



**TAMILNADU TRANSPORT DEVELOPMENT  
FINANCE CORPORATION LTD  
CHENNAI - 600 002**

**48<sup>th</sup> ANNUAL REPORT**



TAMILNADU TRANSPORT DEVELOPMENT FINANCE CORPORATION LTD

CHENNAI-2

## 48<sup>th</sup> ANNUAL REPORT

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**TAMILNADU TRANSPORT DEVELOPMENT FINANCE CORPORATION LTD.**

**BOARD OF DIRECTORS**

*Chairman and Managing Director:*

**Thiru.K.Phanindra Reddy, I.A.S.**

*Joint Managing Director*

**Thiru. V.Venkatarajan, M.Com.,A.C.M.A.,  
PGDFM.**

*Directors:*

**Thiru.R.Ambalavanan, IA & AS.**

**Thiru.Pratik Tayal, I.A.S.**

**Thiru.M.A.Murugesan, B.E.**

**Thiru. S.Renganathan, B.E.**

**Thiru.A.K.Venugopal,F.C.A.**

**Tmt.G.Geetha, F.C.A., D.I.S.A. (ICAI)**

<b>MANAGEMENT</b>	Tmt. N.Srimathi, M.Com., ACS (Inter). Manager (Accounts)
<b>REGISTERED OFFICE</b>	Tamil Nadu Tourism Complex IV <sup>th</sup> Floor 2, Wallajah Road, Chennai - 600 002

<b>BANKERS</b> H.D.F.C Bank Indian Bank Indian Overseas Bank State Bank of India	<b>STATUTORY AUDITORS</b> M/s. M.Anandkumar Associates. No. 3, Ground Floor, Rosy Tower, 7, Nungambakkam High Road, Chennai – 600 034	<b>SECRETARIAL AUDITOR</b> CS J.Jayashree, M.Com, F.C.S. Practising Company Secretary Old No. 36, New No.56, (I <sup>st</sup> Floor) Abraham Street, Mylapore, Chennai – 600 004
<b>INTERNAL AUDITORS</b> M/s. VKMS & Associates Chartered Accountants No.B6, Viswam Flats 1/215A, Pillaiyar Koil Street, Thoraipakkam, Chennai – 600 097.		<b>DEPOSIT COLLECTION CENTRE</b> SETC Bus Stand Complex Gandhipuram, Coimbatore



**TAMILNADU TRANSPORT DEVELOPMENT FINANCE CORPORATION LTD., CHENNAI-2**

**DIRECTORS' REPORT**

Your Directors have great pleasure in presenting the Forty Eighth Annual Report together with the Financial Statements of the Company for the year ended 31.3.2023.

The total revenue during the year was Rs.1173.35 Crores as against Rs.902.55 Crores in the previous year which was 30% higher than 2021-22.

The performance of your Company for the period under review has resulted in a profit of Rs.36.23 Crores after tax as against profit of Rs.33.18 Crores in the previous year.

The summarized financial result of the Corporation is furnished below:

**1. FINANCIAL RESULTS:**

Particulars	(Rs. in crores)	
	For the year ended	
	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
1. Total Revenue	1173.35	902.55
2. Total Expenditure	1121.30	847.47
3. Profit before tax	52.05	55.08
4. Profit after tax	36.23	33.18

**2. DIVIDEND:**

The Board of Directors of your Company considering the need of constructing the Net Owned Fund of TDFC Ltd. due to the withdrawal of Exemptions granted to NBFC by RBI, happy to recommend dividend for Rs.181.15 lakhs @ 5% on Net Profit (After Tax) for the year 2022-23.

**3. DEPOSITS:**

The cumulative deposit of the Company as on 31.03.2023 was Rs.9509.71 Crores as against Rs.8009.06 Crores on 31.03.2022. The net deposit has increased by Rs.1500.65 Crores registering a growth rate of 18.74%. This is the lifetime achievement of highest increase of Deposit in one year since 1975.

The Corporation inspite of stiff competition from banks and other financial institutions has registered such a growth in volume.

#### **4. FINANCIAL ASSISTANCE:**

During the year under review No Hire Purchase Loan was sanctioned to the State Transport Undertakings during this year as in the previous year.

The Company has also released Short Term Loan of Rs.3690.60 Crores towards Term Loan / Short Term Loan for working capital requirements of STUs as against Rs.2955.00 Crores was released during the previous year.

The Company has availed Cash Credit facility for Rs.900 Crore from SBI vide G.O. Ms.No.113 Transport (T1) Dept. dt.04.07.2019 and Rs.225 crore vide G.O.Ms.No.54 Transport (T1) Department dt.07.06.2022 to Streamline existing working capital arrangements with Banks and bring down rate of interest. Due to this State Transport Undertakings have benefitted interest upto Rs.80 crore per year.

During the year under review the Company has availed Rs.3594 crores of Working Capital Loan to meet out the STUs Working Capital requirement viz. Rs.2955 crores from State Bank of India and Rs.639 crores from Indian Overseas Bank. The Loan availed and due were repaid fully on due date without default.

The cash recovery ratio of loan of your Company was 44% during 2022-2023 as against 39.55% in 2021-2022. The overall recovery ratio including adjustment of Government Assistance was 100% as against 99.79% in 2021-2022.

During the year 2022-23, the State Government have released Rs.1368.44 Crores towards students concession bus pass reimbursement, Rs.1868.62 Crores towards Diesel subsidy, Rs.2728.80 crores towards Women Free Travel Subsidy, Rs.30.00 Crores towards Accident claim settlement fund and Equity Share Capital contribution to all STUs through TDFC Ltd. Out of this a sum of Rs.5370.26 Crores was adjusted against the loan repayable by the STUs to TDFC Ltd..



5. **RATING:**

We have obtained rating from M/s. ICRA Ltd. / M/s. Care Edge for Bank Facilities and for Fixed Deposit Programme from M/s. ICRA Ltd. from 28<sup>th</sup> December 2022 as below:

Instrument	Previous Rated Amount (Rs. In crores)	Current Rated Amount (Rs. In crores)	Long Term Rating Scale
Long-term Bank Facilities	2,400.00	2625.00	[ICRA]BBB+(CE)(Stable); reaffirmed
Short-term Bank Facilities	639.00	639.00	[ICRA]A2(CE); reaffirmed
Long Term/Short Term – Unallocated	961.00	736.00	[ICRA]BBB-(Stable)/ [ICRA]A3; reaffirmed
Fixed Deposit Programme	4000.00	4000.00	[ICRA]BBB-(Stable); reaffirmed
Long-term Bank Facilities	-	3000.00	CARE BBB; Stable (Triple B; Outlook: Stable)
Total	6500.00	11000.00	

6. **RESERVES:**

During the period under report, a sum of Rs.2.72 Crore as General Reserve and Rs.7.25 Crores as Special Reserve has been transferred from Profit and Loss Account.

7. **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENT:**

As on March 31, 2023, there were no outstanding loans or guarantees covered under the provisions of Section 186 of the companies Act. The details of the investments made by Company are given in the notes to the Financial Statements.

8. **DETAILS OF THE BOARD MEETING HELD DURING 2022- 2023:**

Sl.No	Date of Meeting	Total No. of Directors	No. of Directors present
1	21.07.2022	10	9
2	30.09.2022	10	9
3	13.12.2022	10	9

**9) ASSET QUALITY:**

Utmost care in fresh lending to STUs was duly exercised in order to lay emphasis on Asset Quality. HP Loan outstanding as on 31.03.2023 was Rs.745.96 Crores as against Rs.925.88 Crores as on 31.03.2022. The Term Loan outstanding had increased from Rs.13119.76 Crores as on 31.03.2022 to Rs.15703.53 Crores as on 31.03.2023, which is fully secured by charge on Land & Buildings, except for Rs.8758.46 Crores.

**10) UNCLAIMED DEPOSIT:**

Continuous efforts are being taken by your Company to identify the depositors who have not claimed the money after maturity for repayment / renewal of deposits. As on 31.03.2023 the unclaimed deposit for more than 6 months was Rs.28.24 crores as against Rs.30.65 Crores as on 31.03.2022.

**11) AUDIT COMMITTEE:**

The Audit Committee has been constituted under section 177 of the Companies Act, 2013 consisting of following three Directors as members.

- i) Additional Secretary to Government, Finance Department
- ii) Independent Director
- iii) Independent-cum-Woman Director

During the year 2022-23, the Committee meetings were held on 07.07.2022, 07.11.2022 and 29.03.2023.

**12) RISK MANAGEMENT COMMITTEE:**

The Risk Management Committee has been constituted as per RBI Notification No:DNBR.019/CGM(CDS)-2015 dt.10.04.2015. Presently, the following three Directors are Members.

- 1) Additional Secretary to Government, Finance Department
- 2) Joint Managing Director, TDFC Ltd.,
- 3) Independent Director

During the year 2022-23, Risk Management Committee Meeting was held on 07.07.2022, 07.11.2022 & 29.03.2023.

**13) ASSET – LIABILITY MANAGEMENT COMMITTEE (ALCO):**

The Asset Liability Management Committee (ALCO) is functioning as per RBI Notification No:DNBR.019/CGM(CDS)-2015 dt.10.04.2015. Presently the following Directors are Members of the Committee.

- 1) Additional Secretary to Government, Finance Department
- 2) Joint Managing Director, TDFC Ltd.,
- 3) Independent Director

During the year the ALCO Meetings were held on 07.07.2022, 07.11.2022 & 29.03.2023.

**14) STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee has been constituted as per Section 178(1) of Companies Act 2013. The main objective of this Committee is to resolve the grievances of deposit holders of Company. This Committee consists of the following Members:

1. Additional Secretary to Government, Finance Department
2. Joint Managing Director of TDFC Ltd.
3. Independent Director of TDFC Ltd.
4. Independent cum Woman Director of TDFC Ltd.

During the year the Stakeholders Relationship Committee Meetings were held on 07.07.2022, 07.11.2022 & 29.03.2023

**15) NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee has been constituted as per Section 178(1) Companies Act, 2013. The main objective is to appoint Senior Management excluding Board of Directors comprising all members of management one level below the Executive Directors. The Committee consists of the following Members:

1. Additional Secretary to Government, Finance Department
2. Joint Managing Director of TDFC Ltd.
3. Independent Director of TDFC Ltd.

4. Independent cum Woman Director of TDFC Ltd.

During the year the Nomination and Remuneration Committee Meetings were held on 07.07.2022, 07.11.2022 & 29.03.2023.

**16) INFORMATION TECHNOLOGY STRATEGY COMMITTEE:**

The Information Technology Strategy Committee has been constituted as per RBI Master Direction DNBS.PPD.No.04/66.15.001/2016-17 dt.08.06.2017. This Committee has to review and amend the IT strategies in line with the Corporate Strategies.

The Committee consists of the following Members:

1. Independent Director – Chairman
2. Joint Managing Director, TDFC Ltd. - Member
3. Assistant Manager, TDFC Ltd. – Member

During the year the Information Technology Strategy Committee Meetings were held on 07.07.2022, 07.11.2022 & 29.03.2023.

**17) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:**

The Corporate Social Responsibility Committee (CSR) was formed as per section 135 of the companies Act, 2013. The CSR policies formulated by the CSR Committee was approved by the Board in its meeting held on 19.12.2017 consisting of following Members.

- 1) Additional Secretary to Government, Finance Department
- 2) Joint Managing Director, TDFC Ltd.,
- 3) Independent Director

During the period under Report, a sum of Rs.25.00 lakhs has been contributed to MTC Ltd. for the construction of Toilets at Bus Terminuses and a sum of Rs.55.78 Lakhs has been contributed to Tamil Nadu State Disaster Management for CSR expenditure.

**18) DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the requirements u/s 134(3) (C) of the Companies Act, 2013 your Directors hereby state and confirm

- a) That in the preparation of the Financial Statements for the year ended 31<sup>st</sup> March 2023, the applicable accounting standards have been followed along with proper explanation relating to material departure, if any.
- b) That they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
- c) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities.
- d) That the Financial Statements for the year ended 31<sup>st</sup> March 2023 have been prepared on a going concern basis; and
- e) That proper internal financial controls were followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) That they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- g) As per RBI direction the accounts have been prepared on IND AS guidelines.

**19) PERSONNEL:**

Your Directors wish to place on record their appreciation to all employees for their dedication and commitment, as a result of which alone your Company was able to mobilize Rs.1500.62 Crores additional deposits during the year with a staff strength of 18 numbers.

The particulars of contracts or arrangements with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 read with Rule 8(2) of the companies (Accounts) Rules, 2014 are NIL.

**20) CHANGES IN DIRECTORSHIP:**

The changes in Directorship since the last Annual General Meeting are indicated below:

***Outgoing Directors:***

- |                                     |                 |
|-------------------------------------|-----------------|
| 1. Thiru Prashant M.Wadnere, I.A.S. | upto 27.04.2022 |
| 2. S.Rajeswaran                     | upto 13.06.2022 |

- |                                 |                 |
|---------------------------------|-----------------|
| 3. Dr. Atulya Misra, I.A.S.     | upto 29.06.2022 |
| 4. Thiru C. Vijayakumar, I.A.S. | upto 05.01.2023 |

***Incoming Directors :***

- |                                  |                 |
|----------------------------------|-----------------|
| 1. Thiru Pratik Tayal, I.A.S.    | from 28.04.2022 |
| 2. Thiru R. Mohan, I.A.S.        | from 14.06.2022 |
| 3. Thiru C. Vijayakumar, I.A.S.  | from 30.06.2022 |
| 4. Thiru R. Ambalavanan, IA & AS | from 06.01.2023 |

Your Directors wish to place on record the valuable services rendered by the outgoing Directors during their tenure as Directors on the Board of the Company.

**21. KEY MANAGERIAL PERSONNEL:**

- |                           |                         |
|---------------------------|-------------------------|
| 1. Thiru. V. Venkatarajan | Chief Executive Officer |
| 2. Thiru. J. Kannan       | Chief Financial Officer |

**22. INDEPENDENT DIRECTORS & WOMEN DIRECTOR:**

Thiru. S. Raghunathan, FCA and Tmt. G. Geetha, B.Com., F.C.A., DISA(ICAI) have been appointed as Independent Director and Independent cum Woman Director respectively of the company. All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

**23. AUDITORS:**

**a) Statutory Auditors:**

In terms of Sections 139(5) of the Companies Act, 2013, the Comptroller and Auditor General of India appointed M/s. M. Anandkumar & Associates, Chartered Accountants, Chennai as the Auditors of the Company for the year 2022-23.

**b) Internal Auditors:**

In terms of Section 138 of the Companies Act, 2013, the Board has appointed M/s. VKMS & Associates, Chartered Accountants as the Internal Auditor of the Company for the financial year 2022-23.

**c) Secretarial Auditors:**

In terms of Section 204(1) of the companies Act, 2013, the Board has appointed M/s.Rathnakumar & Co., Practising Company Secretaries as Secretarial Auditor of the Company for the financial year 2022-23. The report of the Secretarial Auditor is enclosed as Annexure to this report.

**24) AUDIT BY COMPTROLLER AND AUDITOR GENERAL:**

Comptroller and Auditor General of India have completed the Audit under Section 143(6)(b) of the Companies Act, 2013. The report of the Comptroller and Auditor General of India is enclosed.

**25) STATUTORY INFORMATION:**

The information as required to be furnished under section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 with regard to conservation of Energy and Technology absorption is not applicable to the Company. The Company had no foreign exchange earnings and outgo during the period under review.

**26) DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (Prevention, Prohibition and Redressal) Act, 2013 (as per section 22 & 28 of the Act).**

The company has in place an Anti Sexual Harassment policy in line with the requirements of the Sexual Harassment of Woman at work place (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set-up to redress complaint received regarding sexual harassment. During the year no complaint was received.

**27) ACKNOWLEDGEMENT**

Your Directors are grateful to the Depositors for their continued support and confidence reposed on your Company and assure them high quality of service in the coming years. Your Directors wish to place on record their appreciation to the Government of Tamilnadu and the State Transport Undertakings for their continued support in all our efforts to

improve the performance. Your Directors are also thankful to the Reserve Bank of India and the Bankers for their valuable support to your Company.

Your Directors thank the Internal / Statutory Auditors of the Company and the Accountant General (Audit II), Tamilnadu for their co-operation and guidance.

Place : Chennai

Date : .09.2023

For and on behalf of the Board

**(K.Phanindra Reddy, I.A.S.)**  
Chairman and Managing Director



## ADDENDUM TO THE DIRECTORS' REPORT:

Pursuant to Section 134 (f) of the Companies Act, 2013 the Board of Directors having considered the Report of the Statutory Auditors and Secretarial Auditor on the Accounts for the year ended 31.3.2023 and offer the following explanation on the qualifications contained in the report and record the following:

### 1. THE STATUTORY AUDITORS' REPORT :

Sl. No.	Statutory Auditor Remarks	Our Reply
I	<p><b><i>Basis of Qualified Opinion</i></b></p> <p>(1.1) State Transport Undertaking (STUs) which are borrowers of the Company have a weak financial profile and are dependent primarily on regular funding from the Government of Tamil Nadu. We refer to our reporting requirements under Section 143(1) of Companies Act, 2013:</p> <ol style="list-style-type: none"> <li>The company has granted secured and unsecured loans amounting to Rs 12,875.72 crores to the STUs during the year.</li> <li>Despite non-payment or delayed repayment of the old loans by the STUs, the Company has extended fresh loans during the course of the year.</li> <li>The Subsidies due to the STUs from the Government are being received by the Company, towards the repayment of the loans availed by the STUs.</li> </ol> <p>(1.2) We are unable to comment whether the new loans have been used for repayment of old loans, or other concessions have been granted with a view to avoid non-performing asset classification, in the absence of the proper documentation. We are also unable to verify the end use of the loans sanctioned. The above actions may have resulted in "Evergreening" of the loans sanctioned by the company.</p> <p>(1.3) As per the State Government policies for concessional travel for women, transgender, school students in buses and reimbursement for High-Speed Diesel(HSD) cost, the State Government has been compensating the STUs through subsidies. The government of Tamil Nadu has been routing such</p>	<p>Even though the State Transport Undertakings (STUs') have a weak financial profile, they are able to continue as going concern, since all the STUs' are owned by Government of Tamil Nadu. The State Transport Undertaking is receiving financial assistance from Government of Tamil Nadu on a continuous basis. The loan outstanding may at any time be converted as equity share capital as was done on several occasions previously. So the STUs' are able to continue as going concern.</p>

	<p>compensation directly to the Company in the interest of recovery of STUs' dues payable.</p> <p>As long as the Government of Tamil Nadu continues to provide adequate compensation and concession to STUs, the Company's ability to function as a going concern will not be impacted.</p> <p>The events or conditions highlighted in (1.1), (1.2) and (1.3) above indicate that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern.</p>	
II	<p>We refer to RBI master circular (2017-18/181) dated 31st May 2018.</p> <p>a) As per the statutory provisioning clause, maintenance of the percentage of liquid assets by the Company should be 15% of outstanding 'public deposits' as on 31<sup>st</sup> March 2023.</p> <p>On verification of deposits, we have found that the Company has yet to comply with the re-classification of public and exempted deposits as suggested in the latest Special Audit report dated 29 July 2021. So, we are unable to comment on fulfilling the requirements for this.</p> <p>The Company has to maintain a Statutory Liquid Ratio (SLR) of 15% of public deposits in the form of liquid assets. The Company has invested in government bonds as per the Reserve Bank of India regulation. The floating charge of these liquid assets has to be created in favour of the Trustees for the benefit of Deposit holders. The Company has appointed M/s. SBI CAP Trustee Company Limited as a trustee of Deposit holders during FY 2022-23.</p> <p>As per Section 281 of the Income Tax Act, 1961, any assessee makes a charge on, or parts with the possession (by way of sale, mortgage, gift, exchange or any other mode of transfer whatsoever) of, any of his assets in favour of any other person, such charge or transfer shall be void as against any claim in respect of any tax or any additional sum payable by the assessee as a result of the completion of the said proceeding or otherwise. Hence, obtaining a No- Objection Certificate (NOC) from the</p>	<p>SLR and public deposits norms are fully complied as per RBI guidelines.</p>

	<p>Income tax department, as per Section 281 of the Income Tax Act, before creating a charge of liquid assets is mandatory. We noticed that the Company had filed an application with the Income-tax authorities under section 281 of the said Act. However, the Income-tax authorities have not issued a "No Objection Certificate" in response.</p> <p>The Company is required to comply with the TDS deduction under Section 194A of the Income Tax Act, 1961 on interest payments in respect of deposits held by public. However, based on our test check, we observed that the company has complied with TDS deduction only in respect of a few public depositors. In the absence of relevant information regarding the non-deduction of TDS on interest payments made to public depositors, we are unable to quantify the disallowance of the interest expenditure under Section 40(a)(ia) of the Income Tax Act, 1961.</p> <p>b) A Government NBFC-D can accept deposits only up to 1.50 times of Net Owned Funds as on 31st March 2023. The public deposits of the Company as on 31st March 2023, as computed by the Company, are Rs.3,330.94 crores, which is within the permissible limit. However, as the special audit report for the classification of public deposits still needs to be fully implemented, we cannot comment on whether the acceptance of public deposits by the company is within the prescribed limits.</p>	
III	<p>We refer to the RBI master direction (2016-17/45) dated Sep. 01, 2016. We have observed that the Company needs to comply with some of the guidelines in the circular mentioned above. We have only highlighted some important guidelines that must be complied with.</p> <p>a) Chapter VI Fair Practices Code b) Chapter XI Corporate Governance Policy c) Annexure XXIII Asset Liability Management System (ALM)</p>	<p>The Fair Practice Code of TDFC has been implemented based on the master circular issued by Reserve Bank of India with effect from 1<sup>st</sup> December 2019 and the Statutory Committee namely Risk Management Committee and Asset Liability Management Committee as prescribed in the Corporate Governance</p>

		were also formed and followed as per guidelines.
IV	<p>We refer to the RBI master direction (2016-17/38) dated 25th August 2016. The Company has not maintained a register of deposit with the particulars as specified under the said directions. This has been highlighted in the February 25, 2022, RBI inspection report.</p> <p>As required by the RBI inspection report, a special audit has been conducted and the special audit report was placed before the Board on 29.07.2021. The Board has passed the resolution to give effect to the revised classification of deposits with effect from 01.04.2021. However, the recommendations of the Special Audit Report still need to be implemented fully. So, we cannot comment upon the accuracy of the Classification of Public Deposits accepted as of 31-03-2023. The deposits received from Educational Trusts, Public Charitable Trusts and Temples do not fall within exempted deposits' meaning.</p>	The company has created and maintaining a register of deposit with the particulars specified under the RBI directions.
V	<p>As per RBI guidelines for asset financing companies, principal business is defined as the "aggregate of financing real/physical assets supporting economic activity, and income arising from that place is not less than 60% of its total assets, and total income respectively".</p> <p>We have observed that the Company has yet to meet the criteria of 60% of qualifying assets as of 31<sup>st</sup> March 2023 and income of total assets as required for Asset Finance Companies for the financial year 2022-23. In the current financial year, the financial assets qualifying for asset financing company is 4.53%, and economic income is 2.27%.</p>	As per RBI Notification (RBI/2016-19/130) Harmonization of different categories of NBFC's (w.e.f. February 22, 2019). This qualification is not applicable.
VI	There was a difference of Rs.269.09 lakhs between the Deposit Register and the value of Deposits reported in the financial statements as per the previous financial year 2021-22 audit report. Without the reconciliation of deposits from the management, we are unable to comment on this.	The difference of Rs.269.09 represents loan on deposits.
VII	The Company has availed the Working Capital Loans from banks, both Secured and Unsecured, towards onward lending to the STUs. According to the various GOs passed from time to time, the Company shall lend it to the STUs at the same terms it was borrowed, including the Interest paid to the Banks and the Guarantee Commission paid to the Government of	Passing on the operating expenses of the Company to its borrowers is the policy decision of the Company / Board. Instead of charging separately, it can still be

