(77.73)	-	-	-	-	-	
Less: Non-controlling interests on sale of subsidiary	-	-	-	(65.48)	-	47.78	-	325.01	307.31	
Add: Non-controlling interests on acquisition of subsidiary	-	-	-	-	-	-	-	(1.33)	(1.33)	
Transaction in capacity of owners	-	-	-	-	-	-	-	-	-	
Add : Transactions with non-controlling interest	-	-	(10.80)	(28.47)	-	-	-	73.55	34.28	
Less : Distribution to shareholders : 2022-23 Interim dividend paid	-	-	-	237.54	-	-	-	-	237.54	
Balance as at 31-03-2023	876.24	6.51	183.59	4,315.42	1.95	60.25	13.53	404.85	5,862.34	

Nature and purpose of Reserves

- General reserve is available for distribution to shareholders.
- Capital reserve:
 - On shares forfeited (₹ 55,200) -
 - On surplus arising out of amalgamation 6.51
- Statutory Reserve has been created pursuant to Section 45 - IC of the RBI Act, 1934. Owners portion of Statutory Reserve created in subsidiary shown above after becoming subsidiary.
- Hedging Reserve - Refer Note No. 35(D)

PROF. SIR RALF DIETER SPETH
Chairman
DIN: 03318908

SUDARSHAN VENU
Managing Director
DIN: 03601690

K.N.RADHAKRISHNAN
Director &
Chief Executive Officer
DIN: 02599393

As per our report annexed
For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Regn. No.: 109208W

S. VENKATARAMAN

Partner

Membership No.: 023116

Place: Chennai
Date : 4th May 2023

K. GOPALA DESIKAN
Chief Financial Officer

K.S. SRINIVASAN
Company Secretary

Cash Flow Statement for the year ended 31st March 2023

Rupees in crores

	Year ended 31-03-2023	Year ended 31-03-2022
A. Cash flow from operating activities		
Net profit before tax	1,936.03	1,066.79
Add:		
Depreciation and amortisation for the year	858.86	742.86
(Profit) on sale of property, plant and equipment (Net)	(2.65)	(2.47)
(Gain) on fair valuation / sale of investments (Net)	(107.40)	(0.23)
(Gain) on lease preclosure	(0.01)	-
Unrealised exchange (gain) / loss	0.63	(5.65)
Net (profit)/ loss from associates using equity method	40.73	(2.49)
Dividend income	(0.02)	(3.81)
Interest income	(10.99)	(8.16)
Finance cost [excluding relatable to financial enterprise]	199.61	158.09
Provisions	15.74	(25.49)
	<u>994.50</u>	<u>852.65</u>
Operating profit before working capital changes	2,930.53	1,919.44
Adjustments for:		
Loans given by a financial enterprise (Net)	(6,530.88)	(2,859.50)
Trade receivables	(70.94)	(142.67)
Inventories	(313.99)	(274.93)
Other current assets	(358.83)	(377.95)
Other financial assets	(138.05)	(90.78)
Trade payables	517.35	365.66
Other financial liabilities	(11.55)	57.28
Other current liabilities	161.07	191.01
Other non - current assets	18.33	3.40
	<u>(6,727.49)</u>	<u>(3,128.48)</u>
Cash generated from operations	(3,796.96)	(1,209.04)
Direct taxes paid	(607.87)	(366.15)
Net cash from operating activities (A)	<u>(4,404.83)</u>	<u>(1,575.19)</u>
B. Cash flow from investing activities		
Purchase of property, plant and equipment, intangible assets, capital work-in-progress, intangibles under development, including capital advances	(1,340.77)	(969.83)
Proceeds from sale of property, plant and equipment	21.94	13.58
Purchase of investments	(265.58)	(146.80)
Purchase of Investments in associates	(87.17)	(75.00)
Sale / redemption of investments	-	87.44
Sale of subsidiary	317.01	-
Contribution from non-controlling Interest	68.80	228.00
Consideration paid towards business combination	(34.63)	(619.99)
Interest received	12.64	7.88
Dividends received	0.02	3.81
	<u>(1,307.74)</u>	<u>(1,470.91)</u>
Net cash used in investing activities (B)	<u>(1,307.74)</u>	<u>(1,470.91)</u>

Cash Flow Statement for the year ended 31st March 2023 – (continued)

Rupees in crores

	Year ended 31-03-2023		Year ended 31-03-2022	
C. Cash flow from financing activities				
Borrowings:				
Non-current borrowings availed	5,467.90		2,733.00	
Current borrowings availed	1,119.78		620.34	
Other bank balances	62.27		(7.24)	
Finance cost paid	(112.08)		(155.74)	
Lease liabilities paid	(127.98)		(81.94)	
Dividend paid	(291.81)		(190.40)	
		6,118.08		2,918.02
Net cash from financing activities (C)		6,118.08		2,918.02
Total (A+B+C)		405.51		(128.08)
Cash and cash equivalents at the beginning of the year		1,445.68		1,573.76
Cash and cash equivalents at the end of the year		1,851.19		1,445.68
D. Net increase / (decrease) in cash and cash equivalents		405.51		(128.08)

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

Change in liability arising from financing activities:

Particulars	As at 31-03-2022	Cash flow	Foreign exchange movement	Sale of Subsidiary	Amortisation	As at 31-03-2023
Non-current borrowings	11,607.69	5,467.90	(14.09)	(245.15)	0.51	16,816.86
Current borrowings (Excluding overdraft utilisation)	3,689.59	1,119.78	–	–	–	4,809.37

Non-cash financing and investing activities:

	2022-23	2021-22
Acquisition of right-of-use assets	328.48	301.45
Acquisition of investment	45.00	–

PROF. SIR RALF DIETER SPETH
Chairman
DIN: 03318908

SUDARSHAN VENU
Managing Director
DIN: 03601690

K.N.RADHAKRISHNAN
Director &
Chief Executive Officer
DIN: 02599393

As per our report annexed
For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Regn. No.: 109208W

Place : Chennai
Date : 4th May 2023

K. GOPALA DESIKAN
Chief Financial Officer

K.S. SRINIVASAN
Company Secretary

S. VENKATARAMAN
Partner
Membership No.: 023116

Notes to the Financial Statements

1 SIGNIFICANT ACCOUNTING POLICIES

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

a) Brief description of the Group

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

b) Basis of preparation

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

The financial statement has been prepared on the historical cost convention under accrual basis of accounting except for certain assets and liabilities (as per the accounting policy below), which have been measured at fair value. These financial statements for the year ended 31st March 2023 have been approved and authorised for issue by the Board of Directors at its meeting held on 4th May 2023.

Principles of Consolidation

Subsidiaries

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

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

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

Associates

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

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

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

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

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

Notes to the Financial Statements - (continued)

1 SIGNIFICANT ACCOUNTING POLICIES - (continued)

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

Sl. No	Name of the Company	Country of incorporation	Proportion of ownership (interest / voting power - %)		Reporting date
			2022-23	2021-22	
1	Subsidiary Companies:				
a.	Sundaram Auto Components Limited, Chennai	India	100	100	31-03-2023
b.	TVS Motor Company (Europe) B.V. Amsterdam	Netherlands	100	100	31-03-2023
c.	PT. TVS Motor Company Indonesia, Jakarta	Indonesia	51.20% direct holding, 31.71% by (d) and 17.09% by (b)	51.20% direct holding, 31.71% by (d) and 17.09% by (b)	31-03-2023
d.	TVS Motor (Singapore) Pte. Limited, Singapore	Singapore	100	100	31-03-2023
e.	TVS Housing Limited, Chennai	India	100	100	31-03-2023
f.	Sundaram Holding USA Inc., Delaware	USA	-	50.35% by (a)	31-03-2023
g.	Green Hills Land Holding LLC, South Carolina	USA	-	100% by (f)	31-03-2023
h.	Component Equipment Leasing LLC, South Carolina	USA	-	100% by (f)	31-03-2023
i.	Sundaram-Clayton USA LLC, South Carolina	USA	-	100% by (f)	31-03-2023
j.	Premier Land Holding LLC, South Carolina	USA	-	100% by (f)	31-03-2023
k.	TVS Motor Services Limited, Chennai	India	100	100	31-03-2023
l.	TVS Credit Services Limited, Chennai	India	85.63 % direct holding and 0.48% by (k)	83.70 % direct holding and 0.54% by (k)	31-03-2023
m.	Harita ARC Services Private Limited, Chennai	India	100% by (l)	100% by (l)	31-03-2023
n.	TVS Two Wheeler Mall Private Limited, Chennai	India	100% by (l)	100% by (l)	31-03-2023
o.	TVS Housing Finance Private Limited, Chennai	India	100% by (l)	100% by (l)	31-03-2023
p.	The Norton Motorcycle Co. Limited, London	United Kingdom	100% by (d)	100% by (d)	31-03-2023
q.	Intellicar Telematics Private Limited, Bengaluru	India	-	100	31-03-2023
r.	TVS Digital Pte Limited, Singapore	Singapore	100% by (d)	100% by (d)	31-03-2023
s.	The GO AG, Zurich	Switzerland	81.90% by (d)	80% by (d)	31-03-2023
t.	EGO Movement Stuttgart, GmbH	Germany	100% by (s)	100% by (s)	31-03-2023
u.	Intellicar (Singapore) Pte Limited, Singapore	Singapore	-	100% by (q)	31-03-2023
v.	TVS Electric Mobility Ltd, Chennai	India	100	100	31-03-2023
w.	Swiss E-Mobility Group (Holding) AG, Freienbach	Switzerland	75% by (d)	75% by (d)	31-03-2023
x.	Swiss E-Mobility Group (Schweiz) AG, Zurich	Switzerland	100% by (w)	100% by (w)	31-03-2023
y.	Colag E-Mobility GmbH, Germany, Nuremberg	Germany	100% by (w)	100% by (w)	31-03-2023
z.	Alexand'Ro Edouard'O Passion VéloSarl ("Passion Vélo"), Neuchatel, Switzerland	Switzerland	100% by (w)	-	31-03-2023
aa.	EBCO Limited, Warwickshire, England	United Kingdom	70% by (d)	-	31-03-2023
ab.	Celerity Motor GmbH, Germany	Germany	100% by (d)	-	31-03-2023
2	Associate Companies:				
ac.	Emerald Haven Realty Limited, Chennai	India	43.54	48.8	31-03-2023
ad.	Ultraviolette Automotive Private Limited, Bengaluru	India	28.66	31.33	31-03-2023
ae.	Tagbox Solutions Private Limited, Bengaluru	India	23.5	23.5	31-03-2023
af.	Tagbox Pte Ltd, Singapore	Singapore	24.32% by (r)	24.32% by (r)	31-03-2023
ag.	Predictronics Corp, USA	USA	23.49% by (r)	23.49% by (r)	31-03-2023
ah.	Scienaptic Systems Inc., USA	USA	21.03% by (r)	21.72% by (r)	31-03-2023
ai.	Altizon Inc, USA	USA	20.0% by (r)	20.0% by (r)	31-03-2023
aj.	Drive-X Mobility Private Limited, Coimbatore (Formerly known as NKars Mobility Millennium Solutions Private Limited)	India	48.27	-	31-03-2023

Notes to the Financial Statements - (continued)

1 SIGNIFICANT ACCOUNTING POLICIES - (continued)

c) Use of estimates

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

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

d) Significant Estimates and judgements

The areas involving critical estimates or judgments are:

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

e) Revenue recognition

Sale of automotive vehicles, parts and automotive components

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

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

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

Sale of services

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

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

Revenue from financing

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

Notes to the Financial Statements - (continued)

1 SIGNIFICANT ACCOUNTING POLICIES - (continued)

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

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

Significant judgements

There are no significant judgements made by the Group in determining the timing of satisfaction of performance obligation. It is determined as per the terms of the contract. In case of multiple performance obligations, the Group uses the adjusted market assessment approach to allocate the transaction price between multiple performance obligations. If a discount is granted, the same is adjusted against the transaction price of the contract.

f) Property, Plant and Equipment

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

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

g) Depreciation and amortization

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

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

Notes to the Financial Statements - (continued)

1 SIGNIFICANT ACCOUNTING POLICIES - (continued)

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

h) Investment properties

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

i) Intangible assets

Goodwill

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

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

Other intangible assets

Intangible assets acquired separately:

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

Internally-generated intangible assets - research and development expenditure:

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from development phase of internal project is recognised, if and only if, the conditions under the Ind AS 34 - Intangible Asset, are fulfilled. If the conditions are not fulfilled the same is recognised in profit and loss in the period in which it is incurred.

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

j) Loans (receivable from financing activity)

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

k) Impairment

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Notes to the Financial Statements - (continued)

1 SIGNIFICANT ACCOUNTING POLICIES - (continued)

l) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

(iii) Group companies

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

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

m) Hedge accounting

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

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

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

The fair values of various derivative financial instruments used for hedging purposes are disclosed in Note 33. Movements in the hedging reserve in shareholders' equity are shown in Note 34. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

The effective portion of changes in the fair value of derivatives that is designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative

Notes to the Financial Statements - (continued)

1 SIGNIFICANT ACCOUNTING POLICIES - (continued)

change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in statement of profit and loss.

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

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

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

n) Inventories

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

- i) Cost of raw materials, components, stores and spares are ascertained on a moving average basis.
- ii) Cost of finished goods and work-in-progress comprise of direct materials, direct labour and an appropriate proportion of variable and fixed overhead, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Materials and supplies held for use in production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost. Slow and non-moving material, obsolescence, defective inventories are duly provided for.
- iii) Land held for development / sale by the real estate subsidiary is valued at the lower of cost and net realisable value. Cost includes cost of acquisition and all related costs.

o) Employee benefits

i) Short term obligations:

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

ii) Other long term obligations:

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are, therefore, measured at the present value of the expected future payments to be made in respect of services provided by employee upto the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Notes to the Financial Statements - (continued)

1 SIGNIFICANT ACCOUNTING POLICIES - (continued)

iii) Post-employment obligation:

The Group operates the following post-employment schemes:

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

Pension and gratuity obligation:

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

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

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

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

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

Provident fund:

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

iv) Bonus plans:

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

p) Taxes on income

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

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

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not

Notes to the Financial Statements - (continued)

1 SIGNIFICANT ACCOUNTING POLICIES - (continued)

accounted for, if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit and loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

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

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

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

q) Government Grants

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

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

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

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

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

r) Provisions and contingent liabilities

i) Provision:

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

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

Notes to the Financial Statements - (continued)

1 SIGNIFICANT ACCOUNTING POLICIES - (continued)

ii) Contingent liabilities:

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

s) Segment reporting

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

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

t) Leases

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

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

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

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

To determine the incremental borrowing rate, the respective Company:

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

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

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

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

Notes to the Financial Statements - (continued)

1 SIGNIFICANT ACCOUNTING POLICIES - (continued)

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

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

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

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

u) Cash and Cash equivalents

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

v) Trade receivables

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

w) Contract liabilities

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

x) Investments and Other financial assets

i) Classification

The Group classifies its financial assets in the following categories:

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

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

ii) Measurement

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

Debt Instruments:

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

Notes to the Financial Statements - (continued)

1 SIGNIFICANT ACCOUNTING POLICIES - (continued)

• Amortised Cost:

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

• Fair value through other comprehensive income:

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

• Fair Value Through Profit or Loss:

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

Equity instruments:

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

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

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

iii) Impairment of financial assets

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

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

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

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

iv) De-recognition of financial assets

A financial asset is de-recognised only when:

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

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Notes to the Financial Statements - (continued)

1 SIGNIFICANT ACCOUNTING POLICIES - (continued)

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

v) Income recognition

Interest Income:

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

Dividends:

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

y) Borrowings

Borrowings are initially recognised at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption amount is recognised in profit and loss over the period of the borrowings, using the effective interest method. Fees paid on the established loan facilities are recognised as transaction cost of the loan, to the extent that it is probable that some or all the facility will be drawn down.

