



November 14, 2022

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, 2022

Ref: Our letter dated November 14, 2022, on Disclosure of security creation and maintenance with respect to Secured, Non-Convertible Debt Securities for the quarter ended September 30, 2022, pursuant to Regulations 54(2) and 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR)

Further to our aforementioned letter, kindly find enclosed 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, 2022, dated November 14, 2022.

You are requested to kindly take the same on record.

Thanking You,

Yours Sincerely,

For **Toyota Financial Services India Limited,**

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

Enclosure(s): As above

TOYOTA FINANCIAL SERVICES INDIA LIMITED

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

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

Independent Auditor's Report on maintenance of Security Cover including compliance with all the financial covenants in respect of non-convertible debt securities issued by Toyota Financial Services India Limited as at September 30, 2022.

1. This report is issued in accordance with the terms of our Engagement Letter dated September 26, 2022.
2. The accompanying Statement of compliance showing 'Security Cover as per the terms of offer document/ Information Memorandum and/or Debenture Trust Deed and compliance with Financial Covenants' for Secured Non-Convertible Debentures (NCD's) issued by Toyota Financial Services India Limited (the "Company") which were outstanding as at September 30, 2022 (the "Statement"), is prepared by the Management of the Company for the purpose of submission to Vistra ITCL India Limited (the "Debenture Trustee"), as per the terms of the offer document/ Information memorandum and/ or Debenture Trust Deed as at September 30, 2022, in accordance with terms of Securities And Exchange Board Of India (the "SEBI") SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2022/67 dated May 19, 2022 (hereinafter referred as the "SEBI Circular") and in accordance with terms of regulation 56(1)(d) of the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred as the "SEBI Regulations").

Management's Responsibility

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

Auditor's Responsibility

6. Pursuant to the requirements of the SEBI Regulations and SEBI Circular, it is our responsibility to obtain limited assurance and report whether the book value of assets charged against the Secured Non-Convertible Debentures (NCDs) issued by the Company mentioned in the accompanying Statement are in agreement with the unaudited books and records maintained by the Company for the half year ended September 30, 2022 produced for our examination including the compliance with all the financial covenants as mentioned in the Debenture Trust Deed.

7. For the purpose of the report we have performed the following procedures:
- a. Traced and agreed the principal amount of the listed NCDs outstanding as at September 30, 2022 on a test check basis.
 - b. Verified the Security Cover details as per the Debenture Trust Deed/ Information Memorandum and the unaudited books and records of the Company on a test check basis;
 - c. arithmetically re-computed the Security Cover ratio as computed in the Statement;
 - d. Verified the charge creation forms filed with the Ministry of Corporate Affairs on a test check basis;
 - e. Verified the Financial covenants on a test check basis as per the Debenture Trust Deed/ Information Memorandum and the term sheet of NCD's issued by the Company; and
 - f. Obtained written representations from the Management in this regard.
8. The books and records referred to in paragraph 6 above are subject to audit pursuant to the requirements of the Companies Act, 2013.
9. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence on the applicable criteria, as mentioned in paragraph 7 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
10. We conducted our examination of the Statement in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India (the "ICAI") (the "Guidance Note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
11. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

12. Based on the procedure performed by us as mentioned in paragraph 7 above and, to the best of our knowledge and according to the information, explanations and representation given to us, nothing has come to our attention that causes us to believe that the book value of assets charged against the Secured Non-Convertible Debentures (NCDs) issued by the Company mentioned in the accompanying Statement are not in agreement with the unaudited books and records maintained by the Company for the half year ended September 30, 2022 produced for our examination including the compliance with all the financial covenants as mentioned in the Debenture Trust Deed.

Restriction on Use

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

MSKA & Associates

Chartered Accountants

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

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


Swapnil Kale
Partner

Membership Number: 117812
UDIN: 22117812BDBBDG5456

Bengaluru
November 14, 2022

Statement of maintenance of Asset Cover and compliance with specific covenants for the half year ended September 30 2022, for the Non-Convertible Debenture (NCD)

A. ASSET COVER CERTIFICATE														Rs in 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	
Particulars	Description of asset for which this certificate relate	Exclusive Charge		Pari- Passu Charge			Assets not offered as Security	Elimination (amount in negative)	(Total C to H)	Related to only those items covered by this certificate					
		Debt for which this certificate being issued	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)	Market Value for Assets charged on Exclusive basis	Carrying /book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets ^{viii}	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value(=K+L+M+ N)			
		Book Value	Book Value	Yes/ No	Book Value	Book Value	Book Value			Relating to Column F					
ASSETS															
Property, Plant and Equipment							423.99		423.99					0.00	
Capital Work-in-Progress							0.00		0.00					0.00	

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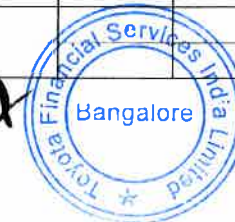


Right of Use Assets							32.32		32.32					0.00
Goodwill							0.00		0.00					0.00
Intangible Assets							144.31		144.31					0.00
Intangible Assets under Development							21.37		21.37					0.00
Investments							2,629.35		2,629.35					0.00
Loans ⁽¹⁾	Loans Receivables on Gross Basis (i.e. excluding ECL Provision)	20,127.36					57,679.78		77,807.14		20,127.36			20,127.36
Inventories							0.00		0.00					0.00
Trade Receivables							24.82		24.82					0.00
Cash and Cash Equivalents							815.57		815.57					0.00
Bank Balances other than Cash and Cash Equivalents							0.00		0.00					0.00
Others							2,275.26		2,275.26					0.00
Total		20,127.36	0.00	0.00	0.00	0.00	64,046.77	0.00	84,174.13	0.00	20,127.36	0.00	0.00	20,127.36
LIABILITIES														
Debt securities to which this certificate pertains ⁽²⁾		18,279.66					-		18,279.66		18,279.66			18,279.66
Other debt sharing pari-passu charge with above debt							-		0.00					0.00
Other Debt							970.61		970.61					0.00
Subordinated debt							-		0.00					0.00
Borrowings														
Bank							44,777.77		44,777.77					0.00
Debt-Securities							-		0.00					0.00
Others							-		0.00					0.00

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Trade payables						1,236.29		1,236.29					0.00
Lease Liabilities						36.63		36.63					0.00
Provisions ⁽¹⁾						3,208.65		3,208.65					0.00
Others						114.41		114.41					0.00
Total		18,279.66	-	-	-	50,344.37	-	68,624.03	-	18,279.66	-	-	18,279.66
Cover on Book Value		1.10								1.10			1.10
Cover on Market Value													
		Exclusive Security Cover Ratio		Pari-Passu Security Cover Ratio									


1. Loan Receivables are considered on Gross basis and ECL provisions of Rs.3,111.78 million, are considered in liabilities for the purpose of computation of the asset coverage.
2. Includes unlisted NCD
3. The amount has been extracted from the unaudited financial results for half year ended September 30, 2022

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,**


ANUPAM VASDANI
 CFO



Dated: November 14, 2022

Place: Bangalore

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