	Tamilnadu. During the year under review, except the Interest, other charges were not charged and recovered from the STUs amounting to Rs.2,099.81 lakhs. This is not in compliance with the Ind-AS 115.	recovered in the lending rate. This has no relation to IND-AS 115.
VIII	The Company has invested in Government Securities, PSU Bonds and bonds of Public Financial Institutions. We observed that the measurement and recognition of such financial assets and the income thereon are not harmonious with the significant accounting policies referred to in Note 2.2 (i) and Note 2.3 of the Notes on Accounts.	Consistency has been maintained in the books of accounts over a period of time.
IX	Similarly, the measurement and recognition of Deposits Accepted and Borrowings as financial liabilities and the finance cost not in line with the significant accounting policies in Note 2.6 of the Notes to Accounts.	
X	As per Section 128 of the Companies Act, 2013, every company is required to keep and maintain its books of accounts on accrual basis in order to give a true and fair view of the state of the affairs of the company. However, we noticed that the Company has accounted sitting fees to directors on payment basis which is not in line with the requirements of the aforesaid section.	The total sitting fees paid to Directors is Rs.1.10 lakhs whereas as per accrual Rs.1.35 lakhs. This difference is very insignificant compared to the profit.
XI	We have observed that there exists a difference in TDS Receivable accounted in the books of accounts when reconciled with Form 26 AS, in respect of TDS deducted by State Bank of India amounting to Rs.3.71 lakhs (recorded higher in the books of accounts).	The interest income earned and Sweep A/c with SBI is Rs.84.94 lakhs whereas SBI Form 26 AS reveals a different figures of Rs.81.23 lakhs (Difference Rs.3.71 lakhs). The Company has received the higher amount of Rs.84.94 lakhs. Further the difference is not with regard to TDS receivable but interest income on Sweep
XII	The Company has redeemed 30% of its investment in 9.72% TANGEDCO BOND (SERIES - 1/2014-15) during FY 2022-23 at par value amounting to Rs.1.50 crores. However, the confirmation of balance of securities issued by the HDFC Bank Limited (Depository Participant) as on 31 <sup>st</sup> March 2023, is also included the value of the aforesaid redemption.	TANGEDCO has refunded the money as per terms of investment. TDFC has not redeemed it. Fund has actually been received in TDFC Bank A/c. The qualification acts as a disclosure.

XIII	The Company has Rs.11.69 crores as total liability unclaimed matured deposits under Girl Child Protection Scheme (GCPS) framed by Government of Tamilnadu. Out of this, Rs. 7.15 crores pertains to unclaimed deposits for more than 7 years warranting transfer to Investor Education and Protection Fund (IEPF).	GCPS is a Government sponsored Scheme. If the beneficiary is not traceable the fund has to be returned to Government and not to IEPF.
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For and on behalf of the Board

Place : Chennai

Date : .09.2023

(K.Phanindra Reddy, I.A.S.)  
Chairman and Managing Director

19

**ANNEXURE**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31.03.2023**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

- i) CIN : U65191TN1975SGC006887
- ii) Registration Date : 25/03/1975
- iii) Name of the Company : Tamil Nadu Transport Development  
Finance Corporation Ltd
- iv) Category / Sub-Category of the Company : Govt. Company / NBFC
- v) Address of the Registered Office and contact details : No. 2, Wallajah Road,  
Chennai – 600 002.
- vi) Whether listed company Yes / No : No
- vii) Name, Address & Contact details of Registrar and Transfer Agent if any. : Nil

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Acceptance of Public Deposit and Lending to State Transport Undertakings of Tamil Nadu	99711210 & 99711290	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
	Nil	Nil	Nil	Nil	Nil

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Changes during the year
	Demat	Physical	Total	% of Total Share	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter (1) Indian</b>									
a) Individual/ HUF		100	100	-		100	100	-	
b) State Govt. (s)		2032099950	2032099950	99.09		2981288092	2981288092	99.38	
c) STU's		18711808	18711808	0.91		18711808	18711808	0.62	
<b>Sub-total (A) (1):-</b>		2050811858	2050811858	100.00		3000000000	3000000000	100.00	
<b>(2) Foreign</b>									
a) NRIs – Individuals									
b) Other – Individuals									
c) STU's									
d) Banks / FI									
e) Any other									
<b>Sub-total (A) (2)</b>		NIL	NIL	NIL		NIL	NIL	NIL	



<b>B. Public Shareholding</b>									
<b>1 Institutions</b>									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt.									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (Specify)									
Sub-total (B)(1)		Nil	Nil	Nil		Nil	Nil	Nil	
<b>2. Non Institutions</b>									
a) Bodies Corp. i) Indian ii) Overseas									
b) Individuals i) Individual share holders holding nominal share capital upto Rs. 1 lakh. ii) Individuals share holders holding nominal share capital in excess of Rs. 1 lakh									
c) Others (Specify)									
Sub-total(B)(2)		NIL	NIL	NIL		NIL	NIL	NIL	
Total Public Share holding (B)=(B)(1)+(B)(2)		NIL	NIL	NIL		NIL	NIL	NIL	
<b>C) Shares held by Custodian for GDRs &amp; ADRs</b>		NIL	NIL	NIL		NIL	NIL	NIL	
Grand Total (A+B+C)		2050811858	2050811858	100%		30000000000	30000000000	100%	

(ii) **Shareholding of Promoters**

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Govt. of Tamil Nadu	2032099950	99.09	-	2981288092	99.38	-	-
2	TNSTC (Kum) Ltd	1881852	0.09	-	1881852	0.06	-	-
3	TNSTC (SLM) Ltd	2726000	0.13	-	2726000	0.09	-	-
4	TNSTC (MDU) Ltd	4354694	0.21	-	4354694	0.15	-	-
5	TNSTC (VPM) Ltd	4555937	0.22	-	4555937	0.15	-	-
6	MTC Chennai Ltd	1222960	0.06	-	1222960	0.04	-	-
7	SETC TN Ltd	841515	0.04	-	841515	0.03	-	-
8	TNSTC (CBE) Ltd	3128850	0.16	-	3128850	0.10	-	-
9	Dr.K.Gopal, I.A.S.	30	-	-	30	-	-	-
10	Prashant M. Wadnere, I.A.S.	10	-	-	-	-	-	-
	Pratik Tayal, I.A.S	-	-	-	10	-	-	-
11	Dr.Atulya Misra, I.A.S.	10	-	-	-	-	-	-
	C.Vijayaraj Kumar,I.A.S.	10	-	-	-	-	-	-
	R.Ambalavanan, IA & AS	-	-	-	10	-	-	-
12	V.Venkatarajan,	10	-	-	10	-	-	-
13	A.Anbu Abraham	10	-	-	10	-	-	-
14	S.Renganathan	10	-	-	10	-	-	-
15	K.Elangovan	10	-	-	10	-	-	-
16	S.Rajeswaran	10	-	-	-	-	-	-
	R.Mohan	-	-	-	10	-	-	-
	Total	2050811858	100	-	3000000000	100	-	-

(iii) **Change in Promoters' Shareholding: (please specify, if there is no change)**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	2050811858	100	2050811858	100
	Date wise Increase/decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (eg. allotment transfer/ bonus/sweat Equity etc.)	NIL	NIL	94,91,88,142 (Date of Allotment) 31.03.2023	NIL
	At the end of the year	2050811858	100	3000000000	100

iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>For Each of the Top 10 Shareholders</b>				
	At the beginning of the year	List Enclosed (Annexure-I)			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	-	-	-	-
	At the End of the year ( or on the date of separation, if separated during the year)	List Enclosed (Annexure-I)			

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of Total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	List Enclosed (Annexure-II)	-	-
	At the End of the year				

## V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits (Rs in Lakhs)	Unsecur ed Loans (Rs in Lakhs)	Deposits (Rs in Lakhs)	Total Indebtednes s (Rs in Lakhs)
Indebtedness at the beginning of the financial year				
i) Principal Amount	415235.12	-	800905.60	1216140.72
ii) Interest due but not paid	-	-	755.66	755.66
iii) Interest accrued but not due	-	-	47965.02	47965.02
Total (i+ii+iii)	415235.12	-	844334.01	1259569.13
Change in Indebtedness during the financial year				
• Addition	438182.00	-	235529.00	673711.00
• Reduction	415235.17	-	77454.55	492689.72
Net Change	22946.83		158074.45	181021.28
Indebtedness at the end of the financial year				
i) Principal Amount	438181.95	-	950970.85	1389152.80
ii) Interest due but not paid	-	-	213.45	213.45
iii) Interest accrued but not due	-	-	51224.16	51224.16
Total (i+ii+iii)	438181.95	-	1002408.46	1440590.41

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A. Remuneration to Managing Director, Whole-time Directors and / or Manager:**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (Rs)
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	V.VENKATARAJAN	25,86,742.00
2.	Stock Option		-
3.	Sweat Equity		-
4.	Commission - as % of profit - others, specify...		-
5.	Others, please specify		-
	Total (A)		25,86,742.00
	Ceiling as per the Act		

**B. Remuneration to other directors:**

Sl.No.	Particulars of Remuneration	Name of MD /WTD / Manager	Total Amount
	Nominee Directors (*)	-	-
	- Fee for attending board Committee meetings	-	-
	- Commission	-	-
	- Others, please specify	-	-
	Total Managerial Remuneration	-	-

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	C.F.O	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	J.KANNAN	15,97,758.00
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please Specify				
6.	Total				15,97,758.00

**II. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/Compounding fees imposed	Authority (RD/NCLT/ COURT)	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		
<b>B. DIRECTORS</b>					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		

For and on behalf of the Board

Place : Chennai

Date : .09.2023

(K.Phanindra Reddy, I.A.S.)  
Chairman and Managing Director



ANNEXURE - I

SHARE HOLDING PATTERN OF TOP TEN SHARE HOLDERS

S.No	Name	As on 01.04.2022	% of holding	As on 31.03.2023	% of holding
1	Government of Tamil Nadu	203209950	99.09	2981288092	99.38
2	TNSTC (Kumbakonam) Ltd.,	1881852	0.09	1881852	0.06
3	TNSTC(Salem) Ltd.,	2726000	0.13	2726000	0.09
4	TNSTC(Madurai) Ltd.,	4354694	0.21	4354694	0.15
5	TNSTC(Villupuram) Ltd.,	4555937	0.22	4555937	0.15
6	MTC Ltd.,	1222960	0.06	1222960	0.04
7	SETC Ltd.,	841515	0.04	841515	0.03
8	TNSTC (Coimbatore) Ltd.,	3128850	0.16	3128850	0.10
9	Transport Secretary, Transport Department	30	0.000001	30	0.000001
10	Finance Secretary, Finance Department	10	0.0000005	10	0.0000003
11	Chairman cum Managing Director, Tamilnadu Power Finance	10	0.0000005	10	0.0000003
12	Joint Managing Director, TDFC Ltd.	10	0.0000005	10	0.0000003
13	Managing Director, MTC (Chennai) Ltd.	10	0.0000005	10	0.0000003
14	Managing Director, SETC (Tamilnadu) Ltd.	10	0.0000005	10	0.0000003
15	Managing Director, TNSTC (Tirunelveli) Ltd.	10	0.0000005	10	0.0000003
16	Director, Institute of Road Transport	10	0.0000005	10	0.0000003
	Total	2050811858	100	3000000000	100

**ANNEXURE - II**

**SHARE HOLDING OF DIRECTORS AT THE BEGINGING OF THE YEAR 01.04.2022**

<i>S.No</i>	<i>Name of the Director (Thiruvallargal)</i>	<i>No. of shares held</i>
1	Dr.K.Gopal, I.A.S	30
2	Prashant M Wadnere I.A.S	10
3	Dr.Atulya Misra I.A.S	10
4	V.Venkatarajan	10
5	A.Anbu Abraham	10
6	S.Renganathan	10
7	K.Elangovan	10
8	S.Rajeswaran	10

**DETAILS OF TRANSFER OF DIRECTORS FROM 01.04.2022 TO 31.03.2023**

<i>S. No.</i>	<i>Date</i>	<i>Name of transferor (Tvl)</i>	<i>No of Shares transferred</i>	<i>Name of the transferee (Tvl)</i>
1	27.04.2022	Prashant M Wadnere I.A.S	10	Pratik Tayal, I.A.S
2	13.06.2022	S.Rajeswaran	10	R.Mohan
3	29.06.2022	Dr.Atulya Misra I.A.S	10	C.Vijayaraj Kumar, I.A.S.
4	05.01.2023	C.Vijayaraj Kumar, I.A.S.	10	R.Ambalavanan, IA & AS

**SHARE HOLDING OF DIRECTORS AT THE END OF THE YEAR 31.03.2023**

<i>S. No.</i>	<i>Name of the Director (Thiruvallargal/Thirumathi)</i>	<i>No. of shares held</i>
1	Dr.K.Gopal, I.A.S	30
2	Pratik Tayal, I.A.S	10
3	R.Ambalavanan, IA & AS	10
4	V.Venkatarajan	10
5	A.Anbu Abraham	10
6	S.Renganathan	10
7	K.Elangovan	10
8	R.Mohan	10

## MANAGEMENT DISCUSSION AND ANALYSIS

### COMPANY OVERVIEW:

Tamilnadu Transport Development Finance Corporation Ltd. is Non-Banking Finance Company registered with Reserve Bank of India. It started its function on 25.03.1975 with the purpose of increasing funds from the general public for the State Transport Undertakings capital and working capital needs through deposit mobilisation from public and others, rather than relying on Government budgetary support. It has one Deposit Mobilisation Centre at Coimbatore.

**Assets Under Management as on March 31 (Rs. in crores)**

2022-23	2021-22	2020-21
16449.49	14045.64	11924.00

**Product-wise Performance (Rs. in crores)**

Loan Type	Disbursement in 2022-23	AUM in 2022-23
Hire Purchase Loan	-	925.88
Short Term Loan	3690.60	2955.00
Long Term Loan	8882.73	10164.76
	12573.33	14045.64

### KEY HIGHLIGHTS 2022-23

- Highest Deposit Mobilisation in one Financial year since inception.
- Steady growth in disbursements and AUM
- Improved profitability
- Comfortable ALM position across timelines
- Supported by Government Subsidies
- Steady Credit Ratings

**Key Financial Ratios as on March 31**

Key Ratios-IND AS	2023	2022
Earnings Per Share (Rs)(Basic)	0.12	0.17
Book Value Per Share	Rs.10/-	Rs.10/-
Capital Adequacy Ratio (CAR)	20.36%	16.27%

### OPPORTUNITIES AND THREAT

- Serving only to State Transport Undertakings
- Strong brand pedigree and successful track record
- Robust financial management with balanced ALMs and Nil NPAs

- Business conducive environment with Government's focus on promoting State owned Transport Corporations.

#### **Threats**

- Regulatory Challenge
- Steep competition from other Government owned NBFCs

## **ECONOMIC REVIEW**

### **Overview**

The financial year 2022-23 set off on a positive note with resumption of economic activities, along with India's GDP growing at around 20.3% in the first quarter. However, the second wave of Covid-19, followed by partial lockdowns, hampered this progress although with less effect on the economy. Despite the second wave, India managed to achieve satisfactory growth backed by effective and speedy vaccination drives along with improved containment efforts. During the third quarter of the financial year, global inflation, rising crude oil prices and supply chain disruptions, led to a slower growth rate - further weakening the position of Indian rupee compared to US dollar. The Indian rupee ended as Asia's worst-performing currency for Calendar Year (CY) 2021. The Government raised its spending to tackle the pandemic and related concerns, thereon widening the budget deficit.

On a positive note, the Government announced the Production Linked Scheme (PLI) across 14 key sectors, involving a capital infusion of Rs 4 Trillion over the next five years. The PLI is expected to enhance the manufacturing capacities by 15-20%. Besides, the Gati Shakti: National Master Plan launched by the Government involving a spending of 100 crores will further promote infrastructural development. The resultant impact would provide impetus to the manufacturing sector, increase employment generation, and reduce dependence on imports while generating higher exports.

### **OUTLOOK**

The Russia-Ukraine conflict, and the economic sanctions imposed thereon has rapidly translated into escalation of energy costs, supply-chain disruptions, and inflation. As a result, causing a spike in crude oil prices, adding to the inflationary pressure.

## **INDUSTRY STRUCTURE AND DEVELOPMENTS INDIAN FINANCIAL SERVICES SECTOR**

Indian Financial Services Sector comprises of commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds, and other smaller financial entities. The past few years have been exciting for this sector with multiple themes emerging and trying to gain market foothold.

The Government of India along with the Reserve Bank of India (RBI), introduced several reforms to liberalise, regulate and enhance this industry. Various measures have been undertaken in order to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). These measures include the launch of Credit Guarantee Fund Scheme for MSMEs, issuing guideline to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA). Some of the key trends observed during the period include:

**Policy support:** The Government approved 100% FDI for insurance intermediaries, and increased FDI limit in the insurance sector from 49% to 74%, under the Union Budget 2021-22. Besides, International Financial Services Centres Authority (Banking) Regulations 2020, shall drive and facilitate constituent operations in the IFSC, enabling the sector to reach its potential.

**Growing penetration:** With increasing disposable income and internet connectivity improvements, credit, insurance, and investment penetration is rising in rural areas alongside combined push by the Government and private sector, India stands to be among the world's most vibrant capital markets.

### **INDIAN NON-BANKING FINANCIAL COMPANIES (NBFCs)**

NBFCs form an integral part of the Indian financial system. It supplements the role of the banking sector, creating a passage to connect the less-banked customers to the financial services and thus paving way for inclusive growth. Furthermore, NBFCs streamline their business model through efficient use of technology, data analytics and artificial intelligence, leading to

enhanced customer experience and strong credit assessment. The NBFCs are judged by asset-quality, profitability, exposure to sensitive sector and capital adequacy of NBFCs.

RBI is constantly striving to bring necessary regulatory changes in the NBFCs to ensure financial stability in the long-run. Despite sluggish economic growth, NBFCs witnessed growing market share despite pandemic-induced slowdown, lower demand, and sharper bank focus on retail loans, during 2022-23. There is increased regulatory oversight and push towards convergence with banks through scale-based regulation, re-alignment in asset quality classification, NPA recognitions, provisions, and prompt corrective action norms, among other measures.

### **OUTLOOK OF NBFCs**

The outlook for NBFCs is expected to remain stable owing to a better operating environment and favourable regulatory measures. Sufficient capital buffers, stable margins, and sizeable on-balance sheet provisioning with adequate system liquidity, would further streamline competitive funding. Potential threat remains of any further pandemic waves or unfavourable interest rates and asset quality issues. As per India Ratings, the annual loan growth for NBFCs is likely to maintain 14% in 2023-24. The sector is probable to observe normalcy in disbursements alongside increased demand for products, like loans against property, housing loans and vehicle finance, while personal and unsecured business loans too witnessed high demand during the pandemic. Growth in the vehicle finance segment is largely dependent on the increase in borrowers confidence and availability of vehicles - currently facing component shortage following the pandemic.

### **RISK MANAGEMENT**

At TDFC, risk management forms the centre of our business strategy. We aim to consistently protect the interest of our customers, colleagues, shareholders, and the Company, while ensuring a sustainable growth. This is achieved through informed decision-making and robust risk management, supported by a consistent risk-focused culture. Our risk management framework is structured to align with the industry-accepted internal controls framework and standards. The maintenance of a strong control framework is of high priority and forms the

foundation for the delivery of effective risk management. The Company is committed to ensuring its risk management practices reflect a high standard of governance, enabling the Management to effectively undertake prudent risk-taking activities. Our framework and de-risking policies are supported by standards, guidelines, processes, procedures, and controls that govern day-to-day activities in the Company's businesses. These policies are reviewed and approved by the Board Committees and the Senior Management. It encompasses independent identification, assessment, and management of risk across businesses verticals. The comprehensive risk management policies and processes help in identification, evaluation, and management of business risks, effectively. The Risk Management Committee has identified and categorised major risk classes encompassing Credit, Market, legal and regulatory, operational, liquidity, interest rate, cyber security and information technology risks, strategic risk, economic risk among other significant risks.

## **OUR RISK MANAGEMENT FRAMEWORK**

### **a. Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer fails to meet his contractual obligations and arises principally from the company's loan receivables.