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

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

z) Borrowing costs

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

aa) Current and Non-current classification

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

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

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

All other assets are classified as non-current.

A liability is treated as current when:

- it is expected to be settled in the normal operating cycle
- it is held primarily for the purpose of trading
- it is due to be settled within twelve months after the reporting period, or

Notes to the Financial Statements - (continued)

1 SIGNIFICANT ACCOUNTING POLICIES - (continued)

- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

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

ab) Earnings Per Share (EPS):

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

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

ac) Recent pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

- Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the consolidated financial statements.
- Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.
- Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statement.

Notes to the Financial Statements - (continued)

2 PROPERTY, PLANT & EQUIPMENT AND OTHER INTANGIBLE ASSETS - 31st March 2023

Rupees in crores

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

a) Cost of buildings includes ₹ 35.11 Crores pertaining to buildings constructed on leasehold lands.

b) Land includes lease hold land of ₹ 0.51 Crores, whose ownership is transferrable at the end of the lease term.

c) Borrowing cost capitalised during the year - Nil.

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements - (continued)

2 PROPERTY, PLANT & EQUIPMENT AND OTHER INTANGIBLE ASSETS - 31st March 2022 Rupees in crores

Description	Property, Plant & Equipment								Other Intangible			
	Land	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Rights of Use Asset	Total	Software	Design Development	Trade mark	Total
Cost of assets												
Gross carrying value as at 01-04-2021	338.42	978.94	4,818.40	128.73	64.67	239.78	337.00	6,905.94	132.44	437.42	240.23	810.09
Acquired in business combination	-	1.22	12.96	1.18	0.92	0.51	61.80	78.59	30.22	2.99	252.70	285.91
Additions	51.90	374.06	780.81	23.46	23.91	48.56	301.45	1,604.15	49.22	143.20	0.54	192.96
Foreign exchange translation reserve adjustments	5.85	2.21	5.17	0.13	0.71	0.20	-	14.27	-	-	-	-
Sub-total	396.17	1,356.43	5,617.34	153.50	90.21	289.05	700.25	8,602.95	211.88	583.61	493.47	1,288.96
Sales / deletion	38.05	-	75.50	2.16	5.03	4.90	1.65	127.29	0.05	-	3.09	3.14
Total	358.12	1,356.43	5,541.84	151.34	85.18	284.15	698.60	8,475.66	211.83	583.61	490.38	1,285.82
Depreciation / Amortisation Upto 31-03-2021	-	294.97	2,860.81	80.65	37.24	171.42	94.25	3,539.34	116.47	165.18	-	281.65
For the year	-	46.81	414.51	14.56	24.10	28.32	99.85	628.15	30.28	72.29	12.14	114.71
Foreign exchange translation reserve adjustments	-	1.51	3.85	(0.04)	0.55	0.03	(1.85)	4.05	-	0.02	-	0.02
Sub-total	-	343.29	3,279.17	95.17	61.89	199.77	192.25	4,171.54	146.75	237.49	12.14	396.38
Withdrawn on assets sold / deleted	-	-	64.16	0.86	3.96	4.88	-	73.86	0.05	-	-	0.05
Total	-	343.29	3,215.01	94.31	57.93	194.89	192.25	4,097.68	146.70	237.49	12.14	396.33
Carrying value As at 31-03-2022	358.12	1,013.14	2,326.83	57.03	27.25	89.26	506.35	4,377.98	65.13	346.12	478.24	889.49

- a) Cost of buildings includes ₹ 32.85 Crores pertaining to buildings constructed on leasehold lands.
b) Land includes lease hold land of ₹ 0.51 Crores, whose ownership is transferrable at the end of the lease term.
c) Borrowing cost capitalised during the year - ₹ 2.44 Crores.

Capital work-in-progress (at cost) as at 31-03-2022

(a) Building	91.46
(b) Plant & equipment	227.36
(c) Pre-operative expenses	1.36
Total	<u>320.18</u>

(i) Ageing of Capital work-in-progress as at 31-03-2022:

Particulars	Amount in Capital work-in-progress for a period of				
	<1 Year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	210.47	29.98	18.92	60.81	320.18

Intangible assets under development (at cost) as at 31-03-2022.

(ii) Ageing of Intangible assets under development as at 31-03-2022:

Particulars	Amount in intangible assets under development for a period of				
	<1 Year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	198.52	28.22	3.24	1.37	231.35

Capital work-in-progress and Intangible under development:

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

Notes to the Financial Statements - (continued)

Rupees in crores

Particulars	As at	As at
	31-03-2023	31-03-2022
3 INVESTMENT PROPERTIES		
Gross carrying amount	137.70	137.70
Additions	-	-
Deletions	-	-
Closing gross carrying amount	(A) 137.70	137.70
Opening accumulated depreciation	-	-
Additions	-	-
Deletions	-	-
Closing accumulated depreciation	(B) -	-
Total investment properties	(A) - (B) 137.70	137.70

4 INVESTMENTS

A NON-CURRENT INVESTMENTS

Sl No.	Particulars	No. of shares / units		Face Value	Currency	Rupees in crores	
		As at 31-03-2023	As at 31-03-2022			As at 31-03-2023	As at 31-03-2022
(a)	Investment in Equity Instruments:						
	Fair valued through OCI:						
	Quoted :						
(i)	Ucal Fuel Systems Limited, Chennai	91,760	91,760	10.00	INR	1.00	1.03
	Unquoted :						
(ii)	Green Infra BTV Limited, New Delhi	32,50,000	32,50,000	10.00	INR	1.75	1.62
(iii)	TVS Lanka (Private) Limited, Colombo	50,00,000	50,00,000	10.00	LKR	4.38	5.75
(iv)	Green Infra Wind Power Projects Limited, New Delhi	1,11,600	1,11,600	10.00	INR	0.08	0.08
(v)	Green Infra Wind Energy Theni Limited, New Delhi	34,34,477	34,34,477	10.00	INR	1.86	1.72
(vi)	Green Infra Wind Power Generation Limited, New Delhi	2,16,000	2,16,000	10.00	INR	0.17	0.16
(vii)	Condivision Solutions Pvt. Limited, Bengaluru	6,760	6,760	10.00	INR	-	-
(viii)	Mulanur Renewable Energy Pvt. Limited, Chennai	15,000	15,000	10.00	INR	0.02	0.02
(ix)	PHI Research Pvt. Limited, Chennai	3,50,000	3,50,000	10.00	INR	3.36	3.36
(x)	Atria Wind Power Bijapur 1 Limited, Bengaluru	1,01,217	1,01,217	10.00	INR	2.00	2.00
(xi)	Atria Wind Power (Chitradurga) Private Limited, Bengaluru	80,948	80,948	100.00	INR	0.47	0.44
(xii)	Altizon Systems Private Limited, Pune	10	10	10.00	INR	0.01	0.01
(xiii)	Roppen Transportation Services Private Limited, Hyderabad	10	-	1.00	INR	0.05	-
(xiv)	Roppen Transportation Services Private Limited, Hyderabad \$	23,985	-	10.00	INR	113.93	-
(xv)	Green Infra Wind Energy Generation Limited, Gurugram	23,45,000	-	10.00	INR	2.35	-
(xvi)	ARC Ride Limited, UK	575	-	0.01	GBP	8.47	-
(xvii)	ION Mobility Pte Limited, Singapore	31,44,198	-	3.02	USD	76.58	-
	Total value of Equity Instruments (a)					216.48	16.19

Notes to the Financial Statements – (continued)

4 INVESTMENTS - (continued)

A NON-CURRENT INVESTMENTS - (continued)

Sl No.	Particulars	No. of shares / units		Face Value	Currency	Rupees in crores	
		As at 31-03-2023	As at 31-03-2022			As at 31-03-2023	As at 31-03-2022
(b)	Investments in Preference Shares:						
	Unquoted:						
	Fair valued through OCI :						
(i)	Mottu Holdings Ltd, USA	70,344	70,344	0.001	USD	16.33	14.79
(ii)	Pinnacle Engines Inc., USA (face value 0.01 cent)	24,09,638	24,09,638	0.0001	USD	-	-
(iii)	Axiom Research Labs Private Limited, Delhi	82	82	10.00	INR	-	-
	Total value of Preference shares (b)					16.33	14.79
(c)	Investment in Debt Instruments (unquoted):						
	Valued at Amortised Cost :						
(i)	Fabric IOT Private Limited, Bengaluru				INR	16.28	-
	Pension Funds / Government Securities:						
(ii)	ICICI Prudential Life Insurance Group Superannuation Fund, Mumbai				INR	6.39	6.28
(iii)	Life Insurance Corporation Pension Policy, Mumbai				INR	19.43	19.87
	Fair valued through Profit or Loss :						
(iv)	Fabric IOT Private Limited, Bengaluru				INR	45.00	-
(v)	DAT Bike, Singapore				USD	4.12	-
	Total value of Debt instruments (c)					91.22	26.15
(d)	Other non-current investments (Unquoted):						
	Fair valued through OCI:						
(i)	Autotech Fund I L.P., USA				USD	40.07	52.38
	Total value of other non-current investments (d)					40.07	52.38
	Total (a) + (b) + (c) + (d)					364.10	109.51
	Aggregate amount of quoted investments and market value thereof					1.00	1.03
	Aggregate amount of unquoted investments					363.10	108.48
	Total					364.10	109.51

All investments are fully paid up.

§ Preference shares in the nature of equity instruments

4 B CURRENT INVESTMENTS

Sl No.	Particulars	No. of shares / units		Face Value	Currency	Rupees in crores	
		As at 31-03-2023	As at 31-03-2022			As at 31-03-2023	As at 31-03-2022
(a)	Investment in Equity Instruments Fair valued through Profit or Loss:						
	Unquoted :						
(i)	TVS Supply Chain Solutions Limited, Chennai	1,06,62,200	1,06,62,200	1.00	INR	191.92	130.23
	Total					191.92	130.23
	Aggregate amount of unquoted investments					191.92	130.23
	Total					191.92	130.23

All investments are fully paid up.

Notes to the Financial Statements – (continued)

Rupees in crores

5 LOANS (RECEIVABLE FROM FINANCING ACTIVITY)

Particulars	As at 31-03-2023		As at 31-03-2022	
	Current	Non-current	Current	Non-current
Secured:				
Automobile financing				
Considered good	7,034.93	8,398.18	4,938.73	5,807.61
Considered doubtful	290.57	170.75	300.84	156.84
Less: Loss allowance				
Provision for expected credit loss (Refer Note 35)	(255.21)	(225.68)	(136.49)	(155.72)
Unsecured:				
Financing (Others)				
Considered good	2,955.17	2,024.62	1,986.58	916.26
Considered doubtful	57.67	40.57	26.74	31.57
Less: Loss allowance				
Provision for expected credit loss (Refer Note 35)	(124.70)	(88.52)	(43.99)	(41.55)
Unsecured				
Trade advance and term loan				
Considered good	268.54	1.50	224.79	1.44
Considered doubtful	14.15	-	12.98	-
Less: Loss allowance				
Provision for expected credit loss (Refer Note 35)	(15.96)	-	(10.93)	-
	10,225.16	10,321.42	7,299.25	6,716.45

6 OTHER FINANCIAL ASSETS - NON-CURRENT

	As at 31-03-2023	As at 31-03-2022
Deposits	62.47	12.92
Loans given to employees	3.09	1.88
Other bank balances (Bank deposit)	-	0.40
Claim receivable	37.13	44.88
Share application money pending allotment	1.34	-
Hedge asset	88.90	64.06
	192.93	124.14

Notes to the Financial Statements – (continued)

Rupees in crores

7 INVESTMENTS ACCOUNTED USING EQUITY METHOD

	As at 31-03-2023	As at 31-03-2022
Emerald Haven Realty Limited, Chennai [11,12,19,512 (last year - 11,12,19,512) Equity shares]	89.63	118.78
Ultraviolette Automotive Private Limited, Bengaluru [14,850 (last year - 14,850) Equity shares]	7.29	8.98
Ultraviolette Automotive Private Limited, Bengaluru [12,316 (last year - 12,316) Preference shares]	110.00	110.00
Predictronics Corp, USA [24,827 (last year - 24,827) Equity shares]	18.89	20.04
Tagbox Solutions Private Limited, Bengaluru [45,710 (last year - 45,710) Equity shares]	0.42	1.37
Tagbox Solutions Private Limited, Bengaluru [3,83,983 (last year - 3,83,983) Preference shares]	9.99	9.99
Tagbox Pte Limited, Singapore 2,43,243 (last year - 2,43,243) Preference shares]	14.22	14.41
Scienaptic Systems Inc., USA [28,05,357 (last year - 28,05,357) Equity shares]	53.83	57.43
Altizon Inc., USA [8,06,429 (last year - 8,06,429) Equity shares]	23.35	23.82
DriveX Mobility Private Limited, Coimbatore (Formerly known as Nkars Mobility Millennial Solutions Private Limited) [9,766 (last year - Nil) Equity shares]	83.61	–
	<u>411.23</u>	<u>364.82</u>

8 DEFERRED TAX ASSETS

The balance comprises temporary differences attributable to:

Particulars	As at 31-03-2023	As at 31-03-2022
Deferred tax asset consists of tax impact on:		
- Depreciation	4.84	5.24
- Employee benefit expenses	16.71	11.36
- Expected credit losses provision	180.02	101.12
- Investment property	14.72	14.72
- Carried forward loss	75.35	64.76
- Others	32.45	23.28
Total deferred tax assets (A)	<u>324.09</u>	<u>220.48</u>
Deferred tax liability on other item (B)	<u>18.36</u>	<u>2.60</u>
Net deferred tax asset (A)-(B)	<u>305.73</u>	<u>217.88</u>

Notes to the Financial Statements – (continued)

Rupees in crores

8 DEFERRED TAX ASSETS - (continued)

Movement in deferred tax:

Particulars	Depreciation	Others	Total
As at 31-03-2021			
Charged / (credited):			127.62
- to profit or loss	0.17	49.24	49.41
- to subsidiary incumbent deferred tax asset	–	50.51	50.51
- to foreign currency translation	–	0.22	0.22
- to other comprehensive income	–	(9.88)	(9.88)
As at 31-03-2022			<u>217.88</u>
Charged / (credited):			
- to profit or loss	0.40	85.15	85.55
- on sale of subsidiary	–	(0.98)	(0.98)
- to foreign currency translation	–	5.73	5.73
- to other comprehensive income	–	(2.45)	(2.45)
As at 31-03-2023			<u>305.73</u>

	As at 31-03-2023	As at 31-03-2022
9 OTHER NON-CURRENT ASSETS		
Capital advances	71.56	74.46
Advances other than capital advances:		
- Prepaid expenses	3.70	3.36
- Deposits made	34.34	50.66
- Employee benefit assets	1.59	1.98
	<u>111.19</u>	<u>130.46</u>
10 INVENTORIES		
Raw materials and components	925.40	874.87
Goods-in-transit : Raw materials and components	107.85	27.37
Work-in-progress	62.48	65.17
Finished goods	295.35	345.32
Stock-in-trade	470.37	276.78
Stores and spares	60.06	52.85
	<u>1,921.51</u>	<u>1,642.36</u>

The cost of inventories recognised as an expense during the year is disclosed in Note no. 27 and it includes write down of inventories to net realisable value recorded as expense and reversal of provision for write down recorded as (gain). [current year - ₹ 0.84 crores / previous year - ₹ (1.46) crores].

