



November 10, 2023

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

Dear Sir/Madam,

Sub: Independent Auditor's Report on maintenance of Security Cover including compliance with all the financial covenants in respect of Non-Convertible Debt Securities issued by Toyota Financial Services India Limited as of September 30, 2023.

Kindly find attached the disclosures pursuant to Regulations 54(2) and 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Independent Auditor's Report on maintenance of Security Cover including compliance with all the financial covenants in respect of non-convertible debt securities issued by Toyota Financial Services India Limited as of September 30, 2023.

You are requested to kindly take the same on record.

Thanking You,

Yours Sincerely,

For **Toyota Financial Services India Limited,**

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

Enclosure(s): As above

TOYOTA FINANCIAL SERVICES INDIA LIMITED

Registered Office: No. 21, Centropolis, First Floor, 5th Cross, Langford Road, Shanti Nagar, Bangalore – 560 025
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To,
The Board of Directors,
Toyota Financial Services India Limited
No. 21, Centropolis, First Floor,
5th Cross Langford Road, Shanti Nagar,
Bangalore, 560025.

Independent Auditor's Report on Statement of security cover in respect of its Listed, Secured, Non-Convertible Debentures of Toyota Financial Services India Limited as at September 30, 2023 pursuant to Regulation 54 read with Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (as amended).

1. This report is issued in accordance with the terms of our Engagement Letter dated September 27, 2023.
2. We, M S K A & Associates ("us", "our"), Chartered Accountants, are the Statutory Auditors of Toyota Financial Services India Limited ("the Company") and have been requested by the Management of the Company to examine the accompanying Statement containing details of 'Security Cover as per the terms of offer document/ Information Memorandum and Debenture Trust Deed and compliance with Financial Covenants' in respect of its Listed, Secured, Non-convertible debentures as at September 30, 2023 (the "Statement"). The Statement has been prepared by the Company on the basis of the unaudited books of account and other relevant records and documents maintained by the Company as at September 30, 2023, in respect of its Listed, Secured, Non-convertible debentures stated above, in compliance with the Regulation 54 read with Regulation 56(1)(d) of the Securities and Exchange Board of India ("SEBI") (Listing Obligations And Disclosure Requirements) Regulations, 2015 (as amended) and the SEBI vide circular no. SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022 (hereinafter together referred to as the "SEBI Regulations").
3. The Statement has been prepared for the purpose of onward submission to Vistra ITCL (India) Limited (the "Debenture Trustees") to ensure compliance with the SEBI Regulations in respect of its Listed, Secured, Non-convertible debentures.

Management's Responsibility for the Statement

4. The preparation of the Statement is the responsibility of Management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
5. The Management of the Company is also responsible for ensuring that the Company complies with all the relevant requirements of the SEBI Regulations and for providing all relevant information to the Company's Debenture Trustees as prescribed in the respective Debenture Trust Deeds entered into between the Company and its Debenture Trustees in respect of its Listed, Secured, Non-convertible debentures.

Auditor's Responsibility

6. Pursuant to the requirements of the SEBI Regulations, it is our responsibility to obtain limited assurance and form a conclusion as to whether the book value of the assets of the Company contained in Columns A to J of the Statement have been accurately extracted and ascertained from the unaudited books of account of the Company and other relevant records and documents maintained by the Company, and whether the Company maintained the asset cover and complied with the financial covenants as per the Debenture Trust Deed. Our responsibility does not include the evaluation of adherence by the Company with all the applicable SEBI Regulations.



7. For the purposes of this report, we have relied on the unaudited books of account of the Company for the period ended September 30, 2023, and information and documents as made available to us by the Company.
8. A limited assurance engagement involves making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
9. Accordingly, we have performed the following procedures in relation to the Statement:
 - a) Obtained and read the Debenture Trust Deed entered into between the Company and its Debenture trustees;
 - b) Traced and agreed the principal amount and the interest thereon of borrowings outstanding in respect of debt securities and assets available for debt securities as at September 30, 2023, to the unaudited books of account maintained by the Company as at September 30, 2023;
 - c) Obtained and read the list of security cover in respect of debenture outstanding as per the Statement and traced the value of assets from the Statement to the unaudited books of account of the Company and correlated to the books of account and other records of the Company as at September 30, 2023;
 - d) Understood the nature of charge (viz exclusive charge or pari-passu charge) on the asset of the Company by obtaining the list and value of assets placed under lien or encumbrance for the purpose of obtaining any other loan and determined that such assets are not included in the calculation of Security Cover in respect of secured listed non-convertible debt security;
 - e) Examined and verified the arithmetical accuracy of the computation of security cover ratio (based on book value) mentioned in the accompanying Statement;
 - f) Compared the Asset Cover with the Asset Cover required to be maintained as per Information Memorandum;
 - g) Obtained the workings of assets and liabilities presented in the respective columns in the Statement and verified the same from the unaudited books of account and relevant records and documents underlying the unaudited financial results as at September 30, 2023;
 - h) Performed necessary inquiries with the Management.
 - i) Obtained written representations from the Management in this regard; and
 - j) Verified the Financial covenants, if any on test check basis as per the Debenture Trust Deed/ Information Memorandum and the term sheet of NCD's issued by the Company.
10. We conducted our examination of the Statement in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.



11. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

12. Based on the procedures performed as referred to in paragraph 9 above and according to the information, explanations and representations provided to us by the Management of the Company, nothing has come to our attention that causes us to believe that the book value of the assets of the Company contained in Columns A to J of the Statement are not in agreement with the unaudited books of account and other relevant records and documents maintained by the Company for the period ended and as at September 30, 2023, and the Company has not maintained the asset security cover and has not complied with financial covenants of the debentures.

Restriction on Use

13. The report is addressed to the Board of Directors of the Company solely for the purpose of onward submission to the Company's Debenture Trustees pursuant to the requirements of the SEBI Regulations. It should not be used by any other person or for any other purpose. This report relates only to the Statement specified above and does not extend to any financial or other information of the Company. M S K A & Associates shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment.
14. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

Swapnil Kale

Swapnil Kale
Partner

Membership Number: 117812
UDIN:23117812BGXRDH5288



Mumbai
November 10, 2023



Statement of maintenance of Asset Cover and compliance with specific covenants as on September 30, 2023, for the Non-Convertible Debenture (NCD)

| SECURITY COVER CERTIFICATE | | | | | | | | | | | | | | Amount in Rs. Million | |
|-------------------------------|--|---|--------------------|--|--|--|--------------------------------|---|---|----------------|---|---|---|--|------------------------|
| Column A | Column B | Column C | Column D | Column E | Column F | Column G | Column H | Column I | Column J | Column K | Column L | Column M | Column N | Column O | Column P |
| Particulars | | Exclusive Charge | Exclusive Charge | Exclusive Charge | Pari-Passu Charge | Pari-Passu Charge | Assets not offered as Security | Elimination (amount in negative) | | (Total C to J) | Related to only those items covered by this certificate | | | | |
| | Description of asset for which this certificate relate | Debt for which this certificate being issued ⁽³⁾ | Other Secured Debt | Debt for which this certificate being issued | Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge) | Other assets on which there is pari-Passu charge (excluding items covered in column F) | | debt amount considered more than once (due to exclusive plus pari passu charge) | Debt not backed by any assets offered as Security (Applicable only for Liabilities side) ⁽⁵⁾ | | Market Value for Assets charged on Exclusive basis | Carrying/book value for exclusive charge assets where market value is not ascertainable or applicable | Market Value for Pari passu charge Assets | Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable | Total Value (=L+M+N+O) |
| | | Book Value | Book Value | Yes/ No | Book Value | Book Value | Book Value | | | | | | | Relating to Column F | |
| ASSETS | | | | | | | | | | | | | | | |
| Property, Plant and Equipment | | | | | | | 528.01 | | | 528.01 | | | | | - |
| Capital Work-in-Progress | | | | | | | - | | | - | | | | | - |



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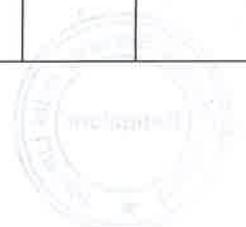
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| | | | | | | | | | | | | | | |
|---|----------------------------------|------------------|--|-----|--|------------------|--|--|--------------------|--|------------------|--|--|------------------|
| Right of Use Assets | | | | | | 121.49 | | | 121.49 | | | | | |
| Goodwill | | | | | | - | | | - | | | | | |
| Intangible Assets | | | | | | 121.34 | | | 121.34 | | | | | |
| Intangible Assets under Development | | | | | | 0.26 | | | 0.26 | | | | | |
| Investments | | | | | | 2,834.35 | | | 2,834.35 | | | | | |
| Loans ⁽¹⁾ | Loans Receivables on Gross Basis | 40,241.44 | | | | 71,699.38 | | | 1,11,940.82 | | 40,241.44 | | | 40,241.44 |
| Inventories | | | | | | - | | | - | | | | | |
| Trade Receivables | | | | | | 32.35 | | | 32.35 | | | | | |
| Cash and Cash Equivalents | | | | | | 8,047.03 | | | 8,047.03 | | | | | |
| Bank Balances other than Cash and Cash Equivalents | | | | | | - | | | - | | | | | |
| Others | | | | | | 1,396.17 | | | 1,396.17 | | | | | |
| Total | | 40,241.44 | | | | 84,780.38 | | | 1,25,021.82 | | 40,241.44 | | | 40,241.44 |
| LIABILITIES | | | | | | | | | | | | | | |
| Debt securities to which this certificate pertains ⁽²⁾ | | 36,579.70 | | Yes | | | | | 36,579.70 | | 36,579.70 | | | 36,579.70 |

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

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

NIL (complied with all applicable covenants)

For **Toyota Financial Services India Limited,**

Ah.


ANUPAM VASDANI
CFO



Dated: Nov 10, 2023

Place: Bangalore

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