The company's current exposure is to one government department and retail loans against deposits. Loans against deposits are disbursed after retaining adequate margin and risk of default by the government department is also minimal. Hence, the company is subject to limited risk despite concentration of exposure. The Company applies the existing prudential norms set out by RBI for NBFCs. Expected credit loss model for recognizing impairment loss on financial assets has not been used as there are no indications of significant credit impairment for the debt given.

### **b. Liquidity Risk**

Liquidity risk relates to our potential inability to meet all payment obligations when they fall due or only being able to meet them at excessive costs. The objective of the liquidity risk management frame work is to ensure that the company can fulfil its payment obligations at all times and can manage liquidity and funding risks with in its risk appetite. The Asset Liability Committee regularly monitors the liquidity position

and the duration of assets / liabilities. The company maintains liquidity ratio as per regulatory requirements by investing in government securities.

**c. Market Risk**

Market risk is the risk of loss arising from potential adverse changes in the value of the firm's assets and liabilities from fluctuation in market variables like liquidity, interest rate and equity prices.

**i) Interest Rate Risk-**

The company's exposure to changes in interest rates relates to its investment in debt securities. All the debt securities of the company is in local currency and on fixed rate basis and hence not subject to interest rate risk.

**ii) Currency Risk-**

The company does not have any borrowings or investments in foreign currency and hence not subject to currency risk.

**iii) Equity Risk-**

The company has investments in Bonds only, which are measured at FVTPL. The valuation is dependent on market conditions.

**INTERNAL AUDIT**

The Audit Committee and Risk Management Committee encompassing members from the Board of Directors appraises performance of the Internal Audit function of the Company which helps to effectively control and adhere to the regulatory compliance guidelines laid out depicting highest standards of governance followed in the Company.

The Internal Control System of the Company is proportionate to its size, scale, nature, and complexity of operations. The Company conducts its internal audit within the parameters of regulatory framework.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

Company has in place an effective internal control system to synchronise its business processes, operations, financial reporting, fraud control, and compliance with extant regulatory guidelines



and compliance parameters. Strict internal control and systems are devised as a depiction of the principles of the highest standards of governance. The Company ensures that a standard and effective internal control framework operates throughout the organisation, providing assurance about safekeeping of the assets and execution of transactions as per the authorisation in compliance with the internal control policies of the Company. This confirms orderly and effective conduct of its business, including adherence to the Companys policies, accuracy and completeness of the accounting records and timely preparation of reliable financial information. The internal financial controls with reference to the financial statements were adequate and operating effectively.

#### **CAUTIONARY STATEMENT**

Statements made in this Management Discussion and Analysis Report may contain certain forward-looking statements based on various assumptions on the Company's present and future business strategies and the environment in which it operates. Actual results may differ substantially or materially from those expressed or implied due to risk and uncertainties. These risks and uncertainties include national and global effect of economic conditions, political conditions, volatility in interest rates, changes in regulations and policies impacting Company's businesses and other related factors. The information contained herein is as referred. The Company does not undertake any obligation to update these statements. The Company has obtained the data and information referred here from sources believed to be reliable or from its internal estimates, the accuracy or completeness of which cannot be guaranteed.

Place : Chennai

Date : .09.2023

For and on behalf of the Board

**(K.Phanindra Reddy, I.A.S.)**  
Chairman and Managing Director



## TAMILNADU TRANSPORT DEVELOPMENT FINANCE CORPORATION LIMITED

## A TEN YEAR PROFILE

Rs. In lakhs.		2012-13	2013-2014	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
<b>I WHAT WE OWE</b>												
share capital		6174.19	6174.19	6174.19	6174.19	6174.19	6174.19	6174.19	107634.19	162634.19	205081.19	300000.00
Reserves and surplus		10680.71	11005.73	11349.57	11620.06	11969.29	12630.09	13371.23	14544.84	15620.12	18834.95	30502.36
secured Loans		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00
Unsecured Loans		137025.21	151971.71	164684.70	216800.90	324214.92	513435.98	576492.70	615404.34	1170189.5	1260224.11	1442317.98
Current Liabilities		29937.18	40295.71	45528.55	35499.75	36262.40	56643.41	44202.30	195391.3	138415.54	16146.14	157802.29
<b>TOTAL</b>		<b>183817.29</b>	<b>209447.34</b>	<b>227737.01</b>	<b>270094.90</b>	<b>378620.80</b>	<b>58883.67</b>	<b>640240.42</b>	<b>932974.64</b>	<b>1486859.32</b>	<b>1500286.39</b>	<b>1910622.63</b>
<b>II WHAT WE OWN</b>												
Net Fixed Assets		23.51	26.72	19.82	23.53	14.79	7.86	34.18	25.83	18.28	16.69	19.23
Investments		5237.31	5834.81	10316.73	10318.50	10218.50	7290.00	6030.00	13890.37	18881.04	42431.34	61514.58
Deferred Tax Assets		28.48	35.63	43.09	43.94	41.26	39.93	35.19	11.8	6.51	15.47	6.31
Current Assets		85896.71	105319.26	87724.81	47168.17	33744.91	74881.09	107021.93	238281.9	260134.91	45917.51	232005.31
Loans and Advances		92631.28	98230.92	129632.56	212540.76	334501.34	506664.79	527119.12	681021.4	1207818.6	1411905.38	1617077.2
<b>TOTAL</b>		<b>183817.29</b>	<b>209447.34</b>	<b>227737.01</b>	<b>270094.90</b>	<b>378620.80</b>	<b>58883.67</b>	<b>640240.42</b>	<b>932974.64</b>	<b>1486859.32</b>	<b>1500286.39</b>	<b>1910622.63</b>
<b>III INCOME</b>												
Finance charges & int												
Earned Loans		12927.04	13409.62	15721.48	19100.75	27200.29	35345.37	41979.55	52819.70	80236.18	90254.38	117334.07
Int. Earned others		1723.78	2585.28	2816.13	2100.07	1800.19	3046.15	5123.93	616.88	8.38	0.63	0.80
Miscellaneous Income		4.18	21.11	13.61	0.47	0.19	0.02	0.08	0	0.00	0.00	0.00
Prior Period Income		0.00	0.00	0.00	0.00	0.00	0	0.00	0	0.00	0.00	0.00
<b>TOTAL</b>		<b>14655.00</b>	<b>16016.01</b>	<b>18551.22</b>	<b>21201.29</b>	<b>29000.67</b>	<b>38391.54</b>	<b>47103.56</b>	<b>53436.58</b>	<b>80244.56</b>	<b>90255.01</b>	<b>117334.87</b>
<b>IV EXPENDITURE</b>												
Interest		13531.74	14959.74	17380.41	20155.90	27816.00	36979.75	45489.84	47844.80	73582.93	83623.22	110630.31
Administrative expenses		201.29	88.54	110.29	82.63	88.80	124.84	149.21	199.48	0.86	6.46	8.25
Employees Emoluments & Welfare		201.35	218.39	229.34	220.75	231.55	232.65	239.65	189.31	166.27	187.98	287.64
Depreciation		10.32	7.93	14.31	7.40	10.90	6.93	6.29	11.18	7.55	6.44	8.08
Service Tax/other expen		0.14	0.14	31.62	100.00	0.00	0.00	0.00	3320.52	1749.58	922.43	1195.31
Discount on lease rent/CMRFC		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	0.00
prior period expenditure		0.00	0.00	0.00	0.00	0.00	15.16	16.80	0	0.00	0.00	0.00
Profit Before Tax		710.16	741.27	785.25	634.61	853.42	1032.21	1201.77	1871.29	4737.37	5508.48	5205.28
<b>TOTAL</b>		<b>14655.00</b>	<b>16016.01</b>	<b>18551.22</b>	<b>21201.29</b>	<b>29000.67</b>	<b>38391.54</b>	<b>47103.56</b>	<b>53436.58</b>	<b>80244.56</b>	<b>90255.01</b>	<b>117334.87</b>
Earnings per share (Rs)		0.78	0.81	0.86	0.69	0.93	1.09	1.27	0.11	0.20	0.17	0.12
Book value per share (Rs)		27.30	27.83	28.38	28.82	29.39	30.46	31.66	11.35	10.96	10.92	11.02



**TDFC'S LOAN ASSISTANCE TO STATE TRANSPORT UNDERTAKINGS / PUBLIC SECTOR UNDERTAKINGS**

Sl. No.	STUS/PSUS	1975-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	Cumulative Total Upto 2022-2023
1	MTCC(CHENNAI) LTD	111130.45	18568.00	16659.00	33328.00	46587.00	43908.00	46262.00	115854.00	96174.00	136788.00	231293.00	898551.45
2	SETC (TAMIL NADU) LTD	112172.21	17781.00	33201.00	24774.00	34261.00	22566.00	25845.00	69323.30	65579.00	91343.00	86473.00	583313.51
3	TNSTC(VILLUPURAM) LTD	153352.82	22895.00	24800.00	25253.00	29928.00	41374.00	35410.00	57265.14	96327.00	121475.00	178779.00	784853.96
4	TNSTC (SALEM) LTD	109817.90	15967.00	22115.00	31770.00	43163.00	39044.00	32860.00	61130.00	81445.00	103660.00	110208.00	651279.90
5	TNSTC (COIMBATORE) LTD	153300.48	20766.00	30459.00	46508.00	52905.00	62886.00	67715.00	97758.46	129643.00	192930.00	189865.00	1044735.94
6	TNSTC (KUMBakonam) LTD	197191.20	26055.00	29709.00	44868.00	50385.00	57267.00	42079.00	74242.12	106624.00	145399.00	175491.00	949930.32
7	TNSTC (MADURAI) LTD	259281.91	25863.00	35247.00	33356.00	48534.00	50488.00	38347.00	61766.93	92116.00	126274.00	143292.00	914565.84
8	TNSTC (TIRUNELVELI) LTD	27062.00	17353.00	22934.00	38776.00	51669.00	58204.00	55057.00	81670.88	105303.00	158764.00	141932.00	760724.88
9	T.N GOVT INSTITUTIONS	2322.90	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	2322.90
10	OTHER STATE GOVT INSTITUTIONS	636.22	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	636.22
<b>TOTAL</b>		<b>1064887.60</b>	<b>165248.00</b>	<b>215124.00</b>	<b>277633.00</b>	<b>357482.00</b>	<b>375757.00</b>	<b>344676.00</b>	<b>619010.83</b>	<b>773211.00</b>	<b>1078633.00</b>	<b>1257333.00</b>	<b>6580324.92</b>
<b>NO. OF CHASSIS</b>		<b>46284.00</b>	<b>818</b>	<b>336</b>	<b>232</b>	<b>171</b>	<b>153</b>	<b>951</b>	<b>3327</b>	<b>427</b>	<b>0</b>	<b>0</b>	<b>52709.00</b>





प्रधान महालेखाकार (लेखापरीक्षा-II)  
तमिलनाडु एवं पुदुचेरी

PRINCIPAL ACCOUNTANT GENERAL (AUDIT-II)  
TAMILNADU & PUDUCHERRY

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE  
FINANCIAL STATEMENTS OF TAMILNADU TRANSPORT DEVELOPMENT  
FINANCE CORPORATION LIMITED, CHENNAI FOR THE YEAR ENDED  
31 MARCH 2023**

The preparation of financial statements of Tamilnadu Transport Development Finance Corporation Limited, Chennai for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 10.08.2023.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit of the financial statements of Tamilnadu Transport Development Finance Corporation Limited, Chennai for the year ended 31 March 2023 under section 143 (6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143 (6) (b) of the Act.

*For and on the behalf of the  
Comptroller & Auditor General of India*

Place: Chennai.  
Date: 14/09/2023

K. R. ANAND

PRINCIPAL ACCOUNTANT GENERAL







**J. JAYASHREE**

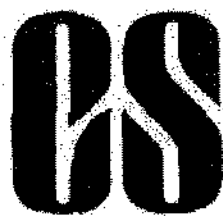
**Practising Company Secretary**

**TAMILNADU TRANSPORT  
DEVELOPMENT FINANCE  
CORPORATION LIMITED  
SECRETARIAL AUDIT  
REPORT -2023**





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# J. JAYASHREE

## Practising Company Secretary

### COMPANY MASTER DATA

CIN	U65191TN1975SGC006887
Company Name	Tamilnadu Transport Development Finance Corporation Limited
ROC	Chennai
Registration Number	006887
Company Category	Company Limited by Shares
Company Subcategory	State Government Company
Class of Company	Public
Authorized Capital (in Rs.)	30000000000
Paid up capital (in Rs.)	30000000000
Date of Incorporation	25/03/1975
Registered Office Address	Tamilnadu Tourism Development Corporation Office, Complex, 4 <sup>th</sup> Floor, Wallajah Road, Chennai - 600 002.
Whether listed or not	Unlisted
Date of Last AGM	30/09/2022



**BOARD OF DIRECTORS LIST OF BOARD OF DIRECTORS & KMP AS ON DATE**  
**DIRECTORS**

S.No.	Name of the Director	Designation
1	Mr. PHANINDRA REDDY KANAMARLA	Director
2	Mr. RAMASWAMY AMBALAVANAN	Director
3	Mr. PRATIK TAYAL	Director
4	Mr. MURUGESAN	Director
5	Mr. SUBBIAH RENGANATHAN	Director
6	Mr. VENKATESAN VENKATARAJAN	Director
7	Mr. SUBRAMANIAM RAGHUNATHAN	Director
8	Mrs. GANESAN GEETHA	Director (Woman and Independent)

**KEY MANAGERIAL PERSONNEL**

S.No.	Name of the Key Managerial Personnel	Designation
1	THIRU.V.VENKATARAJAN	Chief Executive Officer
2	THIRU.J.KANNAN	Chief Financial Officer





**J. JAYASHREE**  
**Practising Company Secretary**

**FORM NO.MR 3**  
**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH 2023**

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

To,

The Members

**TAMILNADU TRANSPORT DEVELOPMENT FINANCE CORPORATION LIMITED**

Tamilnadu Tourism Development Corporation Office Complex,

4<sup>th</sup> Floor Wallajah Road, Chennai - 600002.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TAMILNADU TRANSPORT DEVELOPMENT FINANCE CORPORATION LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

**Auditor's Responsibility:**

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall 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.

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 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 31<sup>st</sup> March 2023 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:





## **J. JAYASHREE** **Practising Company Secretary**

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 31<sup>st</sup> March, 2023 according to the provisions of:

- (i) Reserve Bank of India Act, 1934 as stated under Annexure A;
- (ii) The Companies Act, 2013 (the Act) and the rules made thereunder as stated under Annexure B;
- (iii) The Right to Information Act, 2005.
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

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

- (i) Secretarial Standards SS-1 & SS-2 issued by The Institute of Company Secretaries of India

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 observations:

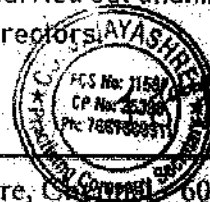
- a) *The Company has NOT appointed Whole Time Company Secretary*
- b) *The Company has conducted only 3 Board Meetings during the reporting period.*

I further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except where specifically highlighted) 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors.





# J. JAYASHREE

## Practising Company Secretary

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.

Place: Chennai  
Date : 21/09/2023

*J. Jayashree*

J. Jayashree  
FCS No: 11587  
C P No: 25396  
P.R. No.: 3894/2023  
UDIN: F011587E001049723



\*Note: This report is to be read with our letter of even date which is annexed as Annexures and forms as an integral part of this report.



# **J. JAYASHREE**

## **Practising Company Secretary**

### **ANNEXURE**

To,  
The Members  
**TAMILNADU TRANSPORT DEVELOPMENT  
FINANCE CORPORATION LIMITED**  
Chennai-600002

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

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications were done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the Provisions of Corporate and other applicable Laws, Rules, Regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Chennai.  
Date : 21/09/2023

*J. Jayashree*

J. Jayashree  
FCS No: 11587  
C P No: 25396  
P.R. No.: 3894/2023  
UDIN: F011587E001049723







# J. JAYASHREE

## Practising Company Secretary

Forms and Returns filed by the Company with the Reserve Bank of India during the financial year 2021-22 are as under:

Sl.No.	Particulars	Filed on
<b>NBS - 1</b>		
1	NBS-1 for the quarter ended 30th June, 2022	19/07/2022
2	NBS-1 for the quarter ended 30th September, 2022	26/10/2022
3	NBS-1 for the quarter ended 31st December, 2022	13/01/2023
4	NBS-1 for the quarter ended 31st March, 2023	24/04/2023
<b>NBS - 2</b>		
5	NBS-2 for the quarter ended 30th June, 2022	18/07/2022
6	NBS-2 for the quarter ended 30th September, 2022	26/10/2022
7	NBS-2 for the quarter ended 31st December, 2022	13/01/2023
8	NBS-2 for the quarter ended 31st March, 2023	21/04/2023
<b>NBS - 3</b>		
9	NBS-3 for the quarter ended 30th June, 2022	18/07/2022
10	NBS-3 for the quarter ended 30th September, 2022	26/10/2022
11	NBS-3 for the quarter ended 31st December, 2022	13/01/2023
12	NBS-3 for the quarter ended 31st March, 2023	21/04/2023
<b>NBS-6 has been discontinued by RBI vide Circular dated 1st July, 2015</b>		
13	ALM return for the month April, 2022	11/05/2022
14	ALM return for the month May, 2022	14/06/2022
15	ALM return for the month June, 2022	12/07/2022
16	ALM return for the month July, 2022	10/08/2022
17	ALM return for the month August, 2022	12/09/2022
18	ALM return for the month September, 2022	12/10/2022
19	ALM return for the month October, 2022	11/11/2022
20	ALM return for the month November, 2022	12/12/2022
21	ALM return for the month December, 2022	06/01/2023
22	ALM return for the month January, 2023	07/02/2023
23	ALM return for the month February, 2023	13/03/2023
24	ALM return for the month March, 2023	21/04/2023





# J. JAYASHREE

## Practising Company Secretary

ANNEXURE B

Forms and Returns filed by the Company with the Ministry of Corporate Affairs during the financial year 2021-22 are as under:		
Sl.No.	Particulars	Filed on
1	IEPF 1	08/04/2022
2	DIR-12 Appointment of PRATIK TAYAL and Cessation of MUKUND WADNERE PRASHANT	19/05/2022
3	CHG-1 creation of charge on 31/05/2022	24/06/2022
4	CHG-1 creation of charge on 31/05/2022	24/06/2022
5	DIR-12 Appointment of RAJAN MOHAN and Cessation of RAJESWARAN SIVALINGOM	10/08/2022
6	DIR-12 Appointment of CHARLES VIJAYARAJ KUMAR and Cessation of ATULYA MISRA	17/08/2022
7	GNL-1 Extension of period of annual general meeting by three months	16/09/2022
8	CHG-1 creation of charge on 30/08/2022	21/09/2022
9	AOC-4 XBRL filed for 2021-22	27/10/2022
10	CHG-4 satisfaction of charge on 19/09/2022	10/10/2022
11	CHG-1 creation of charge on 29/09/2022	13/10/2022
12	CHG-1 Modification of charge of Rupees One Thousand One Hundred Twenty Five Crore	09/11/2022
13	MGT-7 filed for 2021-22	28/11/2022
14	ADT-1 Re-appointment in Auditor in AGM for 2022-23	03/12/2022
15	DIR-12 Appointment of RAMASWAMY AMBALAVANAN and Cessation of CHARLES VIJAYARAJ KUMAR	21/02/2023
16	CHG-4 satisfaction of charge on 17/02/2023	23/02/2023
17	CHG-1 Creation of charge on 28/02/2023	16/03/2023
18	SH-7 Increase in share capital independently by company (INC-33 - Alteration of MOA and INC-34 - Alteration of AOA)	31/03/2023





**M. ANANDKUMAR & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

3, Ground Floor, Rosy Tower, 7, Nungambakkam High Road, Chennai - 600 034.  
Tel. : Off : 2825 8279, 28237273 Fax : 28237918 E-mail : auditoranandkumar@gmail.com

**INDEPENDENT AUDITOR'S REPORT**

To The Members of **TAMILNADU TRANSPORT DEVELOPMENT FINANCE CORPORATION LIMITED**

**REPORT ON THE AUDIT OF FINANCIAL STATEMENTS**

***Opinion***

We have audited the accompanying financial statements of TAMILNADU TRANSPORT DEVELOPMENT FINANCE CORPORATION LIMITED (hereinafter referred to as "the Company"), which comprises the Balance Sheet as at 31<sup>st</sup> March, 2023, the Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2023 (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended; and Notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion Section of our report, the aforesaid financial statements, read with notes and accounting policies therein give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards 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 31 March 2023, and its profit (including other comprehensive income), changes in equity and its cash flows for the year then ended.



### ***Basis of Qualified Opinion***

I. (1.1) State Transport Undertaking (STUs) which are borrowers of the Company have a weak financial profile and are dependent primarily on regular funding from the Government of Tamil Nadu. We refer to our reporting requirements under Section 143(1) of Companies Act, 2013:

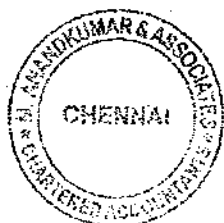
- a) The company has granted secured and unsecured loans amounting to Rs 12,875.72 crores to the STUs during the year.
- b) Despite non-payment or delayed repayment of the old loans by the STUs, the Company has extended fresh loans during the course of the year.
- c) The Subsidies due to the STUs from the Government are being received by the Company, towards the repayment of the loans availed by the STUs.

(1.2) We are unable to comment whether the new loans have been used for repayment of old loans, or other concessions have been granted with a view to avoid non-performing asset classification, in the absence of the proper documentation. We are also unable to verify the end use of the loans sanctioned. The above actions may have resulted in "Evergreening" of the loans sanctioned by the company.

(1.3) As per the State Government policies for concessional travel for women, transgender, school students in buses and reimbursement for High-Speed Diesel(HSD) cost, the State Government has been compensating the STUs through subsidies. The government of Tamil Nadu has been routing such compensation directly to the Company in the interest of recovery of STUs' dues payable.