Refer Note no.1(n) for mode of valuation.

Notes to the Financial Statements – (continued)

Rupees in crores

	As at 31-03-2023	As at 31-03-2022
11 TRADE RECEIVABLES		
Secured, considered good	11.53	10.34
Unsecured, considered good *	1,270.16	1,219.59
	1,281.69	1,229.93
Less: Loss allowance	49.49	52.63
	1,232.20	1,177.30

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

Ageing for trade receivable as on 31-03-2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	94.39	687.48	384.06	51.24	16.29	23.81	1,257.27
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	3.32	-	7.03	-	10.35
(iii) Undisputed Trade Receivables - credit impaired	-	-	0.17	0.15	0.05	-	0.37
(iv) Disputed Trade Receivables-considered good	-	0.06	-	-	1.31	11.67	13.04
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	0.11	-	-	-	0.11
	94.39	687.54	387.66	51.39	24.68	35.48	1,281.14
Add: Unbilled							0.55
Gross Trade Receivables							1,281.69

Notes to the Financial Statements – (continued)

Rupees in crores

11 TRADE RECEIVABLES - (continued)

Ageing for trade receivable as on 31-03-2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	185.10	890.11	83.55	15.01	4.98	18.89	1,197.64
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	1.23	3.36	7.03	-	11.62
(iii) Undisputed Trade Receivables - credit impaired	-	-	0.15	0.18	0.04	-	0.37
(iv) Disputed Trade Receivables-considered good	-	0.08	0.03	1.43	6.03	6.47	14.04
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	-
	185.10	890.19	84.96	19.98	18.08	25.36	1,223.67
Add: Unbilled							6.26
Gross Trade Receivables							1,229.93

	As at 31-03-2023	As at 31-03-2022
12 CASH AND CASH EQUIVALENTS		
Balances with banks	1,846.52	1,442.86
Cash on hand	4.67	2.44
Cheque on hand	-	0.38
	1,851.19	1,445.68
Cash and cash equivalents for the purpose of cash flow statement	1,851.19	1,445.68
13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Earmarked balances with banks	7.51	72.54
Fixed deposits (maturing between 3 to 12 months)	20.41	17.39
	27.92	89.93
14 OTHER FINANCIAL ASSETS - (CURRENT)		
Unsecured, considered good :		
- Employee advances	15.50	12.79
- Other bank balances (Bank deposit)	0.14	-
- Security deposits	11.05	6.96
- Claims receivable	27.65	29.69
- Loans and advances	16.44	-
- Interest accrued on Fixed deposit	-	2.60
- Receivable towards sale of fixed assets	65.55	62.98
- Hedge asset	87.88	16.60
	224.21	131.62

Notes to the Financial Statements – (continued)

Rupees in crores

	As at 31-03-2023	As at 31-03-2022
15 OTHER CURRENT ASSETS		
Balances with tax authorities	504.61	570.51
Prepaid expense	104.05	74.03
Vendor advance*	214.57	165.82
Trade deposits	22.86	3.55
Incentive receivable from Government ^	472.11	128.91
Employee benefit assets	8.24	0.83
Others	4.95	26.19
	<u>1,331.39</u>	<u>969.84</u>
Less: loss allowance	2.83	–
	<u>1,328.56</u>	<u>969.84</u>

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

^ Balance includes E V subsidy receivable of ₹ 448.40 crores (previous year ₹ 30.11 crores).

16 EQUITY SHARE CAPITAL

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

Particulars	As at 31-03-2023		As at 31-03-2022	
	Number	Rupees in crores	Number	Rupees in crores
Authorised:				
Equity shares of ₹ 1/- each	50,00,00,000	50.00	50,00,00,000	50.00
Issued, subscribed and fully paid up:				
Equity shares of ₹ 1/- each	47,50,87,114	47.51	47,50,87,114	47.51
	47,50,87,114	47.51	47,50,87,114	47.51

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

Particulars	As at 31-03-2023		As at 31-03-2022	
	Number	Rupees in crores	Number	Rupees in crores
Shares outstanding at the beginning of the year	47,50,87,114	47.51	47,50,87,114	47.51
Shares issued during the year	–	–	–	–
Shares outstanding at the end of the year	47,50,87,114	47.51	47,50,87,114	47.51

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

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

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

Notes to the Financial Statements – (continued)

Rupees in crores

16 EQUITY SHARE CAPITAL - (continued)

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

Name of shareholder	Class of share	As at 31-03-2023		As at 31-03-2022	
		Number of shares held	% of holding	Number of shares held	% of holding
Sundaram-Clayton Limited, Chennai (Holding Company)	Equity	23,87,82,786	50.26	23,87,82,786	50.26

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

Name of shareholder	Class of share	As at 31-03-2023		As at 31-03-2022	
		Number of shares held	% of holding	Number of shares held	% of holding
ICICI Prudential Mutual Fund	Equity	4,44,08,126	9.35	4,67,41,798	9.84
Life Insurance Corporation Of India	Equity	1,39,56,650	2.94	3,01,12,473	6.34

(f) Shares held by Promoters at the end of the year 31-03-2023

Promoter name	Class of share	As at 31-03-2023		As at 31-03-2022		% Change during the year
		Number of shares held	% of holding	Number of shares held	% of holding	
Sundaram-Clayton Limited	Equity	23,87,82,786	50.26	23,87,82,786	50.26	-

Shares held by Promoters at the end of the year 31-03-2022

Promoter name	Class of share	As at 31-03-2022		As at 31-03-2021		% Change during the year
		Number of shares held	% of holding	Number of shares held	% of holding	
Sundaram-Clayton Limited	Equity	23,87,82,786	50.26	27,26,82,786	57.40	(7.14)

17 OTHER EQUITY

Particulars	As at 31-03-2023	As at 31-03-2022
General reserve	876.24	876.24
Capital reserve	6.51	6.51
Statutory reserve	183.59	116.66
Retained earnings	4,315.42	3,284.51
Other Reserves	75.73	68.02
	<u>5,457.49</u>	<u>4,351.94</u>

Notes to the Financial Statements – (continued)

Rupees in crores

18 NON CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS

Nature	Lenders	As at 31-03-2023	As at 31-03-2022	Status as at 31-03-2023			
				Interest rate	Frequency	No. of instal- ments due	Maturity
Secured Borrowings:							
ECB Loan 1	Bank	410.43	378.07	6.9%	Bullet	1	Jul-2023
ECB Loan 2	Bank	385.94	356.04	7.0%	Bullet	1	Oct-2023
ECB Loan 3	Bank	818.90	753.93	6.9%	Bullet	1	Dec-2024
ECB Loan 4	Bank	-	189.38	-	-	-	-
ECB Loan 5	Bank	-	189.38	-	-	-	-
ECB Loan 6	Bank	-	151.51	-	-	-	-
ECB Loan 7	Bank	-	151.51	-	-	-	-
ECB Loan 8	Bank	-	21.56	-	-	-	-
ECB Loan 9	Bank	-	227.17	-	-	-	-
Term Loan 1	Bank	4.58	22.92	1 Year MCLR plus Margin	Quarterly	1	Jun-2023
Term Loan 2	Bank	1.25	5.00	1 Year MCLR plus Margin	Quarterly	1	Jun-2023
Term Loan 3	Bank	9.38	13.13	1 Year MCLR plus Margin	Quarterly	10	Sep-2026
Term Loan 4	Bank	41.92	-	8.5%	Quarterly	12	Nov-2027
Term Loan 5	Bank	197.20	-	SOFR + Margin	Quarterly	12	Dec-2027
Term Loan 6	Bank	74.99	174.98	8.4%	Quarterly	3	Nov-2023
Term Loan 7	Bank	149.98	299.96	7.9%	Quarterly	4	Mar-2024
Term Loan 8	Bank	416.63	-	7.7%	Quarterly	10	Aug-2025
Term Loan 9	Bank	249.86	-	7.6%	Quarterly	8	Mar-2025
Term Loan 10	Bank	250.00	-	7.6%	Quarterly	8	Apr-2025
Term Loan 11	Bank	187.47	249.96	6.3%	Quarterly	6	Sep-2024
Term Loan 12	Bank	250.00	250.00	6.3%	Quarterly	8	Feb-2025
Term Loan 13	Bank	-	83.32	-	-	-	-
Term Loan 14	Bank	149.91	249.95	7.9%	Quarterly	6	Sep-2024
Term Loan 15	Bank	-	22.50	-	-	-	-
Term Loan 16	Bank	-	79.98	-	-	-	-
Term Loan 17	Bank	-	50.00	-	-	-	-
Term Loan 18	Bank	-	41.66	-	-	-	-
Term Loan 19	Bank	-	33.33	-	-	-	-
Term Loan 20	Bank	-	166.67	-	-	-	-
Term Loan 21	Bank	41.67	141.67	8.4%	Monthly	5	Aug-2023
Term Loan 22	Bank	50.00	116.67	8.6%	Monthly	9	Dec-2023
Term Loan 23	Bank	208.31	374.96	7.8%	Monthly	15	Jun-2024
Term Loan 24	Bank	250.00	416.67	7.5%	Monthly	18	Sep-2024
Term Loan 25	Bank	145.80	229.17	8.4%	Monthly	21	Dec-2024
Term Loan 26	Bank	337.77	499.89	5.6%	Monthly	25	Apr-2025
Term Loan 27	Bank	-	249.78	-	-	-	-

Notes to the Financial Statements – (continued)

Rupees in crores

18 NON CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS - (continued)

Nature	Lenders	As at 31-03-2023	As at 31-03-2022	Status as at 31-03-2023			
				Interest rate	Frequency	No. of instal- ments due	Maturity
Term Loan 28	Bank	567.53	-	6.4%	Monthly	28	Jul-2025
Term Loan 29	Bank	457.58	-	7.3%	Quarterly	12	Feb-2026
Term Loan 30	Bank	91.74	-	7.6%	Monthly	34	Feb-2026
Term Loan 31	Bank	60.00	-	7.8%	Quarterly	12	Mar-2026
Term Loan 32	Bank	87.57	-	7.8%	Monthly	36	Mar-2026
Term Loan 33	Bank	374.18	-	7.3%	Quarterly	12	Apr-2026
Term Loan 34	Bank	499.82	-	7.5%	Quarterly	12	Feb-2026
Term Loan 35	Bank	50.00	100.00	8.8%	Half yearly	2	Feb-2024
Term Loan 36	Bank	150.00	150.00	8.8%	Bullet	1	Oct-2024
Term Loan 37	Bank	166.53	249.77	8.0%	Quarterly	8	Mar-2025
Term Loan 38	Bank	249.84	-	7.8%	Quarterly	10	Oct-2025
Term Loan 39	Bank	-	99.93	-	-	-	-
Term Loan 40	Bank	24.99	124.94	7.3%	Quarterly	1	May-2023
Term Loan 41	Bank	-	39.99	-	-	-	-
Term Loan 42	Bank	99.98	199.96	8.8%	Quarterly	4	Mar-2024
Term Loan 43	Bank	33.32	66.63	8.5%	Monthly	12	Mar-2024
Term Loan 44	Bank	120.00	200.00	8.5%	Quarterly	6	Jul-2024
Term Loan 45	Bank	120.00	200.00	8.5%	Quarterly	6	Aug-2024
Term Loan 46	Bank	-	59.99	-	-	-	-
Term Loan 47	Bank	200.00	200.00	7.0%	Bullet	1	Oct-2024
Term Loan 48	Bank	-	199.94	-	-	-	-
Term Loan 49	Bank	499.92	-	7.0%	Quarterly	10	Jul-2025
Term Loan 50	Bank	698.56	-	7.6%	Quarterly	10	Oct-2025
Term Loan 51	Bank	180.00	-	7.0%	Quarterly	9	Apr-2025
Term Loan 52	Bank	300.00	-	7.3%	Half Yearly	4	May-2025
Term Loan 53	Bank	199.97	-	8.0%	Bullet	1	May-2024
Term Loan 54	Bank	499.91	-	7.7%	Quarterly	10	Sep-2025
Term Loan 55	Bank	100.00	-	7.8%	Quarterly	10	Sep-2025
Term Loan 56	Bank	399.91	-	7.8%	Quarterly	10	Oct-2025
Term Loan 57	Bank	249.95	-	7.5%	Bullet	1	Sep-2025
Term Loan 58	Bank	199.91	-	8.0%	Quarterly	10	Sep-2025
Term Loan 59	Bank	300.00	-	8.0%	Quarterly	10	Oct-2025
Term Loan 60	Bank	499.90	-	8.1%	Quarterly	10	Dec-2025
Term Loan 61	Bank	-	199.98	-	-	-	-
Term Loan 62	Bank	-	97.50	-	-	-	-
Term Loan 63	Bank	-	0.08	-	-	-	-
Term Loan 64	Bank	-	220.84	-	-	-	-
Term Loan 65	Others	200.00	-	7.6%	Quarterly	5	Apr-2024
Term Loan 66	Others	-	4.93	-	-	-	-

Notes to the Financial Statements - (continued)

Rupees in crores

18 NON CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS - (continued)

Nature	Lenders	As at 31-03-2023	As at 31-03-2022	Status as at 31-03-2023			
				Interest rate	Frequency	No. of instal- ments due	Maturity
Soft Loan	State owned corporation - I	3.08	2.84	0.1%	Bullet	1	Apr-2029
Soft Loan	State owned corporation -II	84.68	84.31	0.1%	Yearly	3	Apr-2030
Debentures	8.30% Secured Non Convertible Debenture	425.00	-	8.3%	Bullet	1	Oct-2024
Debentures	8.15% Secured Non Convertible Debenture	800.00	-	8.2%	Bullet	1	Sep-2025
Debentures	8.35% Secured Non Convertible Debenture	-	300.00	-	-	-	-
Debentures	8.35% Secured Non Convertible Debenture	-	25.00	-	-	-	-
Debentures	7.4% Secured Non Convertible Debenture	-	99.99	-	-	-	-
Unsecured Borrowings:							
Debentures	Non Convertible Debenture - I	499.93	499.03	7.5%	Bullet	1	May-2023
Debentures	Non Convertible Debentures - II	124.81	-	Repo Rate plus Margin	Bullet	1	Mar-2026
ECB Loan	Bank	27.39	75.79	3 Month USD LIBOR plus Margin	Half Yearly	1	Sep-2023
Term Loan	Bank	479.93	489.90	6.3%	Quarterly	16	May-2027
Term Loan	Bank	-	3.28	-	-	-	-
Term Loan	Bank	17.02	15.58	2.4%	Yearly	6	Dec-2029
Term Loan	Bank	-	2.67	-	-	-	-
Term Loan	Bank	3.13	-	SONIA + Margin	Bullet	1	Apr-2024
Term Loan	Others	16.12	16.41	0.5%	Annual	9	Nov-2031
Sub Debt	Bank	50.00	49.99	9.7%	Bullet	1	May-2023
Sub Debt	Bank	50.00	50.00	8.9%	Bullet	1	Jul-2023
Sub Debt	Bank	-	25.00	-	-	-	-
Sub Debt	Bank	-	24.99	-	-	-	-
Sub Debt	Others	99.60	99.30	10.9%	Bullet	1	Aug-2024
Sub Debt	Others	64.20	112.91	9.4%	Bullet	1	Jun-2026
Sub Debt	Others	34.60	34.34	9.4%	Bullet	1	Jun-2026
Sub Debt	Others	19.76	-	9.4%	Bullet	1	Jun-2026
Sub Debt	Others	49.39	-	9.4%	Bullet	1	Jun-2026
Sub Debt	Others	99.00	99.00	8.9%	Bullet	1	Jun-2027

Notes to the Financial Statements - (continued)

Rupees in crores

18 NON CURRENT LIABILITIES - FINANCIAL LIABILITIES - BORROWINGS - (continued)

Nature	Lenders	As at 31-03-2023	As at 31-03-2022	Status as at 31-03-2023			
				Interest rate	Frequency	No. of instal- ments due	Maturity
Sub Debt	Others	35.00	35.00	8.9%	Bullet	1	Jun-2027
Sub Debt	Others	35.00	35.00	8.9%	Bullet	1	Jun-2027
Sub Debt	Others	30.00	30.00	8.9%	Bullet	1	Jun-2027
Sub Debt	Others	200.00	200.00	8.9%	Bullet	1	Jun-2027
Sub Debt	Others	50.00	50.00	8.9%	Bullet	1	Jun-2027
Sub Debt	Others	-	50.00	-	-	-	-
Sub Debt	Others	128.40	147.93	9.4%	Bullet	1	Aug-2026
Sub Debt	Others	-	50.00	-	-	-	-
Sub Debt	Others	100.00	100.00	10.0%	Bullet	1	Jul-2026
Sub Debt	Others	95.00	-	9.5%	Bullet	1	Jan-2028
Sub Debt	Others	80.00	-	9.5%	Bullet	1	Jan-2028
Sub Debt	Others	115.00	-	9.5%	Bullet	1	Jan-2028
Sub Debt	Others	110.00	-	9.5%	Bullet	1	Jan-2028
Sub Debt	Others	50.00	-	9.4%	Bullet	1	Aug-2028
Sub Debt	Others	50.00	-	9.4%	Bullet	1	Aug-2028
Sub Debt	Others	50.00	-	9.4%	Bullet	1	Aug-2028
Sub Debt	Others	50.00	-	9.4%	Bullet	1	Aug-2028
Perpetual Debt	Others	99.88	99.86	11.5%	Bullet	1	Nov-2027
Term loan	Bank	199.20	-	8.3%	Quarterly	8	Mar-2026
Sales Tax Deferral	Others	78.64	94.37	Nil	Annual	5	2027-28
Total non current borrowings		16,816.86	11,607.69				
Less: Current Maturities of non current borrowings		7,752.78	4,301.92				
Total non current financial liabilities (borrowings)		9,064.08	7,305.77				

Details of securities created:

- ECB Loan 1-3 hypothecation of receivables under the financing activity of the Company.
- Term loan 1-4 received from bank of ₹ 57.13 crores (Previous year ₹ 41.05 crores) - charge created on land and building and paripasu charge on plant and machinery.
- Term Loan 5 received from bank of ₹ 197.20 Crores (in USD) is to be secured by a charge over the subsidiary's plant and machinery. At 31st March 2023, the subsidiary is in the process of creating this charge against the security
- Term Loan 6-60 and 65 received from Banks and Other Parties of ₹ 10443.50 crores (Previous Year: ₹ 5,924.68 Crores) is secured against hypothecation of receivables under the financing activity of the Group.
- Loan from State owned corporation - I viz., SIPCOT - First charge on the specific plant and equipment.
- Loan from State owned corporation - II viz., SIPCOT - First charge on the specific plant and equipment and also secured by equitable mortgage created by way of deposit of title deeds of land.
- Debentures of ₹ 1,225.00 crores (Previous Year: ₹ 424.99 crores) secured against hypothecation of receivables under the financing activity of the group.

Rupees in crores

19 PROVISIONS

Particulars	As at 31-03-2023		As at 31-03-2022	
	Current	Non-current	Current	Non-current
Provision for employee benefits:				
(a) Pension	49.47	118.52	56.52	113.87
(b) Leave salary	24.94	96.30	16.38	69.31
(c) Gratuity	–	2.66	3.53	2.73
Others:				
(a) Warranty	41.33	13.78	30.99	10.33
	115.74	231.26	107.42	196.24

20 DEFERRED TAX LIABILITIES (NET)

Particulars	As at 31-03-2023	As at 31-03-2022
The balance comprises temporary differences attributable to:		
Deferred tax liabilities consists of tax impact on:		
- depreciation	316.51	319.59
- others	33.81	26.64
Total deferred tax liability (A)	350.32	346.23
Deferred tax asset consists of tax impact on :		
- Employee benefit expenses	48.35	51.21
- Warranty provision	15.59	12.12
- Others	78.01	75.34
Total deferred tax assets (B)	141.95	138.67
Net deferred tax liability (A) - (B)	208.37	207.56

Movement in deferred tax:

Particulars	Depreciation	Others	Total
As at 31-03-2021			204.33
Charged / (credited):			
- to profit or loss	37.52	(16.75)	20.77
- to other comprehensive income	–	(17.54)	(17.54)
As at 31-03-2022			207.56
Charged / (credited):			
- to profit or loss	(3.08)	11.74	8.66
- to other comprehensive income	–	(7.85)	(7.85)
As at 31-03-2023			208.37

Rupees in crores

	As at 31-03-2023	As at 31-03-2022
21 FINANCIAL LIABILITIES - BORROWINGS (CURRENT)		
Borrowings repayable on demand from banks		
Secured	2,450.43	1,485.07
Unsecured	738.60	265.83
Short term loans:		
From banks :		
Secured	–	150.00
Unsecured	238.30	–
From others (unsecured)	1,382.04	1,788.69
Current Maturities of long term borrowings	7,752.78	4,301.92
	<u>12,562.15</u>	<u>7,991.51</u>

Interest rate for borrowings repayable on demand and short term loans from banks / other 3.2% to 10.52% p.a.

Secured short term borrowings from banks are related to subsidiaries and details of securities created are as follows:

- A loan of ₹ 31.78 crores in USD obtained from a bank, secured by a letter of credit issued by a bank in India.
- A loan of ₹ 8.25 crores in USD and ₹ 8.21 crores in IDR obtained from a bank, partly secured (80%) by a credit guarantee issued by the EXIM bank of Indonesia.
- Working capital loan and cash credit of ₹ 2,195.16 crores obtained are secured by hypothecation of receivables under the financing activity of the Subsidiary.
- Cash credit and working capital loan of ₹ 207.03 crores obtained are secured by hypothecation of receivables and inventories of the Subsidiary, both present and future.

22 TRADE PAYABLES

Dues to Micro and Small Enterprises **	75.83	69.78
Dues to enterprises other than Micro and Small Enterprises #	5,020.84	4,593.35
	<u>5,096.67</u>	<u>4,663.13</u>

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

Includes balances due to related parties [Refer Note 39(c)(ii)].

Ageing for trade payable as on 31-03-2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	<1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	75.83	–	–	–	–	75.83
(ii) Others	952.43	3,401.69	18.89	9.27	24.01	4,406.29
(iii) Disputed dues - MSME	–	–	–	–	–	–
(iv) Disputed dues - Others	–	–	–	–	–	–
Total	1,028.26	3,401.69	18.89	9.27	24.01	4,482.12
Accrued Expenses						614.55
Total						<u>5,096.67</u>

Notes to the Financial Statements – (continued)

Rupees in crores

22 TRADE PAYABLES - (continued)

Ageing for trade payable as on 31-03-2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	<1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	69.78	-	-	-	-	69.78
(ii) Others	2,511.14	1,343.81	2.94	10.30	20.90	3,889.09
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	2,580.92	1,343.81	2.94	10.30	20.90	3,958.87
Accrued Expenses						704.26
Total						4,663.13

	As at 31-03-2023	As at 31-03-2022
23 OTHER FINANCIAL LIABILITIES		
Interest accrued but not due on loans	196.07	108.78
Interest accrued and due on loans *	0.72	0.48
Trade deposits received	98.57	120.09
Unclaimed dividends (Not due for transfer to Investor Education and Protection Fund)	3.88	3.79
Dividend declared but not paid	-	54.27
Payables against capital goods	47.06	36.26
Hedge liability	5.94	-
Others	3.36	2.04
	<u>355.60</u>	<u>325.71</u>
* Subsidiary has made funds available with the banks and the same has been appropriated subsequently		
24 OTHER CURRENT LIABILITIES		
Statutory dues	191.01	187.91
Employee related	310.71	213.17
Advance received from customers	338.00	277.57
Deferred income	46.93	13.00
	<u>886.65</u>	<u>691.65</u>

Notes to the Financial Statements – (continued)

Rupees in crores

	Year ended 31-03-2023	Year ended 31-03-2022
25 REVENUE FROM OPERATIONS		
Sale of products	27,354.05	21,182.12
Sale of services	79.63	138.67
Interest income of financial enterprise	3,755.51	2,446.59
Other operating revenue#	784.80	587.93
	<u>31,973.99</u>	<u>24,355.31</u>
# Includes Government Grants of ₹ 234.10 crores (Last year ₹ 280.56 crores)		
26 OTHER INCOME		
Dividend income - from investments designated as Fair Valued through OCI	0.02	3.81
Interest income	10.99	8.16
Profit on sale of subsidiary (Net)	45.56	-
Gain on fair valuation / profit on sale of investments (Net)	61.84	0.23
Profit on sale of fixed assets (Net)	2.65	2.47
Other non-operating income	16.94	18.20
	<u>138.00</u>	<u>32.87</u>
27 MATERIAL COST		
Cost of materials consumed :		
Opening stock of raw materials and components	874.87	748.68
Add: Purchases	20,143.79	16,064.84
	<u>21,018.66</u>	<u>16,813.52</u>
Less: Closing stock of raw materials and components	925.40	874.87
	<u>20,093.26</u>	<u>15,938.65</u>
Purchases of stock-in-trade	890.95	579.04
Changes in inventories of finished goods, work-in-progress and Stock-in-trade:		
Opening stock:		
Work-in-progress	65.17	40.76
Stock-in-trade	345.32	300.62
Finished goods	276.78	85.49
	<u>687.27</u>	<u>426.87</u>
(A)		
Closing stock:		
Work-in-progress	62.48	65.17
Stock-in-trade	295.35	345.32
Finished goods	470.37	276.78
	<u>828.20</u>	<u>687.27</u>
(B)		
(A)-(B)	<u>(140.93)</u>	<u>(260.40)</u>

Notes to the Financial Statements – (continued)

Rupees in crores

	Year ended 31-03-2023	Year ended 31-03-2022
28 EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus	2,516.73	1,839.69
Contribution to provident and other funds	177.53	136.59
Staff welfare expenses	195.99	148.34
	<u>2,890.25</u>	<u>2,124.62</u>
29 FINANCE COSTS		
Interest	1,311.74	848.81
Other borrowing cost	11.80	57.67
Interest on lease liabilities	44.11	34.00
Exchange differences	0.24	(0.26)
	<u>1,367.89</u>	<u>940.22</u>
30 DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation on property, plant and equipment	520.52	528.30
Amortisation on right of use asset	137.77	99.85
Amortisation on intangible assets	200.57	114.71
	<u>858.86</u>	<u>742.86</u>
31 OTHER EXPENSES		
(a) Consumption of stores, spares and tools	59.40	59.70
(b) Power and fuel	133.47	126.81
(c) Repairs - buildings	26.66	17.97
(d) Repairs - plant and equipment	123.44	83.04
(e) Insurance	39.58	36.10
(f) Rates and taxes (excluding taxes on income)	17.68	22.41
(g) Audit fees	2.71	2.91
(h) Cost audit fees	0.08	0.06
(i) Packing and freight charges	550.20	537.78
(j) Advertisement and publicity	384.75	327.48
(k) Other marketing expenses	358.75	211.56
(l) Foreign exchange loss (Net)	–	1.75
(m) Loss allowance for expected credit losses relating to loans	629.14	554.14
(n) Corporate social responsibility expenditure	19.00	17.11
(o) Contributions to electoral trust/Bonds	5.00	5.00
(p) Miscellaneous expenses (under this head there is no expenditure which is in excess of 1% of revenue from operations or ₹10 lakh, whichever is higher)	1,823.22	1,214.95
	<u>4,173.08</u>	<u>3,218.77</u>

Notes to the Financial Statements – (continued)

Rupees in crores

	Year ended 31-03-2023	Year ended 31-03-2022
32 TAX EXPENSE AND RECONCILIATION		
(a) Tax expense		
Current tax:		
Current tax on profits for the year	704.65	364.55
Adjustment for prior periods	(1.19)	–
	<u>703.46</u>	<u>364.55</u>
	(A)	
Deferred tax:		
Decrease / (increase) in deferred tax assets	(79.45)	(64.68)
(Decrease) / increase in deferred tax liabilities	2.56	36.04
	<u>(76.89)</u>	<u>(28.64)</u>
	(B)	
	<u>626.57</u>	<u>335.91</u>
	(A + B)	
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	1,936.03	1,066.79
Tax expense at 25.168%	487.26	268.49
Add / (Less): Taxes impact on		
Capital receipts	(1.63)	(16.38)
Expenses not admissible for deduction	4.85	19.38
Timing and Tax rate difference on subsidiaries losses	125.34	56.63
Tax relating to earlier years	(1.19)	–
Others	11.94	7.79
	<u>626.57</u>	<u>335.91</u>

Rupees in crores

33 FAIR VALUE MEASUREMENTS

Particulars	As at 31-03-2023			As at 31-03-2022		
	FVTPL*	FVTOCI*	Amortised cost	FVTPL*	FVTOCI*	Amortised cost
Financial assets						
Investments						
- Equity instruments	191.92	216.48	–	130.23	16.19	–
- Preference shares	–	16.33	–	–	14.79	–
- Other non current investments	–	40.07	–	–	52.38	–
- Debt Instruments	49.12	–	42.10	–	–	26.15
Trade receivables	–	–	1,232.20	–	–	1,177.30
Loans						
(receivable from financing activity)	–	–	20,546.58	–	–	14,015.70
Fixed deposit with banks	–	–	20.55	–	–	17.79
Cash and cash equivalents	–	–	1,851.19	–	–	1,445.68
Earmarked balances with banks	–	–	7.51	–	–	72.54
Derivative financial asset	–	176.78	–	–	80.66	–
Other financial assets	–	–	238.88	–	–	174.70
Total financial assets	241.04	449.66	23,939.01	130.23	164.02	16,929.86
Financial liabilities						
Borrowings	–	–	21,626.23	–	–	15,297.28
Trade payables	–	–	5,096.67	–	–	4,663.13
Derivative financial liability	–	5.94	–	–	–	–
Lease liability	–	–	749.35	–	–	529.93
Other financial liability	–	–	349.66	–	–	335.56
Total financial liabilities	–	5.94	27,821.91	–	–	20,825.90