As long as the Government of Tamil Nadu continues to provide adequate compensation and concession to STUs, the Company's ability to function as a going concern will not be impacted.

The events or conditions highlighted in (1.1), (1.2) and (1.3) above indicate that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern.



II. We refer to RBI master circular (2017-18/181) dated 31st May 2018.

- a) As per the statutory provisioning clause, maintenance of the percentage of liquid assets by the Company should be 15% of outstanding 'public deposits' as on 31st March 2023.

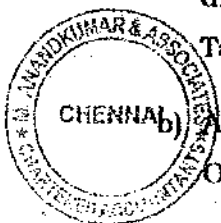
On verification of deposits, we have found that the Company has yet to comply with the re-classification of public and exempted deposits as suggested in the latest Special Audit report dated 29 July 2021. So, we are unable to comment on fulfilling the requirements for this.

The Company has to maintain a Statutory Liquid Ratio (SLR) of 15% of public deposits in the form of liquid assets. The Company has invested in government bonds as per the Reserve Bank of India regulation. The floating charge of these liquid assets has to be created in favour of the Trustees for the benefit of Deposit holders. The Company has appointed M/s. SBI CAP Trustee Company Limited as a trustee of Deposit holders during FY 2022-23.

As per Section 281 of the Income Tax Act, 1961, any assessee makes a charge on, or parts with the possession (by way of sale, mortgage, gift, exchange or any other mode of transfer whatsoever) of, any of his assets in favour of any other person, such charge or transfer shall be void as against any claim in respect of any tax or any additional sum payable by the assessee as a result of the completion of the said proceeding or otherwise. Hence, obtaining a No- Objection Certificate (NOC) from the Income tax department, as per Section 281 of the Income Tax Act, before creating a charge of liquid assets is mandatory. We noticed that the Company had filed an application with the Income-tax authorities under section 281 of the said Act. However, the Income-tax authorities have not issued a "No Objection Certificate" in response.

The Company is required to comply with the TDS deduction under Section 194A of the Income Tax Act, 1961 on interest payments in respect of deposits held by public. However, based on our test check, we observed that the company has complied with TDS deduction only in respect of a few public depositors.

In the absence of relevant information regarding the non-deduction of TDS on interest payments made to public depositors, we are unable to quantify the disallowance of the interest expenditure under Section 40(a)(ia) of the Income Tax Act, 1961.



b) Government NBFC-D can accept deposits only up to 1.50 times of Net Owned Funds as on 31st March 2023. The public deposits of the Company

as on 31st March 2023, as computed by the Company, are Rs.3,330.94 crores, which is within the permissible limit. However, as the special audit report for the classification of public deposits still needs to be fully implemented, we cannot comment on whether the acceptance of public deposits by the company is within the prescribed limits.

III. We refer to the RBI master direction (2016-17/45) dated Sep. 01, 2016. We have observed that the Company needs to comply with some of the guidelines in the circular mentioned above. We have only highlighted some important guidelines that must be complied with.

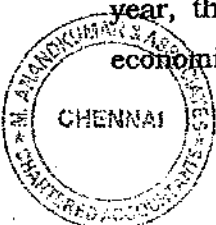
- a) Chapter VI Fair Practices Code
- b) Chapter XI Corporate Governance Policy
- c) Annexure XXIII Asset Liability Management System (ALM)

IV. We refer to the RBI master direction (2016-17/38) dated 25th August 2016. The Company has not maintained a register of deposit with the particulars as specified under the said directions. This has been highlighted in the February 25, 2022, RBI inspection report.

As required by the RBI inspection report, a special audit has been conducted and the special audit report was placed before the Board on 29.07.2021. The Board has passed the resolution to give effect to the revised classification of deposits with effect from 01.04.2021. However, the recommendations of the Special Audit Report still need to be implemented fully. So, we cannot comment upon the accuracy of the Classification of Public Deposits accepted as of 31-03-2023. The deposits received from Educational Trusts, Public Charitable Trusts and Temples do not fall within exempted deposits' meaning.

V. As per RBI guidelines for asset financing companies, principal business is defined as the "aggregate of financing real/physical assets supporting economic activity, and income arising from that place is not less than 60% of its total assets, and total income respectively".

We have observed that the Company has yet to meet the criteria of 60% of qualifying assets as of 31st March 2023 and income of total assets as required for Asset Finance Companies for the financial year 2022-23. In the current financial year, the financial assets qualifying for asset financing company is 4.53%, and economic income is 2.27%.



VI There was a difference of Rs.269.09 lakhs between the Deposit Register and the value of Deposits reported in the financial statements as per the previous financial year 2021-22 audit report. Without the reconciliation of deposits from the management, we are unable to comment on this.

VII The Company has availed the Working Capital Loans from banks, both Secured and Unsecured, towards onward lending to the STUs. According to the various GOs passed from time to time, the Company shall lend it to the STUs at the same terms it was borrowed, including the Interest paid to the Banks and the Guarantee Commission paid to the Government of Tamilnadu. During the year under review, except the Interest, other charges were not charged and recovered from the STUs amounting to Rs.2,099.81 lakhs. This is not in compliance with the Ind-AS 115.

VIII The Company has invested in Government Securities, PSU Bonds and bonds of Public Financial Institutions. We observed that the measurement and recognition of such financial assets and the income thereon are differ from significant accounting policies referred to in Note 2.2 (i) and Note 2.3 of the Notes on Accounts.

We noted that the company board had not formulated and approved any policies regarding the nature of the business model in determining the classification of its Financial Assets and restrictions on subsequent reclassification. Because of this, it needs to clearly articulate and document the objectives for managing each asset in its portfolio. Hence, it is not in line with the requirement of the RBI circular vide RBI/2019-20/170 DOR (NBFC). CC.PD.No.109/22.10.106/2019-20 dated 13<sup>th</sup> March 2020.

IX Similarly, the measurement and recognition of Deposits Accepted and Borrowings as financial liabilities and the finance cost not in line with the significant accounting policies in Note 2.6 of the Notes to Accounts.

X As per Section 128 of the Companies Act, 2013, every company is required to keep and maintain its books of accounts on accrual basis in order to give a true and fair view of the state of the affairs of the company. However, we noticed that the Company has accounted sitting fees to directors on payment basis which is not in line with the requirements of the aforesaid section.



XI We have observed that there exists a difference in TDS Receivable accounted in the books of accounts when reconciled with Form 26 AS, in respect of TDS deducted by State Bank of India amounting to Rs.3.71 lakhs (recorded higher in the books of accounts).

XII The Company has redeemed 30% of its investment in 9.72% TANGEDCO BOND (SERIES - 1/2014-15) during FY 2022-23 at par value amounting to Rs.1.50 crores. However, the confirmation of balance of securities issued by the HDFC Bank Limited (Depository Participant) as on 31<sup>st</sup> March 2023, is also included the value of the aforesaid redemption.

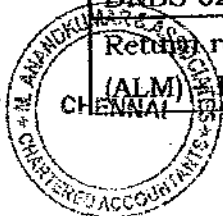
XIII The Company has Rs.11.69 crores as total liability unclaimed matured deposits under Girl Child Protection Scheme (GCPS) framed by Government of Tamilnadu. Out of this, Rs. 7.15 crores pertains to unclaimed deposits for more than 7 years warranting transfer to Investor Education and Protection Fund (IEPF).

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Financial Statements.

**Other Matter**

(a) We refer to Notification No. RBI/DNBS/2016-17/47 dated 29/06/2016 issued by Reserve Bank of India. The Company has not filed the following returns with the RBI, as required in the Notification:

Name of the Return	Periodicity
DNBS 01	Quarterly
DNBS 02 & DNBS 03	Quarterly
Return relating to reporting on Asset Liability Management (ALM) DNBS 4B	Monthly





Reporting to Central Repository of Information on Large Credits [CRILC]	Monthly
Reporting of Special Mention Account Status (SMA-2 Return) – updated as DNBS 09 (with effect from 15 <sup>th</sup> July 2022)	Weekly (On Every Friday)

Based on our sample check, we observed that there are delays in filing the above returns (for specific periods). Further, in the absence of data we are unable to comment on the accuracy of the figures disclosed in the returns filed with the RBI.

**Information other than the financial statements and auditors' report thereon**

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

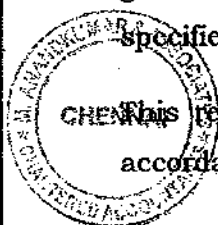
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears 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.

**Responsibilities of Management and Those Charged with Governance for the 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 financial statements that give a true and fair view of the state of affairs, financial performance, 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

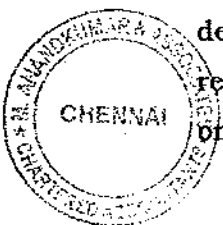
#### **Auditor's responsibilities for the audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

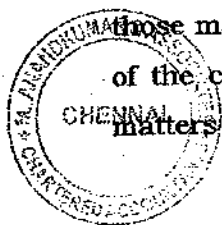


- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

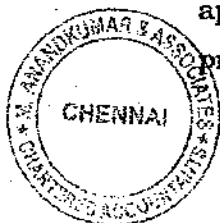
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation 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.

**Report on Other Legal and Regulatory Requirements**

1. 1. As required under Section 143(5) of the Companies Act, 2013, we give in the "Annexure A" to ~~this~~ Independent Auditor's Report our report on the directions issued by the Comptroller and Auditor General of India.
2. 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 Companies Act, 2013 and on the basis of such examination of the books and records of the Company, as we considered appropriate and according to the information and explanation given to us, we give in the "Annexure - B" to this Independent Auditor's Report, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
3. 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 purpose of our audit.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet and Statement of Profit and Loss (including Statement on Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules.
  - e) As per Notification No. G.S.R 463 (E) dated 5<sup>th</sup> June 2015 from the Ministry of Corporate Affairs, Government Companies are exempt from the applicability of the provisions of Sec. 164(2) of the Act. Consequently, these provisions are not applicable to this Company.

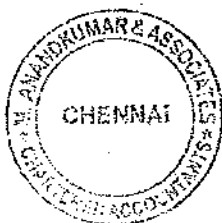


- f) With Respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure C" to this Independent Auditor's Report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting; and
- g) As per notification number G.S.R.463 (E) dated 5<sup>th</sup> June 2015, issued by the Ministry of Corporate Affairs, Section 197 of the Act regarding remuneration to Directors is not applicable to the Company since it is a Government Company; and
- 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, in our opinion and to the best of our information and according to the explanations given to us:

1. The Company has disclosed the impact of pending litigations as at 31<sup>st</sup> March 2023 on its financial position in its Financial Statements. We here refer to Note 6.1 of Notes to Accounts.
2. The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
3. According to the information and explanation given to us, unclaimed deposits for more than 7 years warranting transfer of amount to Investor Education and Protection Fund (IEPF) as on 31<sup>st</sup> March 2023 is Rs.79.32 lakhs. Out of this amount, Rs.26.43 lakhs have been transferred after the reporting date on 13<sup>th</sup> June 2023.

4.

- a. Management has represented that, to the best of its knowledge and belief, 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(ies), 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.



- b. Management has represented that, to the best of its knowledge and belief, 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
- c. Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement
5. As stated in in note 5.21 to the financial statements, the Board of Directors of the Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent, it applies to declaration of dividend.
6. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. 1<sup>st</sup> April 2023, reporting under this clause is not applicable.

For M. Anandkumar and Associates  
Chartered Accountants  
Firm Reg. No: 6100S



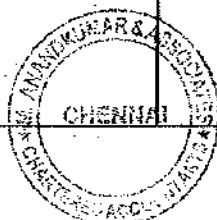
CA. M. ANANDKUMAR., B.COM., F.C.A.,  
Partner

Place: CHENNAI  
Date: 10.08.2023

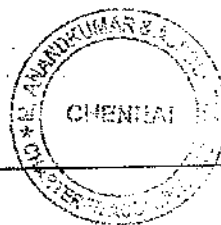
Membership No. 201997  
UDIN:23201997BGTRHD6034

**"Annexure A" to the Independent Auditors Report**

<b>S.No</b>	<b>Compliance</b>	<b>Comments</b>
1	<p><u>Whether the Company has complied with the directions issued by RBI for:</u></p> <p>A. Non-Banking Finance Companies</p> <p>B. Classification of Non-performing assets and</p> <p>C. Capital adequacy norms for NBFCs</p>	<p>A. Refer point II, III, IV, V and VI of "Basis of Qualified Opinion" in our Audit Report for the financial year 2022-23.</p> <p>B. Refer point I of "Basis of Qualified Opinion" in our Audit Report for the financial year 2022-23.</p> <p>C. As per the prudential regulations for NBFC-D, the Capital adequacy Ratio has to be maintained at 15% (with a minimum Tier-1 capital ratio of 8%) as on 31st March 2023. The Company has maintained Capital Adequacy Ratio of 20.36% and Tier 1 Capital Ratio of 19.95%.</p>
2 (a)	<p>Whether the Company has a system to ensure that loans were secured by adequate security free from encumbrances and have first charge on the mortgaged assets? Further instances of undue delay in disposal of seized units may be reported.</p>	<p>The company does not have a system of creating charges for every loan, which is being done on a consolidated basis. The securities did not fully cover the loans; accordingly, wherever there is a shortfall in securities, the same has been disclosed as unsecured.</p>
2 (b)	<p>Further instances of undue delay in disposal of seized units may be reported.</p>	<p>The company has no seized units, so reporting on the disposal of the same does not arise.</p>
3	<p>Whether introduction of any scheme for settlement of dues and extensions thereto complied with policy/guidelines of Company/Government?</p>	<p>No such scheme was introduced during the year</p>



4	<p>Comment on the confirmation of balances of trade receivables, trade payables, term deposits, bank accounts and cash obtained.</p>	<p><u>Trade Receivables</u> - Obtained from the Management.</p> <p><u>Trade Payable</u> - Obtained from the Management.</p> <p><u>Term Deposits</u> - No term deposits with Bank</p> <p><u>Bank Accounts</u> - Certificate of balance as on 31<sup>st</sup> March 2023 obtained for all current accounts held with banks and account held with RBI.</p> <p><u>Cash</u> - Certificate from the Company for cash balance as on 31<sup>st</sup> March 2023 obtained.</p>
5	<p>Whether the bank guarantees have been revalidated in time?</p>	<p>No Bank Guarantee has been provided or obtained during the financial year 2022-23.</p>
6	<p>Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.</p>	<p>All the accounting transactions are passed through Oracle IT System.</p>
7	<p>Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a Government company, then this direction is also applicable for statutory auditor of lender company).</p>	<p>No such instances of restructuring of an existing loan or cases of waiver/ write-off of debts, loans, interest thereon, etc. has been made by lender(s) to the company due to the company's inability to repay such liabilities.</p>





8

Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.

From FY 2019-20, the Government of Tamil Nadu is implementing KFW assisted project of 'Climate friendly modernisation of bus services in major cities of Tamil Nadu' with external assistance from KFW (a German-based agency) at an estimated cost of Euro 274 million. This project is being implemented through the Project Implementation Unit of the company only.

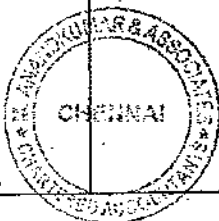
Since the KFW project has not been registered as an assessee under Goods & Services Tax (GST), receipts and payments for this project are routed under the company's GSTIN (Goods and Services Tax Identification Number) only.

During FY 2022-23, a sum of Rs.157.48 crores was received from the Government of Tamil Nadu towards the project. Out of this, a sum of Rs.2.82 crores was transferred to the specific bank account of the KFW Project as detailed below:

- (a) Rs.0.41 crores on 25<sup>th</sup> July 2022,
- (b) Rs.1.00 crores on 30<sup>th</sup> August 2022,
- (c) Rs. 1.01 crores on 22<sup>nd</sup> December 2022; and,
- (d) Rs. 0.40 crores on 10<sup>th</sup> March 2023.

Bb

Further, Rs. 72.19 crores received on 22<sup>nd</sup>



	December 2022 and Rs. 80.43 crores received on 25 <sup>th</sup> January 2023 are pending to be transferred. Rs. 2.04 crores received on 30 <sup>th</sup> March 2023 was transferred to the bank account maintained for KFW Project on 13 <sup>th</sup> April 2023.
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**For M. Anandkumar and Associates**  
**Chartered Accountants**  
**Firm Reg. No: 6100S**



*[Handwritten signature]*

**CA. M. ANANDKUMAR., B.COM., F.C.A.,**  
**Partner**  
**Membership No. 201997**  
**UDIN:23201997BGTRHD6034**

**Place: CHENNAI**  
**Date: 10.08.2023**

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**"Annexure - B" to the Independent Auditor's Report**

The Annexure referred to in Para I of the 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Financial Statements for the year ended 31<sup>st</sup> March 2023, we report that:

(i) (a) (A) The company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment ('PPE').

(B) The Company is maintaining proper records showing full particulars of intangible assets.

(b) The Property, Plant and Equipment ('PPE') have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, the company does not hold any such immovable property.

(d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE (including Right of Use assets) or intangible assets or both during the year. Therefore, the provisions of Clause (i)(d) of paragraph 3 of the order are not applicable to the company.

(e) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Refer Note No. 4.8 to the Notes to Accounts of the Financial Statement.

(ii) (a) The Company is a Non-Banking Financial Company with no physical inventories. Thus, clause 3(ii)(a) of the Companies (Auditor's Report) Order, 2020, is not applicable.



(b) Based on the information and explanations given to us, the Company has been sanctioned working capital limits from banks of Rs 4,719 crores in aggregate, on the basis of security of book debts as on 31<sup>st</sup> March 2023. The periodic statements filed by the Company with such banks are in agreement with the books of accounts.

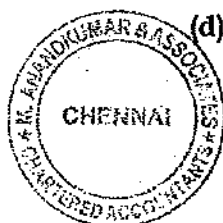
(iii) During the year, the Company has made investments<sup>\*</sup> in and granted loans/ advances in the nature of loans, secured/ unsecured to State Transport Undertakings (STUs). In this regard, we report hereunder:

(a) The Company is a registered NBFC with Reserve Bank of India with principal business of giving loans hence clause 3(iii)(a) of the Order is not applicable.

(b) In our opinion, the terms and conditions of the grant of all loans and advances in the nature of loans, during the year are, *prima facie*, not prejudicial to the Company's interest except non-charging of Guarantee Commission paid to the Government of Tamil Nadu on the loans and advances provided to the STUs.

(c) The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the Income Recognition, Asset Classification and Provisioning Norms, monitors repayments of principal and payment of interest by its customers as stipulated. In our opinion and according to the information and explanations given to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated, the repayments of principal amounts and receipts of interest are generally regular as per stipulation, barring a few instances of delay.

(d) The Company, being a NBFC, registered under provisions of RBI Act, 1934 and rules made thereunder, in pursuance of its compliance with provisions of the said Act/Rules, particularly, the



Income Recognition, Asset Classification and Provisioning Norms, monitors and reports total amount overdue including principal and/or payment of interest by its customers for more than 90 days.

- (e) Since the Company's principal business is to give loans, the provisions of clause 3(iii)(e) of the Order are not applicable to it.
  - (f) According to the information and explanations given to us, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees in contravention of the provisions of sections 185 and 186(1) of the Act, the other provision of the section 186 of the Act are not applicable to the Company.
- (v) According to the information and explanations given to us, in respect of deposits accepted by the company, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules made thereunder, where applicable, have been complied with except for the matter described in the Basis for Qualified Opinion section of our report (we refer point II(a) of that section).
- According to the information and explanations given to us, there is no order passed by the Company Law Board or National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal during the year.
- (vi) The Central Government has not prescribed the maintenance of cost records under the sub-section (1) of Section 148 of the Act for any of the business activities carried out by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company.



In respect of statutory dues, on the basis of information and explanations

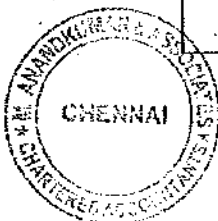
given to us and on the basis of our examination of the records of the Company, we report that:

- a) The Company is regular in depositing with the appropriate authorities, the undisputed statutory dues, including Goods and Services Tax, Provident Fund, Income-Tax, and any other statutory dues applicable to it. There are no undisputed statutory dues payable in respect of the above statutes, outstanding as at 31<sup>st</sup> March 2023 for a period of more than six months, except the following:

<b>Name of the Statute</b>	<b>Nature of Due</b>	<b>Financial Year</b>	<b>Amount (Rs. In lakhs)</b>
GST Act	GST	2019-20	28.28
GST Act	GST	2020-21	269.87
Income Tax Act, 1961	Non-deduction of TDS	Prior Assessment Years	4.42

- b) According to the information and explanations given to us and as certified by the management on which we have relied upon, the disputed statutory dues not deposited on account of disputes and the matters are pending before appropriate authorities as detailed below:

<b>Name of the Statute</b>	<b>Nature of Due</b>	<b>Assessment Year</b>	<b>Amount (Rs. In lakhs)</b>
Income Tax Act, 1961	Income Tax	2000-01 *	33.64
Income Tax Act, 1961	Income Tax	2020-21	2,235.71
Income Tax Act, 1961	Income Tax	2021-22	27.39



\* However, the details of demand and the communications with the Tax department about AY 2000-01 stated above are not available for our verification.

(viii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) In our opinion, the Company has not defaulted in repayment of loans or other borrowings to financial institutions, banks, government and dues to debenture holders or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.

(c) In our opinion and according to the information and explanations given to us, the Terms Loans were applied for the purpose for which the Loans were obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company and further considering the Asset Liability management mechanism of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes.

(e) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures



(f) According to the information and explanations given to us and based on the audit procedures performed by us, we report that the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the reporting under Clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money by way of an initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.

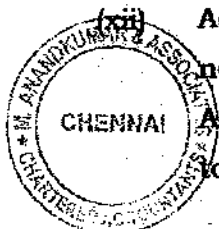
(b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no material fraud by the Company or on the Company has been noticed or reported during the course of our audit.

(b) No report under Section 143 (12) of the Act has been filed by us, during the year under report, in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.