* FVTPL - Fair Valued Through Profit and Loss FVTOCI - Fair Valued Through Other Comprehensive Income

(i) Fair value hierarchy

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

Rupees in crores

33 FAIR VALUE MEASUREMENTS - (continued)

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

As at 31-03-2023	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL	4	–	–	241.04	241.04
Financial Investments at FVTOCI	4	1.00	40.07	231.81	272.88
Derivatives	6, 14	–	176.78	–	176.78
		1.00	216.85	472.85	690.70
Financial liabilities					
Derivatives	23	–	5.94	–	5.94
		–	5.94	–	5.94

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

As at 31-03-2023	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
<i>Investments</i>					
Debt instruments	4	–	–	42.10	42.10
		–	–	42.10	42.10
Financial liabilities					
Derivative financial asset	23	–	5.94	–	5.94
Borrowings	18, 21	–	–	21,626.23	21,626.23
		–	5.94	21,626.23	21,632.17

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

As at 31-03-2022	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Financial Investments at FVTPL	4	–	–	130.23	130.23
Financial Investments at FVTOCI	4	1.03	52.38	29.95	83.36
Derivatives	6, 14	–	80.66	–	80.66
		1.03	133.04	160.18	294.25

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

As at 31-03-2022	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
<i>Investments</i>					
Debt instruments	4	–	–	26.15	26.15
		–	–	26.15	26.15
Financial liabilities					
Borrowings	18, 21	–	–	15,297.28	15,297.28
		–	–	15,297.28	15,297.28

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

Notes to the Financial Statements – (continued)

Rupees in crores

33 FAIR VALUE MEASUREMENTS - (continued)

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

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

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

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

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

Specific valuation techniques used to value financial instruments include:

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

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

Particulars	Unlisted Equity Shares	Preference Shares	Debt instruments	Total
As at 31-03-2021	16.64	-	-	16.64
Additions / (deletions)	130.34	14.79	-	145.13
Reclassified from amortised cost	12.70	-	-	12.70
Gains / (losses) recognised in profit or loss	0.23	-	-	0.23
Gains / (losses) recognised in other comprehensive income	(14.52)	-	-	(14.52)
As at 31-03-2022	145.39	14.79	-	160.18
Additions / (deletions)	201.46	-	49.12	250.58
Gains / (losses) recognised in profit or loss	61.69	-	-	61.69
Gains / (losses) recognised in other comprehensive income	(1.14)	1.54	-	0.40
As at 31-03-2023	407.40	16.33	49.12	472.85

(iv) Valuation inputs and relationships to fair value

Particulars	Fair value as at		Significant unobservable input	Probability weighted range for the year ended	
	31-03-2023	31-03-2022		31-03-2023	31-03-2022
Preference Shares*	16.33	14.79	a) Earnings growth rate	1-3%	1-3%
			b) Risk adjusted discount rate	8%	8%
Debt Instruments*	49.12	-	a) Earnings growth rate	1-3%	1-3%
			b) Risk adjusted discount rate	8%	8%
Unquoted Equity shares*	407.40	145.39	a) Earnings growth rate	1-3%	1-3%
			b) Risk adjusted discount rate	8%	8%

* Sensitivity is not significant.

Notes to the Financial Statements – (continued)

Rupees in crores

33 FAIR VALUE MEASUREMENTS – (continued)

(v) Valuation processes

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

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

Particulars	As at 31-03-2023		As at 31-03-2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investments				
Debt instruments	42.10	42.10	26.15	26.15
	42.10	42.10	26.15	26.15
Financial liabilities				
Borrowings	21,626.23	21,626.23	15,297.28	15,297.28
	21,626.23	21,626.23	15,297.28	15,297.28

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

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

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

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

34 FINANCIAL RISK MANAGEMENT

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

Risk	Exposure arising from	Risk Parameters and Mitigation
Credit Risk	Cash, Cash equivalents and Trade receivables	Credit risk primarily arises from cash and cash equivalents, trade receivables and investments carried at amortised cost. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available, reasonable and supportive forward-looking information (more specifically described below). In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 30 days past due. A default on a financial asset is when the counterparty fails to make contractual payments within 60 days, when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Notes to the Financial Statements – (continued)

34 FINANCIAL RISK MANAGEMENT – (continued)

Rupees in crores

Risk	Exposure arising from	Risk Parameters and Mitigation
Credit Risk	a. Cash and Cash Equivalents	Surplus cash is deposited only with banks / financial institutions with a high external credit rating.
	b. Domestic Trade Receivables	Domestic sales to the Dealers are based on advance payments received through banking channels or through inventory funding facilities availed by them from the banks. The Group extends limited credit to the dealers and such extension of credit is based on dealers' credit worthiness, ability to repay and past track record. The Group has extensive reporting and review system to constantly monitor the outstandings.
	c. Export Trade Receivables	The Group's export business is mostly based on Letters of credit. Export receivables are also covered through Insurance with ECGC Limited.
Liquidity Risk	INR denominated borrowings [other than soft loans given by Govt. Authorities]	The Group's liquidity management policy involves projecting cash flows in major currencies by considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. The Group works out detailed annual operating plans to assess the fund requirements - both short term and long term. Detailed month wise cash flow forecast is also carried out along with required sensitivities. Based on these factors adequate working capital credit limits are organised in advance. Group has pre-approved credit lines with various banks and these are constantly reviewed and approved by the Board. For long term fund requirements, Group targets various options such as rupee term loan, external commercial borrowing, debentures etc. The Group obtains a credit rating for the various borrowing facilities on annual basis. Group constantly monitors the free cash flow from operations to ensure that the borrowing is minimized.
Market Risk	(i) Foreign exchange	The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency. The risk is measured through a forecast of highly probable foreign currency cash flows. The Group has a forex management policy which is duly approved by the Board. The objective of the hedges when taken is to minimise the volatility of the functional currency cash flows of highly probable forecast transactions.
	a. Export trade receivables and Import payables	The Group has a forex management policy duly approved by the Board. The Group's policy is to hedge most of its net currency exposure. Group reviews the forex exposure on a regular basis and also reports its adherence to the Board on a quarterly basis. The recording and reporting requirements are strictly adhered.
	b. Foreign currency denominated borrowings	The Group has hedged its borrowings by covering the principal repayments.
	(ii) Interest rate - Foreign currency denominated borrowings	The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. Group's policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Notes to the Financial Statements – (continued)

34 FINANCIAL RISK MANAGEMENT – (continued)

Rupees in crores

(A) Credit risk (except Loans from financing activity covered under Note no. 35).

Basis of recognition of expected credit loss provision

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

As at 31-03-2023

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

Particulars	Internal rating	Asset / Asset group	Gross carrying amount	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 months expected credit loss	2	Investments at amortised cost	42.10	0%	-	42.10
	1	Other financial assets	238.88	0%	-	238.88

b) Expected credit loss for trade receivables under simplified approach

Particulars	0 to 180 days past due	More than 180 days past due	Total
Gross carrying amount	781.93	499.76	1,281.69
Expected loss rate	-	10%	-
Expected credit losses	-	49.49	49.49
Carrying amount of trade receivables	781.93	450.27	1,232.20

34 FINANCIAL RISK MANAGEMENT - (continued)

As at 31-03-2022

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

Particulars	Internal rating	Asset / Asset group	Gross carrying amount	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 months expected credit loss	2	Investments at amortised cost	26.15	0%	–	26.15
	1	Other financial assets	174.70	0%	–	174.70

b) Expected credit loss for trade receivables under simplified approach

Particulars	0 to 180 days past due	More than 180 days past due	Total
Gross carrying amount	1,075.29	154.64	1,229.93
Expected loss rate	–	34%	–
Expected credit losses	–	52.63	52.63
Carrying amount of trade receivables	1,075.29	102.01	1,177.30

Reconciliation of loss allowance provision - Trade receivables

Loss allowance 01-04-2021	43.36
Changes in loss allowance	9.27
Loss allowance 31-03-2022	52.63
Changes in loss allowance	(3.14)
Loss allowance 31-03-2023	49.49

(B) Liquidity risk

(i) Financing arrangements

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

Particulars	As at 31-03-2023	As at 31-03-2022
Floating rate		
- Expiring within one year (bank overdraft and other facilities)	4,370.28	3,460.05
- Expiring beyond one year (bank loans)	–	–

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in subsidiaries functional currency except for one subsidiary in USD and have an average maturity ranging from 30 to 180 days.

(ii) Maturities of financial liabilities

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

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

34 FINANCIAL RISK MANAGEMENT - (continued)

As at 31-03-2023

Contractual Maturities of Financial Liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	3,709.49	1,732.78	7,119.88	8,861.09	208.45	21,631.69
Lease Liabilities	48.80	46.42	90.62	596.77	75.28	857.89
Trade payables	4,514.69	290.86	291.12	–	–	5,096.67
Other financial liabilities	349.66	–	–	–	–	349.66
Derivatives	5.94	–	–	–	–	5.94

As at 31-03-2022

Contractual Maturities of Financial Liabilities	Less than 3 months	3 months to 6 months	6 months to 1 year	1 year to 5 years	More than 5 years	Total
Borrowings	3,515.48	1,113.69	3,362.34	6,742.95	569.14	15,303.60
Lease Liabilities	34.01	33.94	65.92	421.48	79.18	634.53
Trade payables	4,402.28	197.51	63.34	–	–	4,663.13
Other financial liabilities	287.99	29.13	8.59	9.85	–	335.56

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

(C) Market risk

(i) Foreign exchange risk

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

Particulars	As at 31-03-2023		As at 31-03-2022	
	USD	EUR	USD	EUR
Exposure in foreign currency				
Financial assets				
Trade receivables	1,275.23	66.88	901.31	60.00
Investments	137.10	8.47	67.17	–
Derivative assets				
Foreign exchange forward contracts				
Sell foreign currency	(847.89)	(62.75)	(1,583.99)	(63.46)
Financial liabilities				
Foreign currency loan	2,931.78	–	2,689.80	–
Trade payables	560.91	7.54	274.38	6.52
Derivative liabilities				
Foreign exchange forward contracts				
Buy foreign currency	4.14	–	0.95	–
Principal swap				
Buy foreign currency	(2,669.98)	–	(2,494.34)	–

34 FINANCIAL RISK MANAGEMENT - (continued)

Sensitivity

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

Particulars	Impact on profit after tax*		Impact on other components of equity*	
	As at 31-03-2023	As at 31-03-2022	As at 31-03-2023	As at 31-03-2022
USD sensitivity				
INR / USD increases by 10%	37.87	41.75	(54.92)	(103.98)
INR / USD decreases by 10%	(37.87)	(41.75)	54.92	103.98
SGD / USD increases by 10%	3.40	–	6.28	–
SGD / USD decreases by 10%	(3.40)	–	(6.28)	–
IDR / USD increases by 10%	(10.38)	(12.19)	–	–
IDR / USD decreases by 10%	10.38	12.19	–	–
EURO sensitivity				
INR / EURO increases by 10%	4.01	3.66	(4.25)	(4.35)
INR / EURO decreases by 10%	(4.01)	(3.66)	4.25	4.35
SGD / EURO increases by 10%	–	–	0.57	–
SGD / EURO decreases by 10%	–	–	(0.57)	–

* Holding all other variables constant

(ii) Interest rate risk

For short term borrowings, interest rates are normally based on respective geographies Central bank approved benchmark rates plus margin. Whenever the Group resorts to short term borrowings through commercial paper, the rate of interest is fixed in advance. In respect of long term foreign currency borrowings, the interest rates are covered through interest rate swaps (IRS).

Particulars	As at 31-03-2023	As at 31-03-2022
Variable rate borrowings	9,772.10	7,049.81
Fixed rate borrowings	11,859.68	8,253.79

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

Sensitivity	Impact on profit after tax	
	As at 31-03-2023	As at 31-03-2022
Increase in interest rates by 100 bps	(66.10)	(48.30)
Decrease in interest rates by 100 bps	66.10	48.30

(iii) Price Risk

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

34 FINANCIAL RISK MANAGEMENT - (continued)

(D) Impact of hedging activities

(i) Disclosure of effects of hedge accounting on financial position

(a) Disclosure of effects of hedge accounting on financial position as at 31-03-2023

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Changes in fair value of hedging instrument since inception of hedge	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities			
Cash flow hedge							
Foreign exchange forward contracts	910.64	(4.14)	2.74	–	Apr'23 to Jun'23	2.74	(2.74)
Foreign currency loan:							
• Principal swap	–	2,669.98	167.84	–	Jun'23 to Dec'27	167.84	(167.84)
• Interest rate swap	–	2,669.98	0.26	–		0.26	(0.26)

(b) Disclosure of effects of hedge accounting on financial position as at 31-03-2022

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Changes in fair value of hedging instrument since inception of hedge	Changes in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities			
Cash flow hedge:							
Foreign exchange forward contracts	1,647.45	(0.95)	4.45	–	Apr'22 to Dec'22	4.45	(4.45)
Foreign currency loan:							
• Principal swap	–	2,494.33	79.06	–	Jun'22 to Dec'24	79.06	(79.06)
• Interest rate swap	–	2,494.33	–	2.85		(2.85)	2.85

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

a) for the year ended 31-03-2023:

Type of hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit and loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge: Foreign exchange risk/POS/IRS	(6.02)	–	(17.89)	Revenue and Borrowing cost

b) for the year ended 31-03-2022:

Type of hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit and loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge: Foreign exchange risk/POS/IRS	7.59	–	(24.80)	Revenue and Borrowing cost

35 FINANCIAL RISK MANAGEMENT RELATING TO LOAN RECEIVABLE FROM FINANCING ACTIVITY

(A) Credit Risk

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The exposure is continuously monitored to determine significant increase in credit risk. The Group monitors the credit assessment on a portfolio basis, assesses all credit exposures in excess of designated limits. The Group does a risk grading based upon the credit worthiness of the borrowers. All these factors are taken into consideration for computation of Expected Credit Loss (ECL).

Loans

The following table sets out information about credit quality of retail loan assets measured at amortised cost based on number of Days past due information. The amount represents the gross carrying value of assets as on each reporting date.

Particulars	March 31, 2023	March 31, 2022
Gross Carrying value of Loans		
Stage - 1 (Less than 30 Days)	19,694.90	12,779.66
Stage - 2 (30-90 Days) #	989.54	1,097.14
Stage - 3 (More than 90 Days)*	573.71	528.99
Total Gross Carrying value of Assets on Reporting Date	21,258.15	14,405.79

Includes restructured contracts under one time resolution framework vide RBI circular dated August 6, 2020 and RBI/2 021- 22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated 5th May 2021 even though days past due is less than and equal to 30 days on the reporting date.

* Includes restructured contracts under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June 2019 irrespective of days past due on the reporting date.

Other financial assets

Credit risk with respect to other financial assets are extremely low except 'Other Financial Assets - Non Related Parties'. Based on the credit assessment, the historical trend of low default is expected to continue. No provision for ECL has been created for Other financial Assets except full provision on 'Other Financial Assets - Non Related Parties'.

Credit quality

The Company has a comprehensive framework for monitoring credit quality of its retail and other loans based on days past due monitoring. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery is taken through follow ups and legal recourse.

Inputs considered in the ECL model

In assessing the impairment of loans assets under ECL model, the loan assets have been segmented into three stages.

The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages relate to the recognition of expected credit losses and the calculation and presentation of interest revenue.

The Company categorises loan assets into stages based on the Days Past Due status:

- Stage 1: 30 Days Past Due
- Stage 2: 31-90 Days Past Due
- Stage 3: More than 90 Days Past Due

35 FINANCIAL RISK MANAGEMENT RELATING TO LOAN RECEIVABLE FROM FINANCING ACTIVITY - (continued)

Assumptions considered in the ECL model

The financial services business has made the following assumptions in the ECL Model:

- "Loss given default" (LGD) is common for all three stages and is based on loss in past portfolio. Actual cash flows are discounted with average rate for arriving loss rate. EIR has been taken as discount rate for all loans.

Estimation Technique

The financial services business has applied the following estimation technique in its ECL model :

- Probability of default (PD) is applied on Stage 1 and Stage 2 on portfolio basis and for Stage 3 PD is 100%.
- Probability of default for Stage 1 loan assets is calculated as average of historical trend from Stage 1 to Stage 3 in next 12 months.
- Probability of default for Stage 2 loan assets is calculated based on the lifetime PD as average of historical trend from Stage 2 to Stage 3 for the remaining tenor.
- Loss given default is calculated based on discounted actual cash flow on past portfolio in default along with reversals.
- There is no change in estimation techniques or significant assumptions during the reporting period.

The Group considers a broad range of forward looking information with reference to external forecasts of economic parameters such as GDP growth, government borrowing, private consumption expenditure, policy interest rates, etc., as considered relevant so as to determine the impact of macro economic factors on the Company's ECL estimates. The internal estimates of PD, LGD rates used in the ECL model may not always capture all the characteristics of the market / external environment as at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

Assessment of significant increase in credit risk

When determining whether the risk of default has increased significantly since initial recognition, the financial services business considers both quantitative and qualitative information and analysis based on the business historical experience, including forward-looking information. The financial services business considers reasonable and supportable information that is relevant and available without undue cost and effort.

The financial services business uses the number of days past due to classify a financial instrument in low credit risk category and to determine significant increase in credit risk in retail. As a backstop, the financial services business considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due.

In accordance with the board approved moratorium policy read with the Reserve Bank of India (RBI) guidelines dated March 27, 2020 and April 17, 2020 relating to 'COVID-19 – Regulatory Package', the Group has offered moratorium upto six months on the payment of installments falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers. The Group has extended One-Time Resolution framework as for COVID-19-related Stress to eligible customers as per applicable RBI guidelines and as per the policy of the Company. The Group has classified all restructured accounts done under Prudential Framework for Resolution of Stressed Assets vide circular RBI/2018-19/203 DBR.No.BP.BC.45/21.04.048/2018-19 dated 7th June 2019 in Stage 3 and with regard to restructured contracts done under one time resolution framework vide RBI circular dated August 6, 2020 and RBI/2 021- 22/31/DOR.STR.REC.11 /21.04.048/2021-22 dated 5 May 2021 in Stage 2 irrespective of days past due status on the reporting date.

Group's assessments of impairment loss allowance on its loans are subject to a number of management judgements and estimates. Since the Group's impairment loss allowance estimates are inherently uncertain, actual results may differ from these estimates.

35 FINANCIAL RISK MANAGEMENT RELATING TO LOAN RECEIVABLE FROM FINANCING ACTIVITY - (continued)

Definition of default

The Group considers a financial instrument is in defaulted when the borrower becomes 90 days past due on its contractual payments. The financial services business considers Loans under default as 'credit impaired' and classified as Stage-3 except for restructured contracts as disclosed above.

Impairment loss

The expected credit loss allowance provision is determined as follows:

Particulars	Stage 1	Stage 2	Stage 3	Grand Total
Gross Balance as at March 31, 2023	19,693.40	989.54	573.71	21,256.65
Expected Credit Loss	264.74	138.78	306.54	710.06
Expected Credit Loss Rate	1.34%	14.02%	53.43%	3.34%
Net of Impairment Provision	19,428.66	850.76	267.17	20,546.59

Particulars	Stage 1	Stage 2	Stage 3	Grand Total
Gross Balance as at March 31, 2022	12,778.25	1,097.14	528.99	14,404.38
Expected Credit Loss	87.82	33.25	267.61	388.68
Expected Credit Loss Rate	0.69%	3.03%	50.59%	2.70%
Net of Impairment Provision	12,690.43	1,063.89	261.38	14,015.70

Reconciliation of Expected Credit Loss

Particulars	Stage 1	Stage 2	Stage 3	Grand Total
Balance as at April 01, 2021	81.90	42.34	165.43	289.67
Transfer from Stage 1	(29.74)	18.52	11.22	–
Transfer from Stage 2	2.12	(12.60)	10.48	–
Transfer from Stage 3	4.64	2.41	(7.05)	–
Loans that have derecognised during the period	(21.70)	(19.63)	(90.95)	(132.28)
New Loans originated during the year	60.77	2.65	17.14	80.56
Net Remeasurement of Loss Allowance	(10.17)	(0.44)	161.34	150.73
Balance as at March 31, 2022	87.82	33.25	267.61	388.68
Transfer from Stage 1	(6.38)	3.96	2.42	–
Transfer from Stage 2	2.16	(8.41)	6.25	–
Transfer from Stage 3	11.64	2.96	(14.60)	–
Loan that have derecognised during the period	(22.10)	(9.86)	(141.35)	(173.31)
New Loans originated during the year	118.95	46.44	48.07	213.46
Net Remeasurement of Loss Allowance	72.66	70.44	138.14	281.24
Balance as at March 31, 2023	264.75	138.78	306.54	710.07

35 FINANCIAL RISK MANAGEMENT RELATING TO LOAN RECEIVABLE FROM FINANCING ACTIVITY - (continued)

Concentration of Credit Risk

The business manages concentration of risk primarily by geographical region. The following details show the geographical concentrations of the loans at the year end:

Particulars	March 31, 2023	March 31, 2022
Carrying value		
Concentration by geographical region in India		
South	8,472.49	5,620.72
West	5,917.79	3,870.72
East	3,307.58	2,517.92
North	3,558.79	2,395.02
Total Loans as at reporting period	21,256.65	14,404.38

36 CAPITAL MANAGEMENT

(a) Risk management

The Group's objectives when managing capital are to

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

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

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

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

Particulars	As at 31-03-2023	As at 31-03-2022
Net debt	19,775.04	13,851.60
Total equity	5,909.85	5,053.01
Net debt to equity ratio (times)	3.3	2.7

The Company also monitors Interest coverage ratio:

Group's earnings before interest and taxes (EBIT) divided by interest.

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

The Interest coverage ratio were as follows:

Particulars	Year ended 31-03-2023	Year ended 31-03-2022
EBIT (before exceptional item)	3,305.79	2,047.13
Interest	1,367.89	940.22
Interest coverage ratio (times)	2.4	2.2

(b) Dividends

Particulars	Year ended 31-03-2023	Year ended 31-03-2022
(i) Equity shares		
Interim dividend for the year ended 31-03-2023 of ₹ 5.00 (for the year ended 31-03-2022 of ₹ 3.75) per fully paid share	237.54	178.16
(ii) Dividends not recognised at the end of the reporting period	–	–

37 BUSINESS COMBINATION

On 1st October 2015, our Subsidiary Sundaram Auto Components Limited (SACL) acquired an automobile seat manufacturing business at Nalagarh, Himachal Pradesh to expand its business

On 7th September 2017, the Company acquired 16,20,000 (81%) equity shares of M/s. TVS Motor Services Limited, Chennai. This would further strengthen the retail financing for the customers of the Company through its subsidiaries.

During the year ended March 31, 2022, our subsidiary TVS Motor (Singapore) Pte. Ltd. acquired majority stake in two E-Mobility companies in Europe to establish its presence in e-personal mobility space.

On 16th September 2021, 91,20,858 (80%) equity shares of The GO Corporation (The GO AG) and on 27th January 2022, 1,14,658 (75%) equity shares of Swiss E-Mobility Group (Holding) AG (SEMG) were acquired.

During the year ended March 31, 2023, our subsidiary TVS Motor (Singapore) Pte. Ltd. acquired majority stake in two E-Mobility companies in Europe to further strengthen its presence in e-personal mobility space.

On 1st April 2022, 70 (70%) equity shares of EBCO Limited, UK were acquired. Further on 12th April 2022, (100%) equity shares of Alexand'Ro Edouard'O Passion Vélo Sàrl ("Passion Vélo"), Germany were acquired through its subsidiary Swiss E-Mobility Group (Holding) AG (SEMG).

Details of the purchase consideration and goodwill are follows

Particulars	Business acquired by SACL	TVS Motor Services	GO AG	SEMG	EBCO	Passion Velo
Consideration transferred	9.00	1.62	131.46	488.60	11.64	23.96
Non-controlling interest in the acquired entity	–	136.05	(1.12)	55.52	(1.32)	–
Acquisition date fair value of previously held equity interest	–	0.38	–	–	–	–
Less : Net identifiable assets acquired	6.80	(48.06)	71.23	222.07	(4.40)	11.10
Goodwill on consolidation	2.20	186.11	59.11	322.05	14.72	12.86
Total goodwill recognised in books						597.05

The goodwill is attributable to the expected synergies on acquisition of the financial services business and e-personal mobility business.

Goodwill is tested for impairment on an annual basis and whenever there is an indication that goodwill may be impaired, relying on a number of factors including operating results, business plans and future cash flows. For the purpose of impairment testing, goodwill acquired in a business is allocated to the Group's cash generating units (CGU) or groups of CGUs expected to benefit from the synergies arising from the business combination.

Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rate on the basis of carrying amount of each asset in CGU. An impairment loss on goodwill is recognized in net profit in the Consolidated Statement of Profit and Loss and is not reversed in the subsequent period.

Company assessed impairment of goodwill based on the expected earnings growth of the acquired business.

Revenue and profit contribution for year ended March 31, 2023.

The acquired business contributed revenue of Rs. 4.29 crores and loss before tax of Rs. 5.84 crores between acquisition date and March 31, 2023.

38 EMPLOYEE BENEFIT OBLIGATIONS

Defined benefit plans as per actuarial valuation

Particulars	Funded plan			Unfunded plans	
	Gratuity			Pension	Leave salary
	Present value of obligation	Fair value of plan assets	Net amount	Present value of obligation	Present value of obligation
As at 01-04-2021	152.38	(147.02)	5.36	107.17	69.63
Current service cost	24.25	-	24.25	-	-
Interest expense / (income)	11.45	(10.37)	1.08	7.49	4.39
Total amount recognised in profit or loss	35.70	(10.37)	25.33	7.49	4.39
Remeasurements					
Return on plan assets, excluding amount included in interest expense / (income)	-	(3.31)	(3.31)	-	-
(Gain) / loss from change in financial / demographic assumptions	(5.34)	-	(5.34)	(3.27)	(1.82)
Experience (gains) / losses	26.41	-	26.41	48.75	30.26
Total amount recognised in other comprehensive income	21.07	(3.31)	17.76	45.48	28.44
Employer contributions	-	(45)	(45)	-	-
Benefit payments	(14.23)	14.23	-	(1.65)	(16.77)
As at 31-03-2022	194.92	(191.47)	3.45	158.49	85.69
Current service cost	34.70	-	34.70	-	-
Interest expense / (income)	14.84	(14.10)	0.74	10.01	6.54
Total amount recognised in profit or loss	49.54	(14.10)	35.44	10.01	6.54
Remeasurements					
Return on plan assets, excluding amount included in interest expense / (income)	-	3.17	3.17	-	-
(Gain) / loss from change in financial / demographic assumptions	3.66	-	3.66	(20.49)	(0.71)
Sale of Subsidiary	(0.62)	-	(0.62)	-	-
Experience (gains) / losses	3.42	-	3.42	12.32	44.85
Total amount recognised in other comprehensive income	6.46	3.17	9.63	(8.17)	44.14
Employer contributions	-	(53.15)	(53.15)	-	-
Benefit payments	(23.48)	21.04	(2.44)	(4.01)	(15.14)
As at 31-03-2023	227.44	(234.51)	(7.07)	156.32	121.23

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

Rupees in crores

38 EMPLOYEE BENEFIT OBLIGATIONS - (continued)

The defined benefit obligations maturing after year ended March 31, 2023 are as follows.

Year ending 31 st March,	Defined benefit obligation
2024	32.61
2025	21.91
2026	23.93
2027	18.65
2028	18.21
2029-2033	79.22

The significant actuarial assumptions were as follows:

Particulars	As at 31-03-2023	As at 31-03-2022
Discount rate (Gratuity)	5.3% to 7.3%	5% to 7%
Discount rate (Leave salary)	5.2% to 7.3%	5.3% to 6.9%
Discount rate (Pension)	5.7% to 6.1%	5.5% to 6.6%
Salary growth rate	5.5% to 10%	5.5% to 10%
Pre-retirement mortality rate	IALM (2006-08) Ultimate	
Post retirement mortality rate	LIC Ann (1996-98)	
Attrition rate (For Leave salary & Gratuity)	3% to 36%	3% to 36%

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

(i) Sensitivity analysis

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

Particulars	Impact on defined benefit obligation - Gratuity					
	Change in assumption		Increase in assumption		Decrease in assumption	
	Year ended		Year ended		Year ended	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
Discount rate	0.50%	0.50%	218.66	187.07	236.10	201.85
Salary growth rate	0.50%	0.50%	236.19	202.06	218.50	187.05
Mortality	5.00%	5.00%	227.11	194.29	227.03	194.22

Particulars	Impact on defined benefit obligation - Pension					
	Change in assumption		Increase in assumption		Decrease in assumption	
	Year ended		Year ended		Year ended	
	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
Discount rate	1.00%	1.00%	141.38	141.03	174.82	179.55
Salary growth rate	1.00%	1.00%	175.80	180.38	140.40	140.14
Mortality	5.00%	5.00%	155.42	157.06	157.98	160.01

Rupees in crores

38 EMPLOYEE BENEFIT OBLIGATIONS - (continued)

Particulars	Impact on defined benefit obligation - Leave salary					
	Change in assumption		Increase in assumption		Decrease in assumption	
	Year ended					
	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
Discount rate	0.50%	0.50%	118.13	67.50	125.21	71.92
Salary growth rate	0.50%	0.50%	125.25	71.93	118.06	67.47
Mortality	5.00%	5.00%	121.56	69.64	121.54	69.63

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

(ii) Risk exposure

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

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

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

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

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

(iii) Defined contribution plans:

The Group's contribution to defined contribution plan i.e., provident fund of ₹ 68.79 crores (previous year ₹ 55.72 crores) has been recognised in the Statement of Profit and Loss.