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(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177, *where applicable*, were complied with. As per Notification No. 463(E) dated 5<sup>th</sup> June 2015, issued by the Ministry of Corporate Affairs, the provisions of Section 188 of the Act do not apply to Government Companies.

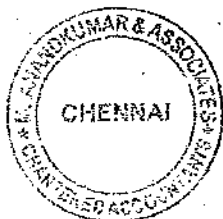
(xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered, during the course of our audit, the reports of the Internal Auditor(s) for the period under audit, issued to the Company during the year till date, in determining the nature, timing and extent of our audit procedures in accordance with the guidance provided in SA 610 "Using the work of Internal Auditors".

(xv) According to the information and explanations given to us and in our opinion; during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company and hence provisions of section 192 of the Act are not applicable to the Company.

(xvi) (a) In our opinion, the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained valid registration under the said section of the said Act.

(b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.



(c) According to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) In our opinion and according to the information and explanations given to us, the Company has not incurred cash loss in the financial year and the immediately preceding financial year.

(xviii) There has been no resignation of statutory auditors of the Company during the year.

(xix) In our opinion and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the Audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We further state that our reporting is based on the facts up to the date of the audit report and we neither give 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 and based on our examination of the records of the Company, it is not required to transfer any unspent amount pertaining to the year under report to a Fund specified in Schedule VII to the Companies Act, 2013 in compliance with second proviso to sub-section (5) of section 135 of the said Act.



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(b) According to the information and explanations given to us and based on our examination of the records of the Company, there is no amount which is remaining unspent under sub-section (5) of Section 135 of the Act pursuant to any ongoing projects.

(xxi) Reporting under this Clause (xxi) of the Order is not applicable as the same is required to be reported only in case of consolidated financial statement.

**For M. Anandkumar and Associates**  
**Chartered Accountants**  
**Firm Reg. No: 6100S**



A handwritten signature in black ink, appearing to read "M. Anandkumar".

**Place: CHENNAI**  
**Date: 10.08.2023**

**CA. M. ANANDKUMAR., B.COM., F.C.A.,**  
**Partner**  
**Membership No. 201997**  
**UDIN: 23201997BGTRHD6034**

## **Annexure - C to the Independent Auditor's Report**

### **Report on 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 Controls over Financial Reporting of Tamil Nadu Transport Development Finance Corporation Limited ("the Company") as of 31<sup>st</sup> March, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management Responsibility for the 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 the company's policies, the safeguarding of the assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting record, 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 over Financial Reporting (the "Guidance Note") on 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 Guidance Note require that we comply with the 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 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 error or fraud.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 authorizations of management and directors of the company; and



- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls 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 errors 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 Controls over Financial Reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

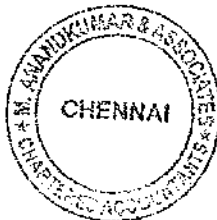
#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls System over Financial Reporting and such Internal Financial Controls over Financial Reporting were operating effectively as at 31<sup>st</sup> March, 2023, based on the Internal Financial Controls over Financial Reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

**For M. Anandkumar and Associates**

**Chartered Accountants**

**Firm Reg. No: 6100S**



**CA. M. ANANDKUMAR., B.COM., F.C.A.,**

**Partner**

**Place: CHENNAI**

**Date: 10.08.2023**

**Membership No. 201997**

**UDIN: 23201997BGTRHD6034**

Tamilnadu Transport Development Finance Corporation Limited			
CIN : U65191TN1975SGC006887			
Balance Sheet As At 31st March 2023			
Particulars	Notes	As at	As at
		31st March 2023	31st March 2022
(Rupees In Lakhs)			
<b>ASSETS</b>			
<b>(1) Financial Assets</b>			
(a) Cash and Cash Equivalents	7	224,132.82	43,657.13
(b) Bank Balance other than included in Cash and Cash Equivalents	8	428.05	24.05
(c) Loans	9	1,611,981.65	1,406,830.46
(d) Investments	10	61,514.58	42,431.34
(e) Other Financial Assets	11	4,702.11	4,624.31
<b>(2) Non-Financial Assets</b>			
(a) Current Tax Assets	12	7,444.44	2,236.33
(b) Deferred Tax Assets (NET)	13	6.31	15.47
(c) Property, Plant and Equipment	14	18.73	16.19
(d) Intangible Assets	14	0.50	0.50
(e) Other Non-Financial Assets	15	393.44	450.61
<b>TOTAL ASSETS</b>		<b>1,910,622.63</b>	<b>1,500,286.39</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>(1) Financial Liabilities</b>			
(a) Borrowings	16	438,181.95	415,235.12
(b) Deposits	17	1,002,408.46	844,368.61
(c) Other Financial Liabilities	18	1,727.61	620.38
<b>(2) Non Financial Liabilities</b>			
(a) Current Tax Liabilities	19	7,888.62	2,199.60
(b) Provisions	20	6,607.60	5,680.43
(c) Other Non Financial Liabilities	21	123,306.07	8,266.11
<b>Total Liabilities</b>		<b>1,580,120.31</b>	<b>1,276,370.25</b>
<b>(3) Equity</b>			
(a) Equity Share Capital	22	300,000.00	205,081.19
(b) Other Equity	23	30,502.36	18,834.96
<b>Total Equity</b>		<b>330,502.36</b>	<b>223,916.14</b>
<b>Total Liabilities and Equity</b>		<b>1,910,622.63</b>	<b>1,500,286.39</b>
See Accompanying notes to the Financial Statements			

For and on behalf of the Board

J. Kannan  
Chief Financial Officer

V. Venkatarajan  
Joint Managing Director  
(DIN: 9199349)

S. Rengasathan  
Director  
(DIN: 8445436)



Place: CHENNAI  
Date: 10-08-2023

As per our Report attached  
For M. Anandkumar and Associates  
Chartered Accountants  
(Firm Registration No : 006100S)

Partner:  
CA. M. ANANDKUMAR, B.COM., F.C.A.,  
Membership No. 201997





Tamilnadu Transport Development Finance Corporation Limited			
CIN : U68191TN1975SGC006887			
Statement of Profit and Loss for the year 31st March 2023			
Particulars	Notes	For the year Ended 31st March 2023	For the year Ended 31st March 2022
(Rupees in Lakhs)			
<b>Revenue from Operations</b>			
Interest Income	24	117,334.07	90,254.38
Others		-	-
<b>(I) Total Revenue from Operations</b>		<b>117,334.07</b>	<b>90,254.38</b>
<b>(II) Other Income</b>	25	<b>0.80</b>	<b>0.63</b>
<b>(III) Total Income (I + II)</b>		<b>117,334.87</b>	<b>90,255.01</b>
<b>Expenses</b>			
(a) Finance Costs	26	110,630.31	83,623.22
(b) Fees and Commission Expense	27	8.25	6.46
(c) Net Loss on fair value changes		-	-
(d) Employee Benefit Expense	28	287.64	187.98
(e) Depreciation, Amortization and Impairment	14	8.07	6.44
(f) Other Expenses	29	1,195.31	922.43
<b>(IV) Total Expenses</b>		<b>112,129.58</b>	<b>84,746.53</b>
<b>(V) Profit/ (Loss) before Exceptional Items and Tax</b>		<b>5,205.28</b>	<b>5,508.48</b>
<b>(VI) Exceptional Items</b>		-	-
<b>(VII) Profit/ (Loss) before Tax</b>		<b>5,205.28</b>	<b>5,508.48</b>
<b>(VIII) Tax Expenses</b>			
(1) Current Tax		1,574.32	2,199.60
(2) Deferred Tax		7.79	(8.96)
<b>(IX) Profit/(Loss) for the year from Continuing Operations (VII - VIII)</b>		<b>3,623.18</b>	<b>3,317.84</b>
<b>(X) Profit/(Loss) from Discontinued Operations</b>		-	-
<b>(XI) Tax Expense of Discontinued Operations</b>		-	-
<b>(XII) Profit/(Loss) from Discontinued Operations (After Tax) (X - XI)</b>		-	-
<b>(XIII) Profit/(Loss) for the period</b>		<b>3,623.18</b>	<b>3,317.84</b>
<b>(XIV) Other Comprehensive Income</b>			
(i) Items that will not be reclassified to Profit or Loss			
Gain on changes in Fair value of Government Securities	30	-	-
Actuarial Gain/Loss on Gratuity		(15.93)	17.20
(ii) Income Tax effect on the above		(15.93)	17.20
<b>Other Comprehensive Income</b>		<b>3,607.25</b>	<b>3,335.04</b>
<b>(XV) Total Comprehensive Income for the year</b>		<b>3,607.25</b>	<b>3,335.04</b>
<b>(XVI) Earnings per Equity Share (for Continuing Operations) Basis (Rs.)/ Diluted (Rs.)</b>		<b>0.12</b>	<b>0.17</b>
<b>(XVII) Earnings per Equity Share (for Discontinued Operations) Basis (Rs.)/ Diluted (Rs.)</b>		-	-
<b>(XVIII) Earnings per Equity Share (for Continuing and Discontinued Operations) Basis (Rs.)/ Diluted (Rs.)</b>		<b>0.12</b>	<b>0.17</b>
See Accompanying notes to the Financial Statements			

J. Kannan  
Chief Financial Officer

For and on behalf of the Board

V. Venkatarajan  
Joint Managing Director  
(DIN: 9199349)

S. R. Srinivasan  
Director  
(DIN: 8445436)



Place: CHENNAI  
Date: 10-08-2023

As per our Report attached  
For M. Anandkumar and Associates  
Chartered Accountants  
(Firm Registration No: 0061008)

Partner  
CA M. ANANDKUMAR, B.COM., F.C.A.,  
Membership No. 201997



Tamilnadu Transport Development Finance Corporation Limited		
CIN : U65191TN1975SGC006887		
Cash Flow Statement for the year ended 31st March 2023		
Particulars	2022-2023	2021-2022
	(Rupees in Lakhs)	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	5,205.28	5,508.48
Add/(Less) Adjustments for :		
Depreciation, Amortisation and Impairment	8.07	6.44
Provision for Standard Assets	954.98	785.47
Provision for Gratuity & Leave Encashment	17.91	17.20
Provision for Retirement Benefits	-	7.45
Operating Profit before Working Capital Changes	6,186.25	6,325.04
Increase or Decrease		
Decrease/(increase) in Loans	(205,151.19)	(212,071.20)
Decrease/(increase) in Financial and Non Financial Assets	(20.64)	7,984.40
Decrease/(increase) in Financial and Non Financial Liabilities	116,147.19	(121,607.65)
Decrease/(increase) in Deposits	158,037.92	116,412.00
Cash Generated from/ (used in) Operations	75,199.54	(202,957.41)
Less: Direct Taxes paid	(1,510.08)	(4,236.98)
Net Cash Flows from/ (used in) Operating Activities (A)	73,689.46	(207,194.40)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net Purchase of Assets	(6.33)	(4.85)
Purchase of Investments	(19,165.75)	(25,570.21)
Redemption of Investments	450.00	2,019.91
Net Cash Flows from/ (used in) Investing Activities (B)	(18,722.08)	(23,555.15)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/(repayment) of Borrowings	22,946.83	(26,452.63)
Proceeds from issue of Share capital (including share premium and net of share issue expenses, if any)	103,131.38	42,447.00
Dividend paid	(165.89)	(120.20)
Net Cash Flows from/ (used in) Financing Activities (C)	125,912.31	15,874.17
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>180,879.69</b>	<b>(214,875.38)</b>
Cash and Cash Equivalents at the beginning of the year	43,681.18	258,556.56
Cash and Cash Equivalents at the end of the year	224,560.87	43,681.18
<b>Component of Cash and Cash Equivalents at the end of the year</b>		
Balances with Banks		
a) Current Accounts	(2,320.01)	35,164.81
b) Deposit Accounts	226,452.82	8,492.32
c) Interest Warrant Accounts	428.05	24.05
	224,560.87	43,681.18

J. Kannan  
Chief Financial Officer

V. Venkatarajan  
Joint Managing Director  
(DIN: 9199349)

For and on behalf of the Board

S. Srinivasan  
Director  
(DIN: 8445436)



As per our Report attached  
For M. Anandkumar and Associates  
Chartered Accountants  
(Firm Registration No : 0061008)

Partner:  
CA. M. ANANDKUMAR, B.COM., F.C.A.,  
Membership No. 201997

Place: CHENNAI  
Date: 10-08-2023



## Statement of Changes in Equity for the year ended March 31, 2023

## A. Equity Share Capital

(Rupees in Lakhs)

Particulars	Amount
Balance as at 1st April 2021	162,634.19
Changes during the FY 2021-22	42,447.00
Balance as at 31st March 2022	205,081.19
Changes during the FY 2022-23	94,918.81
Balance as at 31st March 2023	300,000.00

## B. Other Equity

(Rupees in Lakhs)

Particulars	Reserves and Surplus			Other Comprehensive Income	Share Application Money Pending Allotment	Total
	Special Reserve created u/s 45-IC(1) of Reserve Bank of India Act, 1934	General Reserve	Retained Earnings			
Balance as at 1st April 2021	3,843.74	1,407.93	10,359.99	8.46	-	15,620.12
Profit for the year	-	-	3,317.84	-	-	3,317.84
Re-measurement of Defined Benefit Plans	-	-	-	-	-	-
Other Comprehensive Income / (Expense)	-	-	-	17.20	-	17.20
Total Comprehensive Income for the FY 2021-22	3,843.74	1,407.93	13,677.83	8.46	-	18,937.96
Dividends	-	-	(120.20)	-	-	(120.20)
Dividend Distribution Tax	-	-	-	-	-	-
Transfer to / from Retained Earnings	663.57	248.84	(912.41)	-	-	-
Monies Received during the FY 2021-22, Pending Allotment	-	-	-	-	-	-
Balance as at 31st March 2022	4,507.31	1,656.77	12,645.22	25.66	-	18,834.96
Profit for the year	-	-	3,623.18	-	-	3,623.18
Other Comprehensive Income / (Expense)	-	-	-	(15.93)	-	(15.93)
Total Comprehensive Income for the FY 2022-23	-	-	-	(15.93)	-	(15.93)
Dividends	-	-	(165.89)	-	-	(165.89)
Transfer to / from Retained Earnings	724.64	271.74	(996.38)	-	-	-
Changes in accounting policy or prior period errors	-	-	13.49	-	-	13.49
Monies Received during the FY 2022-23, Pending Allotment	-	-	-	-	8,212.57	8,212.57
Balance as at 31st March 2023	5,231.95	1,928.51	15,119.61	9.73	8,212.57	30,502.36

J. Kannan  
Chief Financial Officer

V. Venkatarajan  
Joint Managing Director  
(DIN: 9199349)

For and on behalf of the Board

S. Renganathan  
Director  
(DIN: 8445436)

Place: CHENNAI  
Date: 10-08-2023



As per our Report attached  
For M. Anandkumar and Associates  
Chartered Accountants  
(Firm Registration No : 0061003)

Partner:   
CA. M. ANANDKUMAR, B.COM., F.C.A.,  
Membership No. 201997



## **Tamilnadu Transport Development Finance Corporation Limited**

CIN : U65191TN1975SGC006887

### **NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

#### **Significant Accounting Policies and Notes on Accounts**

##### **Company Overview**

Tamil Nadu Transport Development Finance Corporation Limited was formed on 25.03.1975 as a Non-Banking Finance Company with the objective of mobilization of funds from the general public to meet both Long Term Capital and Working Capital requirements of the State Transport Undertakings without wholly depending on Government budgetary funds.

The Company is registered with the Reserve Bank of India (RBI) and Ministry of Corporate Affairs (MCA). The registration details are as follows:

RBI : RBI-Registration No. 07.00403

CIN : U65191TN1975SGC006887

#### **Note 1: Basis of Preparation and Presentation**

##### **1.1 Statement of Compliance**

The financial statements have been prepared as a going concern in accordance with the Indian Accounting Standard (Ind AS), notified under section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) amendments Rules, 2016 issued by the Ministry of Corporate Affairs (MCA).

In addition, the guidance notes and announcements issued by the Institute of Chartered Accountants of India are also applied, except where the compliance with other statutory provisions requires different treatment.

The financial statements are presented in Indian Rupees in lakhs (INR lakhs or Rs. in lakhs) which is also the functional currency of the Company, except when otherwise indicated.

##### **1.2 Accounting Conversion**

The financial statements have been prepared under the historical cost convention, unless otherwise specifically recognized in a different manner.

#### **Note 2: Significant Accounting Policies**

##### **2.1 Expenditure**

- a) Expenses are accounted on accrual basis and provisions are made for all known losses and liabilities. Costs associated with providing various services are accrued at the time when related revenues are recognized.
- b) Interest on belated renewals / unclaimed deposits other than deposits under Girl Child Protection Scheme is accounted for on a payment basis since it is not known whether unclaimed deposits will be withdrawn or renewed.
- c) Interest foregone by the depositor on premature withdrawal of the deposit during the current year is adjusted against the interest provision of the current year.



## **2.2 Revenue Recognition**

### **(i) Interest Income:**

As per Ind AS 109, Financial Instruments, interest income from financial assets is recognised on an accrual basis using Effective Interest Rate method (EIR). The Effective Interest Rate method is that exactly discounts estimated future cash receipts (including all fees, transaction costs and other premiums or discounts paid or received) through the expected life of the financial instrument to the carrying amount on initial recognition.

The EIR in case of a financial asset is computed:

- As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial assets.
- By considering all the contractual terms of the financial instruments in estimating the cash flows.
- Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, all other premiums, or discounts.

Any Subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial assets.

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit – impaired assets and financial assets classified as measured at FVTPL.

- However as per our Investment and Loan policy, all investments are held till maturity. Therefore the Effective Interest Rate will have very insignificant impact on the income or the finance asset of the company.

### **(ii) Net gain on fair value changes:**

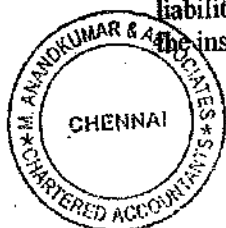
Any difference between the fair value of financial assets classified as fair value through the profit or loss, held by the company on the balance sheet date is recognised as an unrealized gain/loss. In cases there is a net gain in the aggregate, the same is recognised in "Net gains on fair value changes" under Revenue from operations and if there is a net loss the same is disclosed under "Expenses" in the statement of profit & loss. Similarly, any unrealized gain/loss arising out of financial assets classified as fair value through other comprehensive income, is recognised under other comprehensive income in the statement of Profit & Loss.

Any realized gain/loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain/ loss on fair value changes.

Net gain/loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit & Loss.

## **2.3 Financial Instruments:**

A Financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instruments for another entity. Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments.





### **Financial Assets/ Liabilities**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities measured at fair value through profit or loss are recognised immediately in profit or loss. Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities that are measured at amortised cost are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The ongoing business model of holding financial assets (in the nature of Debt Instruments) of the company is followed as per the classification and measurement criteria disclosed below.

However, the nature of the business model in determining the classification of financial assets is to be approved as a policy by the Board in the next Board Meeting, which clearly articulates and documents the objectives for managing each asset in its portfolio.

#### **(i) Classification of financial instruments**

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost
2. Financial assets to be measured at fair value through other comprehensive income
3. Financial assets to be measured at fair value through profit or loss account.

The classification depends on the contractual terms of the financial assets cash flows and the Company's business model for managing financial assets.

#### **(ii) Measurement**

##### **Debt Instruments:**

##### **A. At Amortised cost:**

A financial asset is measured at amortised cost if both of the following conditions are met:

1. The assets is held within a business model whose objective is to hold them to collect contractual cash flows and
2. The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

Such financial assets are subsequently measured at amortised cost using the Effective Interest Rate method.

##### **B: At Fair Value through other comprehensive income:**

Financial assets are measured at fair value through other comprehensive income where they have:

1. are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
2. Contractual terms that give rise to cash flows on specified dates represent solely principal payments and interest on the principal amount outstanding.
3. These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit or loss.



### C. Items at fair value through profit or loss

#### Items at fair through profit or loss comprise:

1. Investments (including equity shares) held for trading;
2. Items specifically designated as fair value through profit or loss on initial recognition; and
3. Debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and gains or losses are recognised in the statement of profit and loss as they arise.

#### *Financial instruments held for trading*

A financial instruments is classified as 'held for trading' if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship.

#### *Financial instruments designated as measured at fair value through profit or loss*

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

1. if a host contract contains one or more embedded derivatives; or
2. if financial assets and liabilities are both managed, and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the company's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income.

#### (iii) Fair Value Measurement

The fair value measurement is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

**Level - 1:** This level includes financial assets that are measured by reference to quoted prices in active markets for identical assets or liabilities.

**Level - 2:** This level includes financial assets and liabilities, measured using inputs other than quotes prices included within Level -1 that are observable for the asset or liability, either directly (i.e. Price) or indirectly (i.e. derived from prices).

**Level - 3:** This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.



**(iv) Impairment of Financial Assets**

A financial asset is regarded as credit impaired when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The company applies the existing prudential norms set out by RBI for NBFCs. Expected credit loss on financial assets has been used as there are no indicators of significant credit impairment the debt given.

**Expected Credit Loss (ECL) on Loans given:**

The Company has given loans to State Transport Undertaking (STUs). The Company has entered into a tripartite agreement with the STUs and Banks to disburse and collect the loans. The Government of Tamilnadu backed these loans through adequate compensation through subsidies. There were no specific risks identified about these loans. Thus, no ECL has been applied by the Company on these loans.

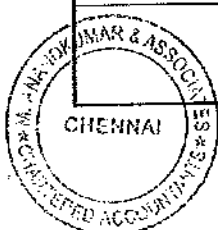
**Expected Credit Loss (ECL) on Investments Made:**

The Company has invested in Government Securities (State Development Loans to the Government of Tamilnadu) and Bonds of Banks & Public Financial Institutions. These investments are classified under Stage 1. No ECL has been applied to these investments as there is no history of delay in servicing interest/ repayments. The Company does not expect any delay in interest/ redemption servicing in future.

**Details of Comparison between Provisions required under IRACP and Impairment allowance made under Ind AS 109 :**

(Rs in Lakhs)

Disclosures in Notes to Financial Statements						
Asset Classification as per RBI Norms	As per Ind AS 109					
	Asset classification	Gross Carrying Amount	Loss Allowances (Provisions) as required	Net Carrying Amount	Provisions required as per IRACP Norms	Difference between Ind AS 109 provisions & IRACP Norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
<b>Performing Assets</b>						
Standard	Stage 1	16,11,981.64	NA	16,11,981.64	6,582.30	(6582.30)
	Stage 2	-	-	-	-	-
<b>Subtotal</b>		16,11,981.64	NA	16,11,981.64	6,582.30	(6582.30)
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Subtotal for doubtful</b>		-	-	-	-	-
<b>Loss</b>	Stage 3	-	-	-	-	-
<b>Subtotal for NPA</b>		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) Norms.	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Subtotal</b>		-	-	-	-	-
<b>Total</b>	Stage 1	16,11,981.64	NA	16,11,981.64	6,582.30	(6582.30)
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
	<b>Total</b>	16,11,981.64	NA	16,11,981.64	6,582.30	(6582.30)



#### **(v) De-recognition of financial assets and financial liabilities**

**Financial asset:** A Financial asset or a part thereof is primarily de-recognised when:

The right to receive contractual cash flows from the assets has expired, or if the company has transferred its right to receive cashflows from the assets or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

1. The company has transferred substantially all the risks and rewards of the asset; or
2. The company has neither transferred nor retained substantially all the risks and rewards of the assets but has transferred control of the asset.

If the company enters into transactions whereby it transfers assets recognised on its balance sheet but retains all or substantially all the risks and rewards of the transferred assets, the transferred assets are not de-recognised.

On de-recognition of a financial asset, the difference between the carrying amount of the assets and the consideration received is recognised in profit or loss.

**Financial Liabilities:** The Company de-recognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

#### **2.4 Property, Plant and Equipment**

The Property, Plant and Equipment are the assets held for the use in the supply of services, and are recognized as per Ind AS 16: Property, Plant and Equipment.

##### **Cost**

Property, plant and equipment's are stated in the balance sheet at cost (net of duty/ tax credit availed) less accumulated depreciation and accumulated impairment losses.

Cost of acquisition is inclusive of freight, non- refundable duties & taxes and other directly attributable cost of bringing the asset to its working conditions for the intended use.

An item is recognised as property, plant and equipment if and only if it is probable that future economic benefits associated with the item will flow to the company and its costs can be measured reliably. Subsequently expenditure is added to the carrying amount or recognised as separate asset, when the company expects future economic benefits from that item.

##### **Depreciation**

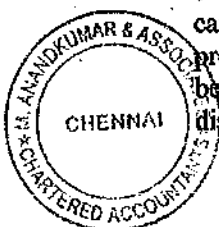
Depreciation is recognised to write off the cost of assets less their residual values over their useful lives, using the written down value method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

##### **De-recognition**

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

##### **Impairment**

The Property, plant and equipment with definite life are reviewed for impairment whenever the events or changes indicate that their carrying value may not be recoverable. Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the assets is allocated over its remaining useful life. An item of the property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of the item of property, plant and equipment is determined as the



difference between the sale proceeds and carrying amount of the assets and is recognised in profit and loss.

## 2.5 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses (if any). Software is amortised on a straight-line basis over the license period or three years, whichever is lower. Other intangibles are amortised based on the estimated useful life as determined. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An Intangible asset is derecognised on disposal or when no future economic benefits are expected from use of disposal. Gains or losses arising from derecognition of an intangible asset measured as the difference between the net disposal proceeds and the carrying amount of the asset as recognised in profit or loss when the asset is derecognised.

### Amortization

Amortization is recognized in the Statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets or on any other basis that reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity. Intangible assets that are not available for use are amortized from the date they are available for use.

## 2.6 Finance Cost

As per Ind AS 109, financial instruments, finance cost, i.e. interest expenses from financial liabilities is recognised on an accrual basis using effective interest rate method (EIR). The effective interest rate method is the rate that exactly discounts estimated future cash payments (including all interest payments and guarantee commission) through the expected life of the financial instruments to the carrying amount on initial recognition.

However, the deposit accepted by the company has fixed rate of interest payable and therefore are not subject to fluctuations. The bank borrowing cost are borne by the respective borrowers (STU's) and this company does not charge any margin. This policy will have no impact as our contracts are pre-determined.

## 2.7 Employee benefits

### Short-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of salaries, wages, performance incentives, medical benefits and other short-term benefits in the period the related service is rendered, at the undiscounted amount of the benefits expected to be paid in exchange for that service.

### Advances to staff:

Advances given to staff at rates below the market rate are accounted for as financial assets. The advances are not discounted as the amount is not significant and repayable within 12 months from the Balance Sheet Date.



### **Post-employment benefit plans:**

#### **Defined Contribution Plan**

Payments to defined contribution plans i.e., Company's contribution to provident fund and employee pension scheme and are determined under the relevant schemes and/ or statute and charged to the Statement of Profit and Loss in the period of incurrence when the services are rendered by the employee.

#### **Defined Benefit Plan**

For defined benefit plans i.e., Company's liability towards gratuity (funded), other retirement terminations benefits and compensated absences, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Defined benefit costs are comprised of:

- i. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- ii. Net interest expense or income; and,
- iii. Re-measurement.

The Company presents the first two components of defined benefits costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

Re-measurement of net defined benefit liability/ asset pertaining to gratuity comprise of actuarial gains/ losses (i.e., changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions) and is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Provision for Gratuity benefits has been determined by the Fund Statement provided by the Life Insurance Corporation (LIC), which maintains the fund, and the Company is contributing to the same to keep annual contributions of the Company relatively stable at a level such that no plan deficits (based on a valuation performed) will arise.

Leave encashment benefits are calculated as per actuarial valuation and provided for, though no separate fund is created/ administered.

In respect of employees on deputation, gratuity is provided as per the terms and conditions of deputation.



**Employee Benefits under Indian Accounting Standard (Ind AS 19)**

**A. Gratuity Plan (Funded)**

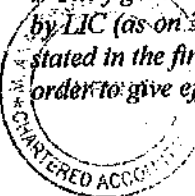
(Amount in Rs.)		
<b>Accrued Gratuity Liability Valuation as on 31<sup>st</sup> March 2023</b>	<b>As on 31<sup>st</sup> March 2023 #</b>	<b>As on 31<sup>st</sup> March 2022</b>
<b>Movements in Accrued Liability</b>		
Accrued Liability as at beginning of the period	39,42,995.00 *	46,03,093.00
Interest Cost	2,76,048.00	3,22,217.00
Current Service Cost	1,03,572.00	1,81,401.00
Benefits Paid	(16,04,876.00)	0.00
Actuarial (gain) / loss on obligations recognised	17,00,934.00	(11,78,913.00)
Accrued Liability as at the end of the period	44,18,673.00	39,27,798.00 *
<b>Amounts to be recognized in the Balance Sheet</b>		
Present Value of obligations as on the accounting date	44,18,673.00	39,27,798.00
Fair Value of the Plan Assets	43,27,650.12	52,88,789.23
(Fund is being maintained with LIC 100%)		
Liability to be recognized in the Balance Sheet	(91,022.88)	13,60,991.23
<b>Expenses to be recognized in Profit &amp; Loss Account</b>		
Interest Cost	2,76,048.00	3,22,217.00
Current Service Cost	1,03,572.00	1,81,401.00
Past Service Cost		
Expected Return on Plan Assets	(3,06,458).00	(3,57,103.00)
Net Actuarial (gain) / loss recognized in the year	17,00,934.00	(11,78,913.00)
Net Expenses to be recognized in Profit & Loss Account	17,74,095.00	(10,32,398.00)
<b>Principal Actuarial Assumptions</b>		
a. Discount Rate (Per Annum)	7.00%	7.00%
b. Rate of Return on Plan Assets	8.75%	8.75%
c. Salary Escalation Rate	5%	5%
d. Mortality	Based on LIC (1994-96)	Based on LIC (1994-96)
e. Employees' Turnover	1 Retirement	Nil

**Note:**

\* The Company maintains two Group Gratuity Schemes with Life Insurance Corporation of India (LIC) towards funding their gratuity obligations vide policy numbers 605007235 and 605010364.

There exists a difference between amounts presented as on 31<sup>st</sup> March 2022 and the amounts carried forward as on 1<sup>st</sup> April 2022. Since, the policy No. 605010364 was started on 1<sup>st</sup> April 2021, LIC's system is unable to compute the values of obligation and plan asset as on 31<sup>st</sup> March 2022 for the said policy. However, the figures for FY 2022-23 includes the value of above mentioned policy also.

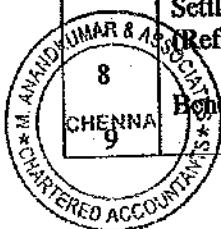
# The figures of FY 2022-23 disclosed in the above table are based on the Fund Statement provided by LIC (as on 31<sup>st</sup> March 2023). However, the closing values of gratuity obligation and plan asset as stated in the financial statements deviates the above figures on account of various entries passed in order to give effect to previous year numbers.



# **Leave Encashment (Non-Funded)**

(Amount in Rs.)

<b>Part I Leave Encashment Valuation as on 31<sup>st</sup> March 2023</b>		<b>As on 31<sup>st</sup> March 2023</b>	<b>As on 31<sup>st</sup> March 2022</b>
<b>A</b>	<b>Notional Accrued Benefit Obligation (in Rs.)</b>	12,50,468.00	35,93,157.00
	Average Age (in years)	51.90	51.90
	Expected (decrement related) future service (in years)	8.1	8.1
	Projected actuarial value of Benefit Obligations in Rs.	25,30,519.00	38,29,850.00
<b>B</b>	<b>Mean Financial Assumptions</b>		
	Discount Rate per unit per annum	0.0725	0.0675
		0.0500	0.0500
<b>C</b>	<b>Salary escalation rate</b>		
	<b>Mean Demographic Assumptions</b>	IALM (2012-14)	IALM (2012-14)
	Mortality	ULTIMATE	ULTIMATE
	Withdrawal	5%	5%
	Disability	No Explicit Assumption	No Explicit Assumption
	Leave Availment on a service basis	20%	20%
	Leave Availment in the separation of service	80%	80%
<b>Part II Leave Encashment Valuation as on 31<sup>st</sup> March 2023</b>		<b>As on 31.03.2023</b>	<b>As on 31.03.2022</b>
<b>(A)</b>	<b>Movements during the valuation year</b>		
1	Inter Valuation period (in years)	1	1
2	Opening Balance of Actuarial value of Benefit Obligations (in Rs.)	38,29,850.00	38,80,493.00
3	Interest Cost assuming that claims paid in middle of financial year (in Rs.)	2,58,515.00	2,61,933.00
4	Current service cost (in Rs.) (Refer AS 15 revised 2005)	1,55,425.00	2,28,544.00
5	Past Service cost (in Rs.) (Refer AS 15 (Revised 2005)	-	-
6	Curtailment cost/(credit) (in Rs.) (Refer Para 110-116 of AS 15 (Revised 2005)	-	-
7	Settlement cost / (credit) (in Rs.) (Refer Para 110-116 of AS 15 (Revised 2005) 48	-	-
8	Benefits paid (in Rs.)	(16,04,876.00)	-





	Actuarial Gain/Loss on Benefit Obligations (in Rs.)	(1,08,395.00)	(5,41,120.00)
10	Closing Balance of Actuarial Value Benefit Obligations (in Rs.)	25,30,519.00	38,29,850.00
(B)	<b>Movement in Profit &amp; Loss Account</b>		
1	Interest cost = A3	2,58,515.00	2,61,933.00
2	Current Service Cost = A4	1,55,425.00	2,28,544.00
3	Actuarial Gain/Loss on Benefit Obligations (in Rs) A9	(1,08,395.00)	(5,41,120.00)
4	Net Cost Recognized = B1+B2+B3	(3,05,545.00)	(50,643.00)
(C)	<b>Final Balance Sheet Movement</b>		
1	Opening Balance of Actuarial value of Benefit Obligations (in Rs.)	38,29,850.00	38,80,493.00
2	Add: Net Cost (in Rs.) = B4	(3,05,545.00)	(50,643.00)
3	Less: Claims Paid (in Rs.) = A8	0.00	0.00
4	Closing Balance of Actuarial Value Benefit Obligations (in Rs.)	25,30,519.00	38,29,850.00

#### Other long-term employee benefits

The obligation for other long-term employee benefits such as long-term compensated absences, liability on account of Retention Pay Scheme is recognised in the same manner as in the case of defined benefit plans as mentioned above.

#### Termination benefits

Termination benefits such as compensation under Voluntary Retirement cum Pension Scheme are recognised as expense and a liability is recognised at the earlier of when the Company can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

### 2.8 Income taxes

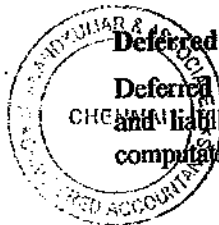
Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### **Current tax**

Current tax is determined on taxable profits for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 including other applicable tax laws that have been enacted or substantively enacted.

#### **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable



temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary differences arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

#### **Current and Deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

#### **2.9 Impairment of Assets**

The carrying amounts of assets are reviewed at each balance sheet date to ascertain impairment based on internal / external factors. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the net selling price of the assets and their value in use.

#### **2.10 Events occurring after the balance sheet date**

Assets and liabilities are adjusted for events occurring after the reporting period that provides additional evidence to assist the estimation of amounts relating to conditions existing at the end of the reporting period.

#### **2.11 Dividends**

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the company's board of directors.

#### **2.12 Use of estimates**

The presentation of financial statements requires the management to make estimates and assumption that may affect the balances of assets and liabilities and the reported amounts of income and expenditures during the period under audit. However, the actual results could differ from those estimated which will be recognised prospectively.

Significant areas of judgement/estimation are disclosed in the respective notes.

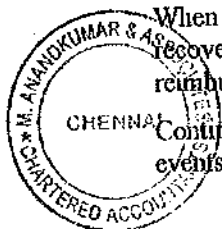
#### **2.13 Provisions, contingent liabilities and contingent assets**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursements will be received, and the amount of the receivable can be measured reliably.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of



one or more future uncertain events not wholly within the control of the company (or) there is a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

#### **2.14 Earnings per Share:**

Basic earnings per share, is calculated by dividing the net profit/loss after tax for the period attributable to the equity shareholders by the weighted average number of shares outstanding during the year. A separate EPS has to be calculated for continuing and discontinued operations as well as the combined profit.

The diluted earnings per share have been computed using weighted average number of shares adjusted for the effects of all potentially dilutive equity shares.

#### **2.15 Guarantee Commission**

The Board of TDFC Ltd. in its 233<sup>rd</sup> Meeting held on 21.07.2022 decided not to claim from STUs, the Government Guarantee fee payable / paid on these bank loans from the financial year 2021-22.

Guarantee Commission payable to Government of Tamil Nadu is accounted on the total loan amount availed.

#### **2.16 Leases**

On March 30, 2019, the Ministry of Corporate Affairs (MCA) has notified new Ind AS on leases, Indian Accounting Standard (Ind AS) 116 which is applicable from 01/04/2019. However, the application of IND-AS 116 did not have any significant impact on recognition and measurement of lease rental in the financial position and the operational results of the Company. The Company has not entered into any finance lease.

**2.17** Previous year's figures have been regrouped wherever necessary to confirm to this year's classification.

**2.18** The business model of the company is "Hold to Collect" the loan financial assets and in respect of investment it is "Hold to maturity"

#### **Note 3: Use of Estimates and Management Judgement**

In preparation of the standalone financial statements, the Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities including contingent liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience & other relevant factors and are reviewed on an ongoing basis. Actual results may differ from these estimates.

Changes in accounting estimates, if any, are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if it affects both current and future periods.

#### **Note 4: Aging Schedule**

##### **4.1 Trade Receivables aging schedule**

There is no Trade Receivables during the year.

##### **4.2 Trade Payables aging schedule**

There is no Trade Payables during the year.



#### 4.3 Details of Shareholding of Promoters:

Shares held by promoters at the end of the year 2022-2023				% Change during the year
S.No.	Promoter name	No. of Shares	% Of Total Shares	
1	Government of Tamil Nadu	2,98,12,88,192	99.38	0.29
2	TNSTC (Kumbakonam) Ltd.,	18,81,852	0.06	-0.03
3	TNSTC(Salem) Ltd.,	27,26,000	0.09	-0.04
4	TNSTC(Madurai) Ltd.,	43,54,694	0.15	-0.06
5	TNSTC(Villupuram) Ltd.,	45,55,937	0.15	-0.07
6	MTC Ltd.,	12,22,960	0.04	-0.02
7	SETC Ltd.,	8,41,515	0.03	-0.01
8	TNSTC (Coimbatore) Ltd.,	31,28,850	0.10	-0.06
	Total	3,00,00,00,000	100.00	

#### 4.4 Details of Title deeds of Immovable Properties not held in name of the Company

The Company has no immovable property.

4.5 The Company being a Government Company, has no loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.

4.6 There is no Capital-work-in progress.

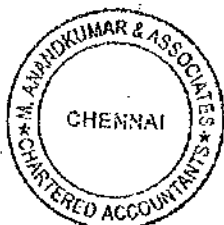
#### 4.7 Intangible assets under development

There are no Intangible assets under development.

4.8 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 rules made thereunder.

4.9 The Company is not declared as wilful defaulter by any bank or financial Institution or other lender.

4.10 The Company has no transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.



#### 4.11 Registration of charges or satisfaction with Registrar of Companies (ROC)

The charges or satisfaction yet to be registered with ROC beyond the statutory period, are given below:

S.No	SRN	Charge ID	Charge Holder Name	Date of Creation	Amount (Rs.)	Reason
1	Y10427179	90304252	Life Insurance Corporation India	22/03/1988	50,00,000	Very old Records not traceable
2	Y10426967	90304040	Life Insurance Corporation India	12/03/1985	2,64,00,000	
3	Y10426912	90303985	Life Insurance Corporation India	19/03/1984	2,40,00,000	
4	Y10426859	90303932	Life Insurance Corporation India	10/03/1983	1,79,00,000	
5	Y10426824	90303897	Life Insurance Corporation India	16/03/1982	3,78,00,000	

#### 4.12 Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Act read with Companies (Restriction of number of Layers) Rules, 2017.

#### 4.13 The Company has not surrendered or disclosed any income under the relevant provisions of Income-tax Act.

#### 4.14 Compliance with approved Scheme(s) of Arrangements:

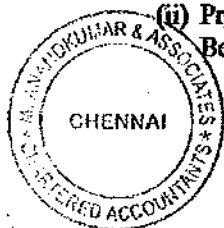
No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

#### 4.15 Utilisation of Borrowed funds and share premium:

(A) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall

(i) 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

(ii) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;



(B) 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

- (i) 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
- (ii) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**4.16 Details of Crypto Currency or Virtual Currency**

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

**4.17** The monthly statement of Book debts filed by the Company with the Banks from whom the Company has borrowed are in agreement with the Book of Accounts.

**4.18 SLR / LCR**

The Company has Statutory Liquidity Ratio (SLR) @ 18.01% and a Liquidity Coverage Ratio (LCR) of 435.26% as on 31.03.2023.

**Note 5: Prudential Norms**

**5.1 CAPITAL ADEQUACY**

<i>Particulars</i>	<i>As at March 31, 2023</i>	<i>As at March 31, 2022</i>
CRAR (%)	20.36%	16.27%
CRAR- Tier I Capital (%)	19.95%	15.87%
CRAR - Tier II Capital (%)	0.41%	0.40%
Amount subordinated debt raised as Tier- II capital	Nil	Nil
Amount raised by issue of Perpetual Debt Instruments.	Nil	Nil



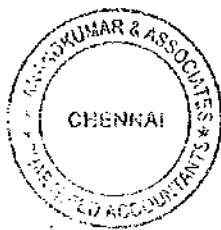
## 5.2 INVESTMENTS AT COST

(Rs in Lakhs)

<i>Particulars</i>		<i>As at March 31, 2023</i>	<i>As at March 31, 2022</i>
1	Value of Investments	60,361.25	41,645.50
	(i) Gross Value of Investment		
	(a) In India	60,361.25	41,645.50
	(b) Outside India	-	-
	(ii) Provision for Depreciation	-	-
	(a) In India	-	-
	(b) Outside India	-	-
	(iii) Value of Investment		
	(a) In India	60,361.25	41,645.50
	(b) Outside India	-	-
2	Movement of provisions held towards depreciation on investments	-	-
	(i) Opening balance	-	-
	(ii) Add: Provisions made during the year	-	-
	(iii) Less: Write – off / write – back of excess provision during the year	-	-
	(iv) Closing balance	-	-

Interest accrued on Investments : Rs.1,153.33 lakhs (Previous year Rs. 785.84 lakhs)

Market Value as on 31.03.2023 is Rs.58773.04 lakhs (Previous year Rs.38696.33 lakhs)



**A. Details of non-performing assets purchased:**

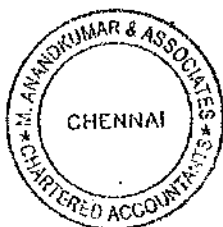
**(Rs. in Lakhs)**

<i>Particulars</i>		<i>As at March 31, 2023</i>	<i>As at March 31, 2022</i>
1	(a) No. of accounts purchased during the year	NIL	NIL
	(b) Aggregate outstanding	NIL	NIL
2	Provision for Depreciation		
	(a) In India	NIL	NIL
	(b) Outside India	NIL	NIL
	(c) Of these, number of accounts restricted during the year	NIL	NIL
	(d) Aggregate outstanding	NIL	NIL

**B. Details of non-performing assets Sold:**

**(Rs. in Lakhs)**

<i>Particulars</i>		<i>As at March 31, 2023</i>	<i>As at March 31, 2022</i>
1	No. of accounts sold	NIL	NIL
2	Aggregate outstanding		
3	Aggregate consideration received		





### 5.3 ASSET LIABILITY MANAGEMENT MATURITY PATTERN OF CERTAIN ITEMS OF ASSETS AND LIABILITIES:

(Rs. in Lakhs)

Particulars	Up to 30/31 days	Over 1 Month Up to 2 months	Over 2 Months Up to 3 Months	Over 3 Months Up to 6 Months	Over 6 Months Up to 1 year	Over 1 year Up to 3 years	Over 3 years Up to 5 years	Over 5 years	Total (Face Value)
Deposit *	52,841.46	60,046.68	40,446.48	134,445.09	156,317.28	391,244.54	115,629.32	-	950,970.85
Advances *	31,985.60	95,962.42	31,783.96	243,861.49	264,863.02	755,692.30	164,810.93	22,975.88	1,611,855.60
Investments *	-	-	-	-	500.00	2,060.00	2,009.00	55,792.25	60,361.25
Borrowings *	-	61,900.00	-	150,000.00	224,281.93	-	-	-	438,181.93
Foreign Currency Assets	-	-	-	-	-	-	-	-	-
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-

\* Without accrued interest.