39 RELATED PARTY DISCLOSURE

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

Holding company:

Sundaram-Clayton Limited, Chennai

Ultimate holding company:

TVS Holdings Private Limited, Chennai

Subsidiaries:

Sundaram Auto Components Limited, Chennai

TVS Housing Limited, Chennai

TVS Motor Services Limited, Chennai

TVS Credit Services Limited, Chennai

Harita ARC Services Private Limited, Chennai

TVS Two Wheeler Mall Private Limited, Chennai

TVS Housing Finance Private Limited, Chennai

Notes to the Financial Statements – (continued)

39 RELATED PARTY DISCLOSURE - (continued)

TVS Motor (Singapore) Pte. Limited, Singapore
 TVS Motor Company (Europe) B.V, Amsterdam
 PT. TVS Motor Company Indonesia, Jakarta
 Sundaram Holding USA Inc, Delaware USA (upto 22nd Sep 2022)
 Green Hills Land Holding LLC, South Carolina USA (upto 22nd Sep 2022)
 Component Equipment Leasing LLC, South Carolina USA (upto 22nd Sep 2022)
 Sundaram-Clayton USA LLC, South Carolina USA (upto 22nd Sep 2022)
 Premier Land Holding LLC, South Carolina USA (upto 22nd Sep 2022)
 The Norton Motorcycle Co. Ltd, UK
 Intellicar Telematics Private Limited, Bengaluru (upto 24th May 2022)
 TVS Electric Mobility Limited, Chennai
 Intellicar Telematics (Singapore) Pte Limited (upto 24th May 2022)
 TVS Digital Pte Limited, Singapore
 The GO Corporation, Switzerland
 EBCO Limited, UK (with effect from 1st Apr 2022)
 Celerity Motor GmbH, Germany (with effect from 6th Dec 2022)
 EGO Movement Stuttgart, GmbH, Germany
 Swiss E-mobility (Group) Holding AG, Switzerland
 Swiss E-Mobility Group (Schweiz) AG Switzerland
 Colag E-Mobility GmbH, Germany
 Alexand'Ro Edouard'O Passion Vélo Sàrl ("Passion Vélo") (with effect from 12th Apr 2022)

Associate companies:

Emerald Haven Realty Limited, Chennai
 Ultraviolette Automotive Private Limited, Bengaluru
 Tagbox Solutions Private Limited, Bengaluru
 DriveX Mobility Private Limited, Coimbatore (with effect from 15th Oct 2022)
 (Formerly known as Nkars Mobility Millennial Solutions Private Limited)

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

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

Predictronics Corporation, USA
 Tagbox Pte Ltd, Singapore
 Altizon Inc., USA
 Scienaptic Systems Inc., USA

Enterprises in which directors are interested:

TVS Organics Private Limited, Chennai (upto 27th Jun 2022)
 Harita Techserv Limited, Chennai (upto 27th Jun 2022)
 Dua Associates, Delhi
 Dua Consulting Private Limited, Delhi
 McCann-Erickson (India) Private Limited, Delhi
 Trichur Sundaram Santhanam & Family Private Limited, Chennai
 T.V Sundram Iyengar & Sons Private Limited, Madurai
 Lakshmi Energy and Environment Design Private Limited, Coimbatore

Notes to the Financial Statements – (continued)

39 RELATED PARTY DISCLOSURE - (continued)

Rupees in crores

Key Management Personnel (KMP):

Executive Directors:

Mr. Venu Srinivasan, Chairman Emeritus and Managing Director
 Mr. Sudarshan Venu, Managing Director
 Mr. K.N.Radhakrishnan, Director and CEO

Non-executive Directors:

Independent Directors:

Mr. T.Kannan
 Mr. C.R.Dua
 Mr. R Gopalan
 Mr. Hemant Krishan Singh
 Mrs. Lalita D. Gupte
 Mr. Kuok Meng Xiong
 Mr. B Sriram

Non-Independent Directors:

Prof. Sir Ralf Dieter Speth, Chairman
 Dr. Lakshmi Venu
 Mr. H.Lakshmanan (upto 27th Jun 2022)

Chief Financial Officer

K. Gopala Desikan

Company Secretary

K.S. Srinivasan

Post Employment benefit plans:

TVS Motor Company Employees' Gratuity Fund
 TVS Motor Company Employees' Provident Fund

	As at/ Year ended 31-03-2023	As at/ Year ended 31-03-2022
(b) Transactions with related parties: (Transactions from the date of becoming / upto the date of ceasing to be related party)		
(i) Purchase of goods (Including sales reversal)		
- Holding company (Sundaram-Clayton Limited, Chennai)	412.62	519.17
- Associate / joint venture Tagbox Solutions Private Limited, Bengaluru	1.43	0.52
- Enterprises in which directors are interested T.V Sundram Iyengar & Sons Private Limited, Madurai	0.23	-
TVS Organics Private Limited, Chennai	0.19	0.53
(ii) Sale of goods		
- Ultimate holding company TVS Holdings Private Limited, Chennai	420.09	79.83
- Holding company (Sundaram-Clayton Limited, Chennai)	19.52	0.06
Associate company (Emerald Haven Realty Limited, Chennai)	-	0.08
- Enterprises in which directors are interested T.V Sundram Iyengar & Sons Private Limited, Madurai	-	375.5

Notes to the Financial Statements – (continued)

39 RELATED PARTY DISCLOSURE - (continued)

Rupees in crores

	As at/ Year ended 31-03-2023	As at/ Year ended 31-03-2022
(iii) Purchase of assets		
- Associate / joint venture		
Ultraviolette Automotive Private Limited, Bengaluru	3.00	-
Tagbox Solutions Private Limited, Bengaluru	-	0.25
- Associate / joint venture of holding / ultimate holding / subsidiary / fellow subsidiary company		
Predictronics Corporation, USA	0.07	-
- Key Management personnel	-	43.06
(iv) Sale of assets		
- Key Management personnel	0.12	-
(v) Rendering of services		
- Holding company (Sundaram-Clayton Limited, Chennai)	8.58	10.46
- Associate / joint venture		
Emerald Haven Realty Limited, Chennai	0.07	0.07
DriveX Mobility Private Limited, Coimbatore	0.66	-
(vi) Availing of services (includes sub-contract charges paid)		
- Holding company (Sundaram-Clayton Limited, Chennai)	68.94	71.49
- Associate / joint venture		
Tagbox Solutions Private Limited, Bengaluru	0.16	-
Emerald Haven Realty Limited, Chennai	0.01	0.01
- Associate / joint venture of holding / ultimate holding / subsidiary / fellow subsidiary company		
TVS Training and Services Limited, Chennai	-	0.02
Scienaptic Systems Inc., USA	3.03	-
- Enterprises in which directors are interested		
Dua Associates, Delhi	0.70	1.92
Dua Consulting Private Limited, Delhi	4.33	4.74
McCann-Erickson (India) Private Limited, Delhi	3.47	5.68
Lakshmi Energy and Environment Design Private Limited, Coimbatore	0.20	0.15
Harita Techserv Private Limited, Chennai	0.90	4.17
T.V Sundram Iyengar & Sons Private Limited, Madurai	0.83	-
Trichur Sundaram Santhanam & Family Private Limited, Chennai	0.12	-
(vii) Investments made during the year		
- Associate / joint venture		
Ultraviolette Automotive Private Limited, Bengaluru	-	75.00
DriveX Mobility Private Limited, Coimbatore	87.17	-
(viii) Remuneration to key management personnel:		
Short-term employee benefits	104.92	72.58
Post-employment benefits	1.08	0.24

Notes to the Financial Statements – (continued)

39 RELATED PARTY DISCLOSURE - (continued)

Rupees in crores

	As at/ Year ended 31-03-2023	As at/ Year ended 31-03-2022
(ix) Dividend paid to Key Management Personnel	-	0.37
(x) Contributions to post employment benefit plans:		
TVS Motor Company Employees' Gratuity Fund	43.71	36.57
TVS Motor Company Employees' Provident Fund (Including Employee and Employer Contributions)	92.25	75.25
(xi) Loan and Advances given		
- Associate company		
Emerald Haven Realty Limited, Chennai	3.00	-
(xii) Loan and Advances repaid (including interest)		
- Associate company		
Emerald Haven Realty Limited, Chennai	3.06	-
(xiii) Dividend paid to		
- Holding Company (Sundaram-Clayton Limited, Chennai)	119.39	89.54
(c) Balances with related parties: (Balances of parties as at March 31 st 2023, who ceased to be related parties are not furnished)		
(i) Trade receivables / Other current assets		
- Ultimate holding company		
TVS Holdings Private Limited, Chennai	17.36	8.04
- Associate company		
Emerald Haven Realty Limited, Chennai	4.31	2.65
Tagbox Solutions Private Limited, Bengaluru	0.16	-
DriveX Mobility Private Limited, Coimbatore	0.44	-
(ii) Trade payables		
- Holding company (Sundaram-Clayton Limited, Chennai)	7.65	67.17
- Associate / joint venture		
Tagbox Solutions Private Limited, Bengaluru	-	0.32
Predictronics Corporation, USA	0.07	-
- Associate / joint venture of holding / ultimate holding / subsidiary / fellow subsidiary company		
TVS Training and Services Limited, Chennai	-	0.01
Scienaptic Systems Inc., USA	0.45	-
- Enterprises in which directors are interested		
Dua Consulting Private Limited, Delhi	0.32	0.26
McCann-Erickson (India) Private Limited, Delhi	0.32	-
T.V Sundram Iyengar & Sons Private Limited, Madurai	0.03	-
Lakshmi Energy and Environment Design Private Limited, Coimbatore	0.06	-

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

40 REVENUE FROM CONTRACTS WITH CUSTOMERS

A Disaggregated revenue:

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

Sl. No.	Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
(a)	Type of goods or service		
1.	Automobiles	24,232.76	18,437.66
2.	Parts and accessories	2,705.13	2,394.69
3.	Automotive components	439.45	349.77
4.	Services - IT Services	50.55	130.00
5.	Services - Royalty	8.01	8.67
6.	Others	3,753.29	2,446.59
		31,189.19	23,767.38
(b)	Geographical markets		
1.	Domestic	23,660.58	16,096.62
2.	Exports	7,528.61	7,670.76
		31,189.19	23,767.38

B The Group operates in the segments of automotive vehicle and its parts, Automotive components and financial services. The information provided above is in line with the segmental information provided under Ind AS 108 in Note. 46

C Reconciliation of contracts with customers

Movement of contract liabilities for the reporting period given below:

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
Contract Liabilities at the beginning of the period	277.57	176.29
Add / (Less):		
Consideration received during the year as advance	338.00	277.57
Revenue recognized from contract liability	(277.57)	(176.29)
Contract Liabilities at the end of the period	338.00	277.57

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

D Transaction price allocated to the remaining performance obligations

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

E Reconciliation of revenue with contract price

Sl. No.	Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022
(i)	Contract price	32,052.96	24,425.61
(ii)	Adjustments:		
	Incentive schemes	450.97	335.25
	Transport cost	412.80	322.98
(iii)	Revenue from sale of products and services	31,189.19	23,767.38

	As at/ Year ended 31-03-2023	As at/ Year ended 31-03-2022
41 EARNINGS PER SHARE		
Profit after tax	1,328.67	756.82
Number of equity shares	47,50,87,114	47,50,87,114
Face value of the share (in rupees)	1.00	1.00
Weighted average number of equity shares	47,50,87,114	47,50,87,114
Basic and diluted earnings per share for continued operations (in rupees)	27.97	15.93
Basic and diluted earnings per share for discontinued operations (in rupees)	–	–
Basic and diluted earnings per share for continued and discontinued operations (in rupees)	27.97	15.93
42 WARRANTY PROVISION		
Opening balance	41.32	48.88
Add: Provision for the year (Net)	55.11	41.32
	96.43	90.20
Less: Payments / debits (Net)	41.32	48.88
Closing balance	55.11	41.32
43 CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR		
(a) Claims against the Company not acknowledged as debts:		
(i) Excise	52.44	53.05
(ii) Service tax	8.65	8.65
(iii) Customs	39.67	41.03
(iv) Sales tax	2.74	3.58
(v) Income tax	73.67	56.70
(vi) GST	3.46	2.82
(vii) Legal cases filed by customers	4.04	1.48
The future cash flows on the above items are determinable only on receipt of the decisions / judgments that are pending at various forums / authorities.		
The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.		
(b) Other money for which the company is contingently liable:		
(i) On bills discounted with banks	146.91	246.24
(c) Commitments:		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for	281.43	251.16
(ii) On Investments	3.90	3.60
(iii) Undrawn loans sanctioned to customers by financial enterprises	43.58	48.33

Notes to the Financial Statements – (continued)

44 LEASES

GROUP AS A LESSEE

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

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

Payment made towards short term leases during the year is ₹ 95.11 Cr (Previous year: ₹ 61.33 Cr)

Payment made towards low value asset leases during the year is Nil (Previous year: Nil)

Payment relating to leases are disclosed in Cash flow statement.

Income from sub-leasing of Right of use asset ₹ 7.47 Cr. (Previous year: ₹ 7.08 Cr.)

45 ADDITIONAL REGULATORY DISCLOSURES AS PER SCHEDULE III OF COMPANIES ACT, 2013

- (i) As per the Group's accounting policy, Property, Plant and Equipment (including Right of Use Assets) and intangible assets are carried at historical cost (less accumulated depreciation & impairment, if any), hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable / do not apply
- (ii) The Group has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013), which are repayable on demand or without specifying any terms or period of repayments.
- (iii) No proceedings have been initiated or pending against any Company in the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (iv) The Group has sanctioned facilities from banks on the basis of security of current assets. The periodic returns filed by the Company with such banks are in agreement with the books of accounts of the Company.
- (v) All the Companies in the Group has adhered to debt repayment and interest service obligations on time. "Wilful defaulter" related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable / do not apply.
- (vi) There are no transactions with the companies whose names were struck off under section 248 of The Companies Act, 2013 or Section 560 of Companies Act, 1956 during the year ended 31 March 2023.
- (vii) The Group has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- (viii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary
- (ix) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (x) The Group has not operated in any crypto currency or Virtual Currency transactions
- (xi) During the year no Company in the Group has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.