### 5.4 EXPOSURES:

5.4.1 Exposure to Real Estate Sector: Rs. Nil (previous year Rs. Nil)

5.4.2 Exposure to Capital Market: Rs. Nil (previous year Rs. Nil)

### 5.5 Details of Single Borrower Limit (SBL) / Group Borrower Limit (GBL)

The request of Tamilnadu Transport Development Finance Corporation Limited seeking exemption from credit/investment concentration norms has been acceded by the Reserve Bank of India vide Notification (RBI/2016-19/130) Harmonization of different categories of NBFC's (w.e.f. February 22, 2019).

### 5.6 MISCELLANEOUS:

5.6.1 Registration obtained from other financial sector regulators: Rs. Nil

(Previous year Rs. Nil)

5.6.2 Disclosure of Penalties imposed by RBI and other regulators: Rs. Nil

(Previous year Rs. Nil)



#### 5.6.3 Ratings assigned by credit rating agencies during the year:

Name of the Rating Company	Particulars	Ratings
ICRA Ltd.	Loan for Rs.4000 crore	Rs.2,625 crores = BBB+ (CE) stable reaffirmed Rs.639 crores = A2(CE) reaffirmed Rs.736 crores = BBB-(Stable)/[ICRA]A3 reaffirmed
	Deposit: Rs.4000 crores	[ICRA]BBB - Stable reaffirmed
CARE Edge	Loan for Rs.3000 crores	CARE BBB; Stable Assigned

#### 5.6.4: Related Party Transactions:

The Company has no other organizations under its control / joint ventures and associates with whom transactions have taken place during the year. The Company being a Government Company, Government of Tamil Nadu appoints the key management personnel.

##### A. List of Related Parties:

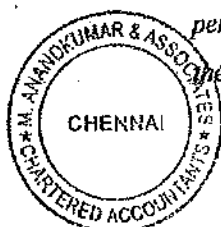
S.No	Nature of Relationship	Name of the Party
1	Key Management Personnel (KMP)	Mr.V. Venkatarajan (Joint Managing Director & Chief Executive Officer)
2	Key Management Personnel (KMP)	Mr.J. Kannan (Chief Financial Officer)

##### B. Summary of Related Party Transactions:

(Rs. In Lakhs)

Particulars	Key Management Personnel (KMP)	
	March 31, 2023	March 31, 2022
Payments/ Expenses		
Payment to key management personnel *	41,84,500.00	15,57,285.00
Total during FY 2022-23	41,84,500.00	15,57,285.00
Balance outstanding at the year end	-	-

\* The Group has not granted loans or advances to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person, that is repayable on demand or without specifying any terms or period of repayment for the financial year ended March 31, 2023 and March 31, 2022.



**5.7: ADDITIONAL DISCLOSURES:****5.7.1 Provisions and Contingencies:***(Rs. in Lakhs)*

<i>Break up of 'Provisions and Contingencies' shown under the head Expenditure in the Statement of Profit and Loss</i>	<i>As at March 31, 2023</i>	<i>As at March 31, 2022</i>
Provisions for depreciation on investment	-	-
Provisions towards NPA	-	-
Provisions made towards Income tax	7,888.62	2,199.60
Other Provision and Contingencies (with details) provided for employees' benefit (Gratuity payable & Leave Salary)	66.28	53.11
Provision for Standard Assets	6,582.30	5,627.32

**5.7.2 TERM DEPOSITS:**

The Term Deposits accepted from public and others under various schemes are:

*(Rs. In Lakhs)*

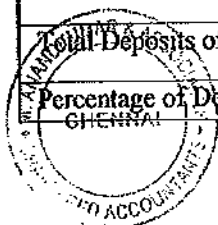
<i>Schemes</i>	<i>As at March 31, 2023</i>			<i>As at March 31, 2022</i>		
	<i>Public</i>	<i>Others</i>	<i>Total</i>	<i>Public</i>	<i>Others</i>	<i>Total</i>
Periodic Interest Payment Scheme	1,67,060.59	2,46,804.69	4,13,865.28	1,34,300.59	2,23,062.61	3,57,363.20
Money multiplier Scheme	1,66,033.21	3,71,072.36	5,37,105.57	1,13,737.30	3,30,075.04	4,43,812.34
<b>TOTAL</b>	<b>3,33,093.80</b>	<b>6,17,877.05</b>	<b>9,50,970.85</b>	<b>2,48,037.89</b>	<b>5,53,137.65</b>	<b>8,01,175.54</b>

During the year 2022-23 the Deposit amount of Rs.615.71 lakhs received in bank account but Deposit Applications yet to be received are disclosed in 'Term Deposit - Others - Money multiplier Scheme'.

(Interest accrued on deposits Rs.51,437.61 lakhs)

**5.7.3 Concentration of Deposits:***(Rs.in Lakhs)*

<i>Particulars</i>	<i>As at March 31, 2023</i>
Total Deposits of twenty largest depositors	5,14,187.60
Percentage of Deposits of twenty largest depositors to Total Deposits	54.10%



All KYC norms as per statutory requirements have been adhered to.

**5.7.4 Concentration of Advances:**

(Rs.in Lakhs)

S.No.	Name of the twenty largest Borrowers	As at March 31, 2023
1	TNSTC(Coimbatore)Limited	2,86,178.49
2	TNSTC(Kumbakonam)Limited	1,86,196.67
3	TNSTC(Madurai)Limited	1,84,067.67
4	MTC(Chennai)Limited	2,17,283.63
5	SETC(Tamilnadu)Limited	1,64,363.12
6	TNSTC(Salem)Limited	1,60,707.95
7	TNSTC(Tirunelveli)Limited	2,42,473.15
8	TNSTC(Villupuram)Limited	1,69,959.49
<b>Total Advances of twenty largest borrowers.</b>		<b>16,11,230.15</b>
<b>Percentage of Advances to twenty largest borrowers to Total Advances.</b>		<b>100%</b>
<b>The only Eight borrower of Tamilnadu Transport Development Finance Corporation Limited.</b>		

**5.7.5 Concentration of Exposures:**

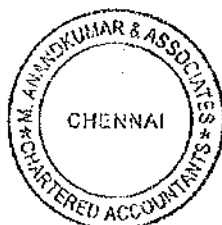
(Rs.in Lakhs)

S.No.	Name of the twenty largest Borrowers/customers	As at March 31, 2023
1	TNSTC(Coimbatore)Limited	2,86,178.49
2	TNSTC(Kumbakonam)Limited	1,86,196.67
3	TNSTC(Madurai)Limited	1,84,067.67
4	MTC(Chennai)Limited	2,17,283.63
5	SETC(Tamilnadu)Limited	1,64,363.12
6	TNSTC(Salem)Limited	1,60,707.95
7	TNSTC(Tirunelveli)Limited	2,42,473.15
8	TNSTC(Villupuram)Limited	1,69,959.49
<b>Total Exposure of twenty largest borrowers/customers.</b>		<b>16,11,230.15</b>
<b>Percentage of Exposure to twenty largest borrowers/customers to Total Exposure.</b>		<b>100%</b>
<b>The only Eight borrower of Tamilnadu Transport Development Finance Corporation Limited.</b>		

**5.7.6 Concentration of NPAs: Rs. Nil (previous year Rs. Nil)**

**5.7.7 DISCLOSURE OF COMPLAINTS:**

Particulars	No. of Complaints
No. of complaints pending at the beginning of the year	Nil
No. of complaints received during the year	7,299
No. of complaints redressed during the year	7,225
No. of complaints pending at the end of the year	74



**5.8 Disclosure of Asset Classification Instalments Overdue as on March 31, 2023**  
(Rs. In Lakhs)

<i>Particulars</i>	<i>As at March 31, 2023</i>	<i>As at March 31, 2022</i>
SETC Ltd.	Nil	Nil
TNSTC (Tirunelveli)	Nil	1,904.00
TNSTC (Coimbatore)	Nil	Nil
TNSTC (Kumbakonam)	Nil	Nil
TNSTC (Salem)	Nil	Nil
TNSTC (Madurai)	Nil	Nil
TNSTC (Villupuram)	Nil	Nil
MTC Ltd.	Nil	Nil
<b>TOTAL</b>	<b>Nil</b>	<b>1,904.00</b>

The Company considers the loan is recoverable and good. Hence, the provisioning under RBI circular No. DOR No. BP.BC.63/21.04.048/2019-20 Dt. 17.04.2020 are not availed and not provided during the current year 2022-2023.

**5.9 Reporting and Monitoring of Frauds:**

As per Master Directions Monitoring of Frauds in NBFC (Reserve Bank) Directors, 2016, No frauds are reported to Reserve Bank of India during the Financial Year 2022-2023.

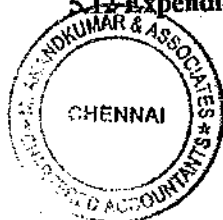
**5.10 Dues to Micro, Small and Medium Enterprises (MSME)**

- Principal (Net) amount remaining unpaid to any supplier as at the end of the accounting year is Rs. Nil (P.Y. Rs. Nil).
- Interest due thereon remaining unpaid to any supplier as at the end of the accounting year is Rs. Nil (P.Y. Rs. Nil).
- The amount of interest paid along with the amount of the payment made to the supplier beyond the appointed day is Rs. Nil (P.Y. Rs. Nil).
- The amount of interest due and payable for the year is Rs. Nil.
- The amount of interest accrued and remaining unpaid at the end of the accounting year is Rs. Nil (P.Y. Rs. Nil).
- The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid Rs. Nil (P.Y. Rs. Nil).

**5.11 SEGMENT REPORTING:**

The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Indian Accounting Standard 108.

**5.12 Expenditure in Foreign Currency: Rs. Nil (Previous year: Rs. Nil).**



### 5.13 Capital Management Strategy

The Company's capital management strategy is to ensure that it has sufficient capital for business operations, strategic investment, regulatory requirements and to provide reasonable return to the shareholders. Equity share capital and other equity are considered for Capital management.

### 5.14 Financial Risk Management Framework

Risk is an inherent and integral part of the financial services business, and the company has been judiciously managing this through an efficient risk mitigation system, with a view to achieve the Company's stated objectives of Growth with Quality and Profitability. The risks primarily include credit risk, liquidity risk and market risk.

#### a. Credit Risk

Credit risk is the risk of financial loss to the Company if a customer fails to meet his contractual obligations and arises principally from the company's loan receivables.

The company's current exposure is to one government department and retail loans against deposits. Loans against deposits are disbursed after retaining adequate margin and risk of default by the government department is also minimal. Hence, the company is subject to limited risk despite concentration of exposure. The Company applies the existing prudential norms set out by RBI for NBFCs. Expected credit loss model for recognizing impairment loss on financial assets has not been used as there are no indications of significant credit impairment for the debt given.

#### b. Liquidity Risk

Liquidity risk relates to our potential inability to meet all payment obligations when they fall due or only being able to meet them at excessive costs. The objective of the liquidity risk management frame work is to ensure that the company can fulfil its payment obligations at all times and can manage liquidity and funding risks within its risk appetite. The Asset Liability Committee regularly monitors the liquidity position and the duration of assets/ liabilities. The company maintains a liquidity ratio per regulatory requirements by investing in government securities.

#### c. Market Risk

Market risk is the risk of loss arising from potential adverse changes in the value of the firm's assets and liabilities from fluctuation in market variables like liquidity, interest rate and equity prices.

##### (i) Interest Rate Risk-

The company's exposure to changes in interest rates relates to its investment in debt securities. All the debt securities of the company is in local currency and on fixed rate basis and hence not subject to interest rate risk.

##### (ii) Currency Risk

The company does not have any borrowings or investments in foreign currency and hence not subject to currency risk.

##### (iii) Equity Risk

The company has investments in Bonds only, which are measured 'At Amortised Cost' basis, as per Ind AS 109: Financial Instruments.



**5.15** The Lending Rate increased for Long Term Loan from 7.00% to 7.40% p.a, including the existing loans with effect from 01.04.2022 and new loans sanctioned during the financial year 2022-23.

**5.16** Regarding CSR, during the current financial year 2022-23, Rs.55.78 lakhs and Rs.25.00 lakhs have been transferred to Tamil Nadu State Disaster Management Authority and Metropolitan Transport Corporation (MTC).

(Rs. in lakhs)	
Opening Balance	Nil
Gross amount required to be spent during the year	80.78
<b>Total</b>	<b>80.78</b>
<b>Amount spent during the year :</b>	
(i) Construction and acquisition of any assets	Nil
(ii) Other than (i) above	80.78
<b>Balance</b>	<b>Nil</b>

#### 5.17 KFW Project

From the year 2019-20, Govt. of Tamil Nadu is implementing KFW assisted project of 'Climate friendly modernisation of bus services in major cities of Tamil Nadu' with an external assistance from KFW (a Germany based agency) at an estimated cost of Euro 274 million. This project is being implemented through Project Implementation Unit of TDFC only.

During the year 2022-23, a sum of Rs.157.48 crores has been received from the Government of Tamilnadu. Out of this a sum of Rs.2.82 crores was transferred to the specific bank account of the KFW Project as detailed below:

Rs.0.41 crores on 25.07.2022

Rs.1.00 crore on 30.08.2022

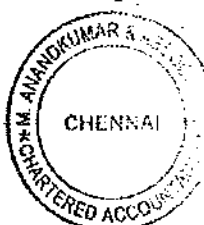
Rs.1.01 crores on 22.12.2022

Rs. 0.40 crores on 10.03.2023

Further a sum of Rs.72.19 crores received on 22.12.2022 and Rs.80.43 crores received on 25.01.2023 are pending to be transferred. A sum of Rs. 2.04 crores received on 30.03.2023 was transferred to the Bank account of KFW project on 13.04.2023.

**5.18** The Board of Directors has proposed a dividend for the financial year 2021-22 @ 0.0809% of Equity share capital and approved by the share holders at the AGM. As per Accounting Standards the Dividend (Rs.165.89 lakhs) made on the Net Profit was paid and appropriated in Profit and Loss Account for the financial year 2022-23.

**5.19** As per RBI guidelines Special Audit has been conducted by M/s. V.P. Raju & Associates for classification of public deposits and they reported on 08.02.2021 that Rs.476.93 crores which were earlier classified as Exempted Deposits are reclassified as Public Deposits as on 31.03.2020. This Special Audit Report has been placed before the 230<sup>th</sup> Board Meeting held on 29.07.2021. The Board has directed TDFC to implement the same from 01.04.2021. The public deposits as on 31.03.2023 is Rs.3,549.62 crores including interest accrued on public deposits. (Rs.3,330.94+218.68) crores







5.20 Liquidity Coverage Ratio Disclosure

S. No	Particulars	As at Mar 31, 2023			As at Dec 31, 2022			As at Sep 30, 2022			As at Jun 30, 2022			As at Mar 31, 2022		
		Total	Unweighted Value (average)	Weighted Value (average)	Total	Unweighted Value (average)	Weighted Value (average)	Total	Unweighted Value (average)	Weighted Value (average)	Total	Unweighted Value (average)	Weighted Value (average)	Total	Unweighted Value (average)	Weighted Value (average)
1	High Quality Liquid Assets															
2	Total High Quality Liquid Assets (HQLA)**	183947.10	183947.10	183947.10	108988.60	108988.60	108988.60	124834.11	124834.11	124834.11	94863.49	94863.49	94863.49	77825.76	77825.76	77448.37
3	Cash Outflows															
4	Deposits (for deposit taking companies)	45960.50	45960.50	52854.58	52934.06	52934.06	60874.17	63264.85	63264.85	72754.57	54834.42	54834.42	63059.58	31189.41	31189.41	35867.82
5	Unsecured wholesale funding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	26000.00	26000.00	29900.00
6	Secured wholesale funding	48500.00	48500.00	55775.00	0.00	0.00	0.00	50000.00	50000.00	57500.00	0.00	0.00	0.00	21300.00	21300.00	24495.00
7	Additional requirements, of which															
8	(i) Outflows related to derivative exposures and other collateral requirements															
9	(ii) Outflows related to loss of funding on debt products															
10	(iii) Credit and liquidity facilities															
11	Other contractual funding obligations															
12	Other contingent funding obligations															
13	TOTAL CASH OUTFLOWS	94460.50	94460.50	108629.58	52934.06	52934.06	60874.17	113264.85	113264.85	130254.57	54834.42	54834.42	63059.58	78489.41	78489.41	90262.82
14	Cash Inflows															
15	Secured lending			0.00			0.00			0.00			0.00			0.00
16	Inflows from fully performing exposures	88584.59	88584.59	66438.44	36593.26	36593.26	27444.94	87815.01	87815.01	65861.26	55293.15	55293.15	26489.86	58499.99	58499.99	43874.99
17	Other cash inflows			0.00			0.00			0.00			0.00			0.00
18	TOTAL CASH INFLOWS	88584.59	88584.59	66438.44	36593.26	36593.26	27444.94	87815.01	87815.01	65861.26	55293.15	55293.15	26489.86	58499.99	58499.99	43874.99
19	TOTAL HQLA	183947.10	183947.10	183947.10	108988.60	108988.60	108988.60	124834.11	124834.11	124834.11	94863.49	94863.49	94863.49	77825.76	77825.76	77448.37
20	TOTAL NET CASH OUTFLOWS															
21	[(Total Weighted Cash Outflows) - Minimum of (75% of Total Weighted Cash outflow or Total Weighted Cash Inflows)]			42191.14			33429.23			64393.31			36589.72			46387.83
22	LIQUIDITY COVERAGE RATIO (%)			435.26%			325.11%			193.34%			258.24%			166.96%

\*\*Components of HQLA need to be disclosed

Cash and Cash Equivalents	124356.00	51298.93	72847.03	52377.83	39195.65
Govt Securities	57541.10	55639.67	49737.08	39985.67	36114.19
Bonds	2050.00	2050.00	2250.00	2500.00	2515.92
Total HQLA	183947.10	108988.60	124834.11	94863.49	77825.76

\*Unweighted values calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows).  
# Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow and outflow. Classification of inflows and outflows for determining the off factors is based on the same estimates and assumptions as used by the Company for compiling the return submitted to the RBI, which has been relied upon by the auditors.



**Note 6: Miscellaneous**

**6.1 Contingent Liabilities**

- For the Assessment Year 2020-21, TDFC Ltd. has claimed Rs.3,199 lakhs as Provision for Standard Assets since it is not an allowable expenditure. Further, TDFC Ltd. has voluntarily offered the above sum to be included in the total income and paid the tax due to avoid any possible penalty proceedings. Even then, the Income-tax Department has issued Show Cause Notice for penalty dt.31.03.2023 under section 270A of the Income-tax Act 1961 for the Assessment year 2020-21. TDFC Ltd. has filed an appeal against this penalty proceedings dt.27.04.2023.
- For the Assessment Year 2021-22, CSR expenditure of Rs.27.39 lakhs have been claimed as business expenditure in the Statement of Profit & Loss. The Income-tax Department has issued a Show Cause Notice mentioning that the CSR expenditure is not allowable as per section 37 of the Income-tax Act, 1961 and does not offer the same for tax. TDFC Ltd. has appealed against this Penalty Show Cause Notice dt.06.02.2023.
- The Company has undertaken an unsecured Line of Credit amounting to Rs.500 crores.

6.2 The deposits remaining unclaimed for more than 7 years warranting transfer of amount to Investor Education and Protection Fund (IEPF) as on 31.03.2023 Rs.79.32 lakhs. Previous year Rs.47.90 lakhs) out of which Rs.26.44 lakhs have been transferred to IEPF *after 31.3.23* during the year and balance of Rs.52.88 lakhs pending under legal proceedings (Previous year Rs.10.03 lakhs).

6.3 The interest on un-renewed portion of deposits of Rs.309.38 lakhs (Previous Year 31st March 2022- Rs.315.52 lakhs) under GCPS as on 31st March 2023 has been provided for Rs. NIL (Previous Year 31st March 2022 Rs.0.01 lakhs).


6.4 There is a difference of Rs.2.69 crores between the control ledger and the subsidiary ledger as on 31<sup>st</sup> March 2022.

6.5 Other Liabilities include Stale Cheques of Rs.533.69 lakhs on 31st March 2023.

  
J. Kannan  
Chief Financial Officer

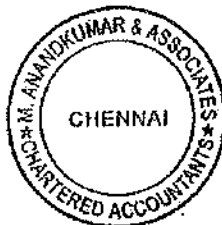
For and on behalf of the Board

  
V. Venkatarajan  
Joint Managing Director, DIN 9199349

  
S. Kengathan  
Director, DIN: 8445436

As per our Report attached.  
For M. Anandkumar and Associates  
Chartered Accountants  
Firm Reg. No: 6100S.

  
CA. M. ANANDKUMAR, B.COM., F.C.A.,  
Partner  
Membership No. 201997



Place: CHENNAI  
Date: 10.08.2023

**Note 7: Cash and Cash Equivalents**

(Rupees In Lakhs)

Sr. No.	Particulars	As at 31st March 2023	As at 31st March 2022
(i)	Balance with Banks (of the nature of Cash and Cash Equivalents)		
	- In Current Accounts	-2,320.01	35,164.81
	- Personal Deposit account with RBI	226,452.82	8,492.32
	<b>Total Cash and Cash Equivalents</b>	<b>224,132.82</b>	<b>43,657.13</b>

There are no repatriation restrictions with respect to Cash and Cash equivalents as at the end of the reporting periods presented above.