Notes to the Financial Statements - (continued)

Rupees in crores

46 SEGMENT INFORMATION

For the year ended 31-03-2023

Particulars	Business Segment				
	Automotive vehicles & parts	Automotive components	Financial services	Others	Total
Revenue					
External sales - domestic	19,532.65	460.09	4,150.31	3.82	24,146.87
- exports	7,825.38	1.74	-	-	7,827.12
Inter segment sales	10.28	364.38	6.04	-	380.70
Total sales	27,368.31	826.21	4,156.35	3.82	32,354.69
Less: Inter segment sales	10.28	364.38	6.04	-	380.70
Net revenue	27,358.03	461.83	4,150.31	3.82	31,973.99
Segment-wise results before interest and tax	1,679.47	(15.39)	508.99	3.30	2,176.37
Less: interest	182.37	17.21	-	0.03	199.61
Profit before tax	1,497.10	(32.60)	508.99	3.27	1,976.76
Less: Tax expenses	496.00	8.58	121.98	0.01	626.57
Profit after tax	1,001.10	(41.18)	387.01	3.26	1,350.19
Share of profit of Associates	(40.73)	-	-	-	(40.73)
Profit / Loss for the period	960.37	(41.18)	387.01	3.26	1,309.46
Segment assets	11,694.47	433.70	23,102.35	2.39	35,232.91
Segment liabilities	9,035.62	283.97	20,001.98	1.49	29,323.06
Segment depreciation / amortisation	793.82	43.48	21.43	0.13	858.86

For the year ended 31-03-2022

Particulars	Business Segment				
	Automotive vehicles & parts	Automotive components	Financial services	Others	Total
Revenue					
External sales - domestic	13,898.21	356.73	2,739.77	17.16	17,011.87
- exports	7,343.44	-	-	-	7,343.44
Inter segment sales	8.34	302.34	7.35	0.05	318.08
Total sales	21,249.99	659.07	2,747.12	17.21	24,673.39
Less: Inter segment sales	8.34	302.34	7.35	0.05	318.08
Net revenue	21,241.65	356.73	2,739.77	17.16	24,355.31
Segment-wise results before interest and tax	1,139.55	(63.24)	148.23	(2.15)	1,222.39
Less: interest	141.48	13.26	3.16	0.19	158.09
Profit before tax	998.07	(76.50)	145.07	(2.34)	1,064.30
Less: Tax expenses	304.46	1.99	29.09	0.37	335.91
Profit after tax	693.61	(78.49)	115.98	(2.71)	728.39
Share of profit of Associates	2.49	-	-	-	2.49
Profit / Loss for the period	696.10	(78.49)	115.98	(2.71)	730.88
Segment assets	9,953.30	1,318.19	15,765.03	35.56	27,072.08
Segment liabilities	7,791.84	604.71	13,609.43	13.09	22,019.07
Segment depreciation / amortisation	668.29	51.36	19.12	4.09	742.86

TVS MOTOR COMPANY LIMITED
CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements - (continued)

47 ADDITIONAL INFORMATION ON NET ASSETS AND SHARE OF PROFITS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31-03-2023

Name of the entity	Net Assets (Total Assets - Total Liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount Rs. in crores	As % of consolidated profit or loss	Amount Rs. in crores	As % of consolidated other comp- rehensive income	Amount Rs. in crores	As % of consolidated total comp- rehensive income	Amount Rs. in crores
Parent								
TVS Motor Company Limited, Chennai	4.64%	274.06	113.82%	1,490.48	(46.69%)	(27.68)	106.87%	1,462.80
Subsidiaries - Indian								
Sundaram Auto Components Limited, Chennai	2.54%	149.73	1.20%	15.66	5.48%	3.25	1.38%	18.91
TVS Credit Service Limited, Chennai	40.35%	2,384.76	25.60%	335.19	8.42%	4.99	24.85%	340.18
TVS Motor Service Limited, Chennai	5.62%	332.13	-	(2.25)	-	-	(0.16%)	(2.25)
TVS Housing Limited, Chennai	0.02%	0.90	(0.17%)	0.02	-	-	-	0.02
Intellicar Telematics private limited, Bengaluru	-	-	0.25%	3.24	-	-	0.24%	3.24
TVS Electric Mobility Ltd, Chennai	0.02%	1.00	-	-	-	-	-	-
Subsidiaries - Foreign								
TVS Motor (Singapore) Pte Limited, Singapore	3.81%	225.02	(1.84%)	(24.05)	20.31%	12.04	(0.88%)	(12.01)
TVS Motor Company Europe B.V. Amsterdam	0.00%	0.04	(0.05%)	(0.64)	(0.02%)	(0.01)	(0.05%)	(0.65)
PT. TVS Motor Company Indonesia, Jakarta	10.79%	637.91	3.04%	39.87	18.56%	11.00	3.72%	50.87
Sundaram Holdings USA Inc.Delaware, USA	-	-	(1.39%)	(18.23)	35.70%	21.16	0.21%	2.93
The Norton Motorcycle Co.Limited, UK	4.65%	274.64	(21.18%)	(277.28)	(1.25%)	(0.74)	(20.31%)	(278.02)
TVS Digital Pte Limited, Singapore	(0.14%)	(8.25)	(3.07%)	(40.19)	12.45%	7.38	(2.40%)	(32.81)
The GO AG, Zurich	2.81%	166.19	(4.16%)	(54.53)	(0.35%)	(0.21)	(4.00%)	(54.74)
Swiss E-Mobility Group (Holding) AG, Nuremberg	10.19%	602.32	(6.94%)	(90.84)	8.16%	4.84	(6.28%)	(86.00)
Celerity Motor GmbH, Germany	0.52%	31.01	(0.23%)	(2.98)	0.49%	0.29	(0.20%)	(2.69)
EBCO Limited, UK	0.38%	22.31	(0.31%)	(4.09)	(0.49%)	(0.29)	(0.32%)	(4.38)
Non-controlling Interest in all subsidiaries	6.85%	404.85	(1.47%)	(19.21)	39.29%	23.29	0.30%	4.08

TVS MOTOR COMPANY LIMITED
CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Notes to the Financial Statements - (continued)

47 ADDITIONAL INFORMATION ON NET ASSETS AND SHARE OF PROFITS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31-03-2023 - (continued)

Name of the entity	Net Assets (Total Assets - Total Liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount Rs. in crores	As % of consolidated profit or loss	Amount Rs. in crores	As % of consolidated other comp- rehensive income	Amount Rs. in crores	As % of consolidated total comp- rehensive income	Amount Rs. in crores
Associates - Indian (Investment as per the equity method)								
Emerald Haven Realty Limited, Chennai	1.52%	89.63	(2.22%)	(29.12)	(0.05%)	(0.03)	(2.13%)	(29.15)
Ultraviolette Automotive Private Limited, Bengaluru	1.98%	117.29	(0.13%)	(1.69)	-	-	(0.12%)	(1.69)
Predictronics Corp, USA	0.32%	18.89	(0.09%)	(1.15)	-	-	(0.08%)	(1.15)
Tag Box Solutions Private Limited, Bengaluru	0.18%	10.41	(0.07%)	(0.95)	-	-	(0.07%)	(0.95)
Tag Box Pte limited, Singapore	0.24%	14.22	(0.01%)	(0.19)	-	-	(0.01%)	(0.19)
Scienaptics Systems Inc., USA	0.91%	53.83	(0.27%)	(3.60)	-	-	(0.26%)	(3.60)
Altizon Inc, USA	0.40%	23.35	(0.04%)	(0.47)	-	-	(0.03%)	(0.47)
Drivex Mobility Private Limited, Coimbatore	1.41%	83.61	(0.27%)	(3.56)	-	-	(0.26%)	(3.56)
Total	100.00%	5,909.85	100%	1,309.46	100.00%	59.28	100.00%	1,368.74

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

 PROF. SIR RALF DIETER SPETH
Chairman
 DIN: 03318908

 SUDARSHAN VENU
Managing Director
 DIN: 03601690

 K.N.RADHAKRISHNAN
*Director &
 Chief Executive Officer*
 DIN: 02599393

 As per our report annexed
 For V. Sankar Aiyar & Co.
Chartered Accountants
 Firm Regn. No.: 109208W

 Place : Chennai
 Date : 4th May 2023

 K. GOPALA DESIKAN
Chief Financial Officer

 K.S. SRINIVASAN
Company Secretary

 S. VENKATARAMAN
Partner
 Membership No.: 023116

Annexure

Form AOC - I

Statement containing salient features of the financial statement of subsidiaries / associate companies
(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part A - Subsidiaries

Sl No.	Particulars	Information in respect of each subsidiary								Rupees in crores
		Indian Subsidiaries								
		Sundaram Auto Components Limited	TVS Housing Limited	TVS Motor Services Limited	TVS Credit Services Limited	TVS Two-Wheeler Mall Private Limited	Harita ARC Private Limited	TVS Housing Finance Private Limited	TVS Electric Mobility Limited	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
1.	Date on which subsidiary was acquired	01-04-2003	21-06-2010	07-09-2017	07-09-2017	07-09-2017	07-09-2017	08-09-2017	13-12-2021	
2.	Reporting period	01-04-2022 to 31-03-2023								
3.	Reporting currency	Indian Rupees								
	Closing Exchange rate	Not applicable								
4.	Share capital	44.57	0.05	149.63	228.23	^	^	12.00	1.00	
5.	Reserves & Surplus	393.79	0.85	11.11	2,529.89	(0.01)	(0.01)	2.76	-	
6.	Total assets	724.31	2.39	218.11	22,749.91	-	-	14.95	1.00	
7.	Total Liabilities	285.95	1.49	57.37	19,991.80	0.01	0.01	0.19	-	
8.	Investments	312.76	-	19.49	12.01	-	-	-	-	
9.	Turnover	780.57	0.07	0.39	4,160.32	-	-	0.73	-	
10.	Profit before taxation	24.08	0.03	(3.06)	511.28	-	-	0.73	-	
11.	Provision for taxation	8.58	0.01	(0.81)	122.61	-	-	0.18	-	
12.	Profit after taxation	15.50	0.02	(2.25)	388.67	-	-	0.55	-	
13.	Proposed Dividend	-	-	-	-	-	-	-	-	
14.	% of shareholding	100	100	100	86.11	86.11	86.11	86.11	100	

^ Share Capital of INR 25,000

TVS MOTOR COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS OF TVS MOTOR COMPANY LIMITED

Annexure

Form AOC - I - (continued)

Statement containing salient features of the financial statement of subsidiaries / associate companies
(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part A - Subsidiaries

Sl No.	Particulars	Information in respect of each subsidiary										Rupees in crores
		Foreign Subsidiaries										
		TVS Motor Company (Europe) B.V.*	PT TVS Motor Company Indonesia	TVS Motor (Singapore) Pte. Ltd	The Norton Motorcycle Co. Limited	TVS Digital Pte Limited	The GO Corporation *	Swiss E-Mobility Group(Holding) AG *	Celerity Motor GmbH*	EBCO Limited		
		(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)		
1.	Date on which subsidiary was acquired	21-07-2005	05-09-2005	21-10-2005	03-04-2020	24-05-2021	16-09-2021	27-01-2022	06-12-2022	01-04-2022		
2.	Reporting period	01-04-2022 to 31-03-2023										
3.	Reporting currency	USD	IDR	SGD	GBP	SGD	CHF	CHF	EUR	GBP		
	Closing Exchange rate	INR 82.17/ USD	INR 0.55/ IDR 100	INR 61.79/ SGD	INR 101.65/ GBP	INR 61.79/ SGD	INR 89.58/ CHF	INR 89.58/ CHF	INR 89.44/ EUR	INR 101.65/ GBP		
4.	Share capital	126.52	906.08	2134.10	725.65	138.78	1.05	1.23	0.22	^		
5.	Reserves & Surplus	(127.15)	(636.38)	(178.70)	(462.36)	(75.06)	(49.79)	55.51	(2.69)	(10.65)		
6.	Total assets	0.10	996.64	2630.56	603.78	141.32	86.71	687.73	31.52	12.11		
7.	Total Liabilities	0.73	726.94	675.16	340.49	77.60	135.45	630.99	33.99	22.76		
8.	Investments	-	-	1880.04	-	127.93	-	-	-	-		
9.	Turnover	-	839.91	61.70	0.01	3.46	40.59	515.64	-	4.29		
10.	Profit before taxation	(0.64)	39.14	(24.05)	(280.47)	(40.19)	(54.83)	(99.52)	(2.98)	(5.84)		
11.	Provision for taxation	-	(0.73)	-	(3.19)	-	0.03	(7.58)	-	-		
12.	Profit after taxation	(0.64)	39.87	(24.05)	(277.28)	(40.19)	(54.86)	(91.94)	(2.98)	(5.84)		
13.	Proposed Dividend	-	-	-	-	-	-	-	-	-		
14.	% of shareholding	100	100	100	100	100	81.90	75	100	70		

* Unaudited financial statement. ^ Share capital of GBD 100.

1) The GO AG, Switzerland includes the consolidation of its subsidiary viz, EGO Movement Stuttgart, GmbH, Germany.

2) Swiss E-Mobility Group (Holding) AG include the consolidation of its subsidiaries viz, Swiss E-Mobility Group (Schweiz) AG, Zurich, Switzerland, Colag E-Mobility GmbH, Nuremberg, Germany and Alexand' O Passion Vélo Sarl ("Passion Vélo"), Germany.

Notes:

- Subsidiaries which are yet to commence operations: (1) TVS Two Wheeler Mall Private Ltd, (2) Harita ARC Private Ltd, (3) TVS Housing Finance Private Ltd (4) TVS Electric Mobility Ltd
- Subsidiaries which have been liquidated or sold during the year: (1) Intellicar Telematics Private Limited and its Subsidiary Intellicar Singapore Pte. Limited, Singapore (2) Sundaram Holding USA Inc and its Subsidiaries Green Hills Land Holding LLC, Component Equipment Leasing LLC, Sundaram-Clayton USA LLC and Premier Land Holding LLC, all located at South Carolina, USA.

Annexure

Form AOC - I - (continued)

Statement containing salient features of the financial statement of subsidiaries / associate companies

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part B - Associates

Sl.No.	Particulars	Emerald Haven Realty Limited	Ultraviolette Auto-motive Private Limited *	Tagbox Solutions Private Limited *	Predictronics Corp *	Tagbox Pte Limited *	Scienaptic Systems Inc.*	Altizon Inc*	Drivex Mobility Private Limited
1.	Latest audited Balance Sheet Date	31-03-2023	31-03-2022	31-03-2022	31-12-2020	31-03-2022	**	**	31-03-2023
2.	Date on which the Associate was acquired	26-03-2012	09-08-2018	08-05-2019	17-08-2019	08-05-2019	28-09-2020	01-02-2021	15-10-2022
3.	Shares of Associate held by the company on the year end								
(i)	No. of shares	11,12,19,512	27,166	4,29,693	24,827	2,43,243	28,05,357	8,06,429	9,766
(ii)	Amount of investment in Associates / Joint Venture	111.22	121.00	11.18	22.36	15.42	64.81	25.34	87.17
(iii)	Extent of holding %	43.54	28.66	23.50	23.49	24.32	21.03	20.00	48.27
4.	Description of how there is significant influence	Holding more than 20% of share capital			Subsidiary holding more than or equal to 20% of share capital				Holding more than 20% of share capital
5.	Reason why the associate/joint venture is not consolidated	Not applicable							
6.	Net worth attributable to Shareholding as per latest audited Balance Sheet	89.63	117.29	10.41	18.89	14.22	53.83	23.35	83.61
7.	Profit / Loss for the year:								
(i)	Considered in consolidation	(29.12)	(1.69)	(0.95)	(1.15)	(0.19)	(3.60)	(0.47)	(3.56)
(ii)	Not considered in consolidation	Not Applicable							

* Unaudited financial statements upto 31.03.2023 has been consolidated.

** Audit of financial statements are not mandated by the regulations of the respective country in which the Company is incorporated.

Note:

1. Associates which have been liquidated or sold during the year - Nil.

PROF. SIR RALF DIETER SPETH
Chairman
DIN: 03318908

SUDARSHAN VENU
Managing Director
DIN: 03601690

K.N.RADHAKRISHNAN
Director &
Chief Executive Officer
DIN: 02599393

As per our report annexed
For V. Sankar Aiyar & Co.
Chartered Accountants
Firm Regn. No.: 109208W

Place: Chennai
Date : 4th May 2023

K. GOPALA DESIKAN
Chief Financial Officer

K.S. SRINIVASAN
Company Secretary

S. VENKATARAMAN
Partner
Membership No.: 023116

MILLION

TVS Motor Company Limited
celebrates the precious milestone
of achieving 50-million vehicles on-road.

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