**Note 8: Bank Balance other than included in Cash and Cash Equivalents**

(Rupees In Lakhs)

Sr. No.	Particulars	As at 31st March 2023	As at 31st March 2022
(i)	Earmarked Balances with Banks		
	- Interest Warrant Accounts	428.05	24.05
	<b>Total Bank Balance other than included in Cash and Cash Equivalents</b>	<b>428.05</b>	<b>24.05</b>





## Main Schedule

## Note 9: Loans

(Rupees In Lakhs)

Particulars	As at 31st March 2023		As at 31st March 2022	
	Amortised Cost	Total	Amortised Cost	Total
<b>(A) Loans (At Amortised Cost)</b>				
i) Term Loans	1,555,063.12	1,555,063.12	1,346,524.60	1,346,524.60
ii) Working Capital Loan	56,281.95	56,281.95	60,055.75	60,055.75
iii) Loan on Deposits and Other Advances	636.58	636.58	276.66	276.66
iv) Unamortised Transaction Cost	-	-	(26.55)	(26.55)
<b>Total (A) - Gross</b>	<b>1,611,981.65</b>	<b>1,611,981.65</b>	<b>1,406,830.46</b>	<b>1,406,830.46</b>
Less: Impairment Loss Allowance	-	-	-	-
<b>Total (A) - Net</b>	<b>1,611,981.65</b>	<b>1,611,981.65</b>	<b>1,406,830.46</b>	<b>1,406,830.46</b>
<b>(B)</b>				
i) Secured by Tangible Assets	459,330.02	459,330.02	687,352.85	687,352.85
ii) Unsecured	1,152,651.63	1,152,651.63	719,477.61	719,477.61
<b>Total (B) - Gross</b>	<b>1,611,981.65</b>	<b>1,611,981.65</b>	<b>1,406,830.46</b>	<b>1,406,830.46</b>
Less: Impairment Loss Allowance	-	-	-	-
<b>Total (B) - Net</b>	<b>1,611,981.65</b>	<b>1,611,981.65</b>	<b>1,406,830.46</b>	<b>1,406,830.46</b>
<b>(C)</b>				
i) Public Sector	1,611,345.06	1,611,345.06	1,406,553.80	1,406,553.80
ii) Others	636.58	636.58	276.66	276.66
<b>Total (C) - Gross</b>	<b>1,611,981.65</b>	<b>1,611,981.65</b>	<b>1,406,830.46</b>	<b>1,406,830.46</b>
Less: Impairment Loss Allowance	-	-	-	-
<b>Total (C) - Net</b>	<b>1,611,981.65</b>	<b>1,611,981.65</b>	<b>1,406,830.46</b>	<b>1,406,830.46</b>
All the Loans are measured 'At Amortized Cost' only. No other measurements have been followed.				





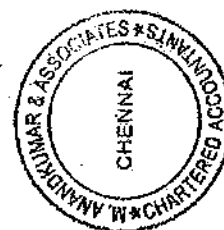
## Main Schedule

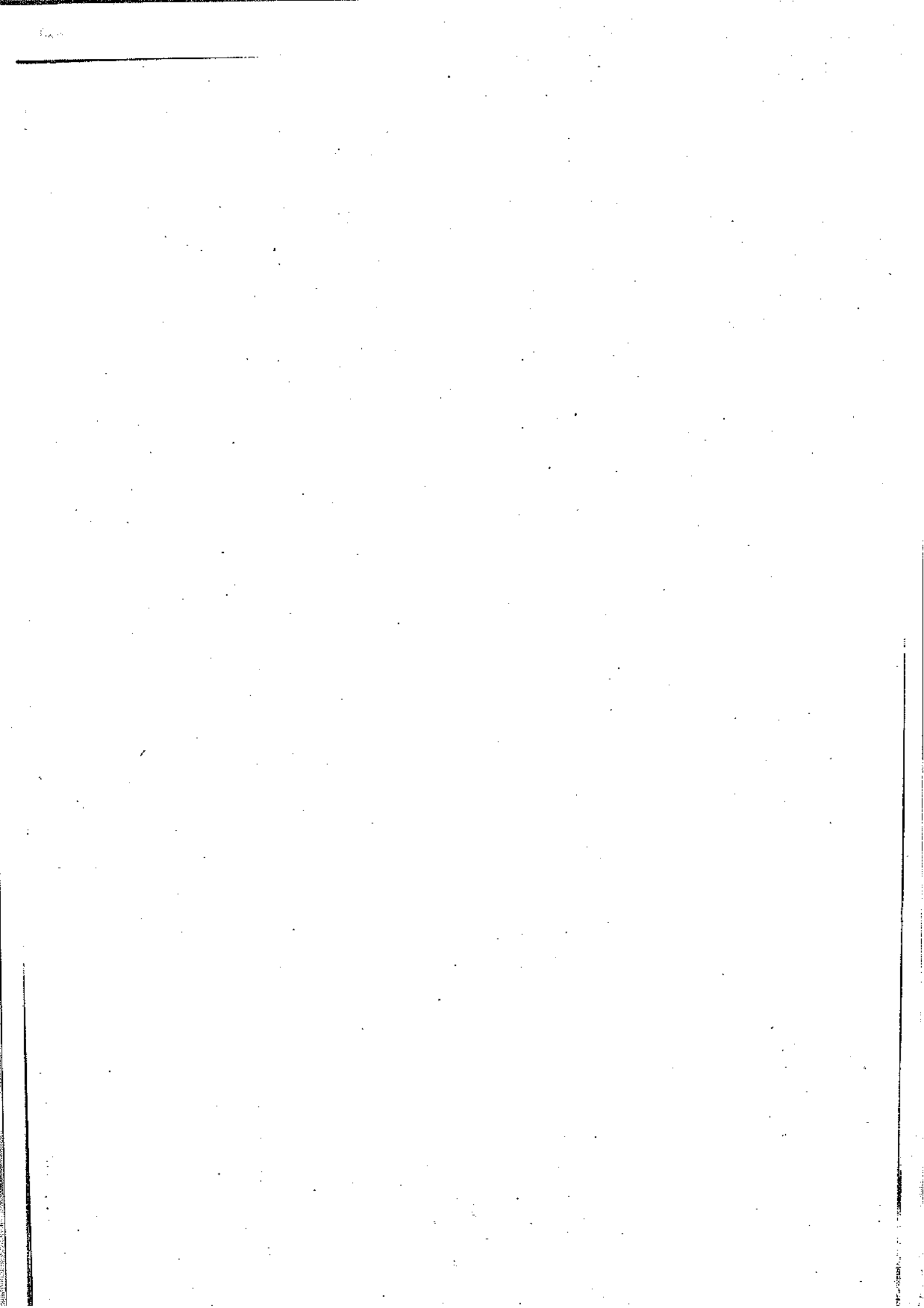
## Note 10: Investments

(Rupees in Lakhs)

Particulars	As at 31st March 2023			As at 31st March 2022				
	Amortised Cost (1)	At Fair value through OCI (2)	At Fair value through Profit or Loss (3)	Total (1+2+3)	Amortised Cost (1)	At Fair value through OCI (2)	At Fair value through Profit or Loss (3)	Total (1+2+3)
i) Government Securities	59,424.24	-	-	59,424.24	39,883.59	-	-	39,883.59
ii) Bonds	2,090.34	-	-	2,090.34	2,547.75	-	-	2,547.75
Total Gross (A)	61,514.58	-	-	61,514.58	42,431.34	-	-	42,431.34
Geography wise Investment	-	-	-	-	-	-	-	-
i) Investments outside India	-	-	-	-	-	-	-	-
ii) Investments in India	61,514.58	-	-	61,514.58	42,431.34	-	-	42,431.34
Gross Geography wise Investment (B)	61,514.58	-	-	61,514.58	42,431.34	-	-	42,431.34
Less: Allowance for Impairment Loss (C)	-	-	-	-	-	-	-	-
Net Geography wise Investment (B-C)	61,514.58	-	-	61,514.58	42,431.34	-	-	42,431.34
All the Loans are measured 'At Amortized Cost' only. No other measurements have been followed.								

All the Loans are measured 'At Amortized Cost' only. No other measurements have been followed.







**Note 11: Other Financial Assets**

(Rupees In Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Security Deposits	7.25	7.26
Amount receivable from others	2,106.82	1,678.79
Loans to Employees	0.92	0.95
Interest accrued but not due on Government securities	-	29.53
Interest receivable on PD account with RBI	2,587.12	2,907.78
<b>Total</b>	<b>4,702.11</b>	<b>4,624.31</b>

**Note 12: Current Tax Assets**

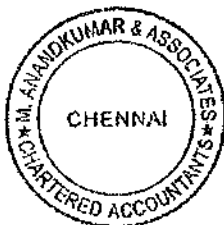
(Rupees In Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Advance Income Tax	7,444.44	2,236.33
<b>Total</b>	<b>7,444.44</b>	<b>2,236.33</b>

**Note 13: Deferred Tax Assets**

(Rupees In Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Deferred Tax Assets (Net)	6.31	15.47
<b>Total</b>	<b>6.31</b>	<b>15.47</b>





Note 14: Property, Plant & Equipment

(Rupees In Lakhs)

Particulars	Furniture & Fittings	Office Equipments	Computers	Vehicles	Electrical fittings	Total	Computer Software	Grand Total
Gross Block								
As at March 31, 2021	2.06	7.57	3.92	27.81	-	41.36	0.50	0.50
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-
As at March 31, 2022	2.06	7.57	3.92	27.81	-	41.36	0.50	0.50
Additions	-	5.97	4.82	-	-	10.79	-	-
Disposals	-	2.31	2.15	-	-	4.46	-	-
Adjustments	-	-	-	-	-	-	-	-
As at March 31, 2023	2.06	11.23	6.59	27.81	-	47.69	0.50	0.50
Accumulated Depreciation and Impairment								
As at March 31, 2021	1.04	3.96	3.68	16.49	-	25.17	-	-
Charge for the year	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
Adjustment	-	-	-	-	-	-	-	-
As at March 31, 2022	1.04	3.96	3.68	16.49	-	25.17	-	-
Charge for the year	0.26	3.51	1.37	2.93	-	8.07	-	-
Disposals	-	2.24	2.06	-	-	4.30	-	-
Adjustment	-	-	-	-	-	-	-	-
As at March 31, 2023	1.30	5.23	2.99	19.42	-	28.94	-	-
Net Carrying value as at March 31, 2022	1.02	3.61	0.24	11.32	-	16.19	0.50	0.50
Net Carrying value as at March 31, 2023	0.76	6.00	3.60	8.39	-	18.73	0.50	0.50





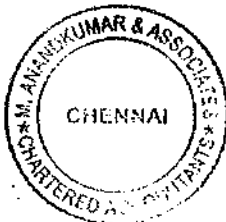
## Note 15: Other Non Financial Assets

(Rupees In Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Net value of Plan Assets for Gratuity Fund *	-0.58	13.61
TDS on MMS recoverable	392.80	436.10
Prepaid Expenses	1.23	0.90
<b>Total</b>	<b>393.44</b>	<b>450.61</b>

## Net value of Plan Assets for Gratuity Fund\*

Plan Assets	40.39	52.89
Less: Plan Liability	40.97	39.28
<b>Plan Assets/(Obligation)</b>	<b>-0.58</b>	<b>13.61</b>





**Note 16: Borrowings**

(Rupees In Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>(A) Other Loans from Banks</b>		
(i) Working Capital demand loan/ Overdraft/ Cash credit/ Line of credit (Refer Note. 16.1)	438,181.95	415,261.67
(ii) Unamortised Transaction cost on above	-	-26.55
Interest accrued but not due on the above	-	-
<b>Total Borrowings (Other than Debt securities)</b>	<b>438,181.95</b>	<b>415,235.12</b>
<b>Geography wise Borrowings</b>		
(i) Borrowings in India	438,181.95	415,235.12
(ii) Borrowings outside India	-	-
<b>Total Geography wise Borrowings</b>	<b>438,181.95</b>	<b>415,235.12</b>

The Company has categorised Borrowings (Other than Debt Securities) at Amortised cost in accordance with the requirements of Ind AS 109.

**16.1 Details of borrowings are as follows:**

Name of Bank	As at 31st March 2023	As at 31st March 2022
LOAN FROM BANK (SBI)	295,500	295,500
WC LOAN FROM BANK (SBI)	78,782	59,758
LOAN FROM BANK (IOB)	63,900	60,000
INDIAN BANK CURRENT A/C 3131	-	4
<b>Total</b>	<b>438,182</b>	<b>415,262</b>







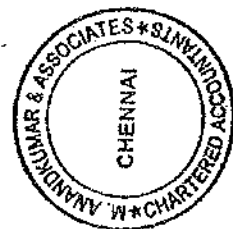
16.2 Details of Secured and Unsecured WCD/OD/CCL/Line of Credit SANCTIONED are as follows \*\*

Name of Bank	Coupon Rate (p.a.)	Sanctioned Limit (Rs. In Lakhs)		Date of Redemption	Redemption details	Security
		31.03.2023	31.03.2022			
State Bank of India	7.65%	112,500.00	90,000.00	23/08/2023	Bullet Repayment at the end of the tenor	Exclusive First charge by way of hypothecation of receivables (Margin: 25%) along with Guarantee by State Government of Tamilnadu.
Indian Overseas Bank	8.40%	50,000.00		26/12/2023	Line of Credit	Unsecured
State Bank of India	6.50%	150,000.00	150,000.00	29/08/2023	Bullet Repayment at the end of the tenor	Exclusive First charge by way of hypothecation of receivables (Margin: 25%) along with Guarantee by State Government of Tamilnadu.
State Bank of India	7.35%	145,500.00	145,500.00	28/02/2024	Bullet Repayment at the end of the tenor	Exclusive First charge by way of hypothecation of receivables (Margin: 25%) along with Guarantee by State Government of Tamilnadu.
Indian Overseas Bank	7.10%	63,900.00	60,000.00	30/05/2023	Bullet Repayment at the end of the tenor	Exclusive First charge by way of hypothecation of receivables (Margin: 25%) along with Guarantee by State Government of Tamilnadu.
<b>Total</b>		<b>521,900.00</b>	<b>445,500.00</b>			

\*\* Schedule 16.2 above indicates the Total Sanctioned Amount as on 31-03-2023 & 31-03-2022.

Note:

- (i) None of the borrowings have been guaranteed by Directors.
- (ii) There has been no default in repayment of borrowings and interest during the FY 2022-23.
- (iii) The above borrowings are guaranteed by Government of Tamilnadu except Rs.500.00 crores (Line of Credit) borrowed from Indian Overseas Bank.





## Note 17: Deposits

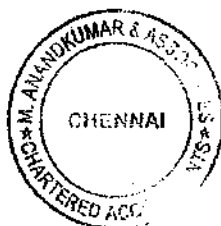
(Rupees In Lakhs)

Particulars	As at 31st March 2023		As at 31st March 2022	
	Amortised Cost	Total	Amortised Cost	Total
i. Public Deposits	333,093.80	333,093.80	247,767.94	247,767.94
ii. From others	617,877.05	617,877.05	553,137.66	553,137.66
<b>Total</b>	<b>950,970.85</b>	<b>950,970.85</b>	<b>800,905.60</b>	<b>800,905.60</b>
<i>Interest accrued but not due on deposits</i>	51,224.16	51,224.16	42,707.35	42,707.35
<i>Interest accrued and due on deposits</i>	213.45	213.45	755.66	755.66
<b>Total</b>	<b>1,002,408.46</b>	<b>1,002,408.46</b>	<b>844,368.61</b>	<b>844,368.61</b>
All the Deposits are measured at Amortized cost only. No other measurements have been followed.				

## Note 17: Deposits

(Rupees In Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>i) Public Deposits</b>		
Fixed Deposits - Long Term	241,541.55	169,692.35
Fixed Deposits - Short Term	91,552.25	78,075.59
Fixed Deposits - GCPS	-	-
Others - Interest accrued on MMS	-	-
<b>Total</b>	<b>333,093.80</b>	<b>247,767.94</b>
<b>ii) From Others</b>		
Fixed Deposits - Long Term	266,639.23	253,718.37
Fixed Deposits - Short Term	350,068.21	298,223.43
Fixed Deposits - GCPS	1,169.61	1,195.86
Others - Interest accrued on MMS	-	-
<b>Total</b>	<b>617,877.05</b>	<b>553,137.66</b>





## Note 18: Other Financial Liabilities

(Rupees In Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Interest Accrued	-	-
Amount payable to Employees	12.70	14.24
Other Liabilities	616.00	606.14
Guarantee Commission payable	1,098.91	-
<b>Total</b>	<b>1,727.61</b>	<b>620.38</b>

The Company has categorised Other Financial Liabilities at amortised cost in accordance with the requirements of Ind AS 109.

## Note 19: Current Tax Liabilities

(Rupees In Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
Provision for Taxation	7,888.62	2,199.60
<b>Total</b>	<b>7,888.62</b>	<b>2,199.60</b>

## Note 20: Provisions

(Rupees In Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
(i) For Employee Benefits		
Gratuity Payable	-	14.82
Leave salary payable	25.31	38.29
(ii) Provision for Standard Assets	6,582.30	5,627.32
<b>Total</b>	<b>6,607.60</b>	<b>5,680.43</b>

## Note 21: Other Non Financial Liabilities

(Rupees In Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
(i) Statutory dues payable	599.97	781.32
(ii) Other Advances		
Student's subsidy payable to STUs	54,795.84	4,889.63
Ways & Means advances repayable to STUs	1,908.42	1,908.42
Share capital/ Loan Assistance to STUs by Govt	50,471.63	471.63
Auto Finance Subsidy from Govt. Repayable	61.00	61.00
JnNURM Fund repayable to STUs	1.24	1.24
KFW Fund repayable to KFW Project	15,465.58	152.54
(iii) Others	2.40	0.33
<b>Total</b>	<b>123,306.07</b>	<b>8,266.11</b>





Note 22: Equity Share Capital

Particulars	As at 31st March 2023		As at 31st March 2022	
	Number	Rs. in lakhs	Number	Rs. in lakhs
<b>Authorised</b>				
Equity Shares of Rs. 10/- each	3,000,000,000	300,000.00	2,500,000,000	250,000.00
	3,000,000,000	300,000.00	2,500,000,000	250,000.00
<b>Issued, Subscribed &amp; paid-up</b>				
Equity Shares of Rs. 10/- each	3,000,000,000	300,000.00	2,050,811,858	205,081.19
	3,000,000,000	300,000.00	2,050,811,858	205,081.19
<b>a) Reconciliation of Number of Shares outstanding</b>				
<b>Equity Shares</b>				
Number of Equity Shares at the beginning of the year	2,050,811,858	205,081.19	1,626,341,858	162,634.19
Equity Shares issued during the year	949,188,142	94,918.81	424,470,000	42,447.00
Less: Shares bought back during the year	-	-	-	-
<b>Number of Shares at the end of the year</b>	<b>3,000,000,000</b>	<b>300,000.00</b>	<b>2,050,811,858</b>	<b>205,081.19</b>
<b>b) Terms and Rights attached to Equity Shares:</b>				
1. During the year under review, 9,49,18,81,420 Equity Shares of Rs. 10/- each issued at par under rights issue. The company has only one class of Equity share having a par value of Rs. 10/- per share. Each holder of Equity share is entitled to one vote per share.				
2. Dividend @ 0.0809% of the share capital has been recognised as distribution to the equity shareholders for the year ended 31st March 2022 (31st March 2021: 0.0740%).				
3. The Dividend proposed by the board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting.				
4. In event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts.				
5. The distribution shall be in proportion to the equity shares held by the company.				
<b>c) Shares held by holding/ultimate holding company and / or their subsidiaries/associates. The company does not have holding/ultimate holding company and subsidiaries/associates.</b>				
<b>d) There are no shares reserve for issue under options or contracts/ commitments for the sale of shares/disinvestments at 31st March 2023</b>				
<b>e) The company has neither allotted any shares as fully paid up pursuant to contracts without payments being received in cash or by way of bonus shares nor bought back any shares for the period of five years immediately preceding 31st March 2023.</b>				
<b>f) The company does not have any securities convertible into equity shares at 31st March 2023.</b>				
<b>g) Details of Shareholders holding more than 5% of Shares in the Company</b>	<b>No. of Shares held</b>	<b>% Holding</b>	<b>No. of Shares held</b>	<b>% Holding</b>
Government of Tamilnadu	2,981,288,092	99.38%	2,032,099,950	99.09%



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## Note 23: Other Equity

(Rupees In Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
<b>A. Special Reserve</b>		
Opening Balance	4,507.31	3,843.74
Add: Amount transferred from Surplus balance in Statement of Profit & Loss Account	724.64	663.57
Closing Balance	5,231.95	4,507.31
<b>B. General Reserve</b>		
Opening Balance	1,656.77	1,407.93
Add: Amount transferred from Surplus balance in Statement of Profit & Loss Account	271.74	248.84
Closing Balance	1,928.51	1,656.77
<b>C. Surplus</b>		
Opening Balance	12,645.21	10,359.99
Profit for the year	3,623.18	3,317.84
<i>Less: Appropriations</i>		
Equity Dividend paid	165.89	120.20
Tax on Equity Dividend	-	-
Amount spent for CSR	-	-
Transfer to Special Reserve	724.64	663.57
Transfer to General Reserve	271.74	248.84
<b>Total Appropriations</b>	<b>1,162.27</b>	<b>1,032.61</b>
Changes in accounting policy or prior period errors	13.49	-
Closing Balance	15,119.60	12,645.22
<b>D. Share Application Money Pending Allotment</b>		
Opening Balance	-	-
Monies Received during the year	8,212.57	-
Closing Balance	8,212.57	-
<b>E. Other Comprehensive Income</b>		
Opening Balance	25.66	8.46
Actuarial Gain/(Loss) on Gratuity & Leave salary	(15.93)	17.20
Gain on change in Fair value of Govt. Securities	-	-
Closing Balance	9.73	25.66
<b>Total Reserves and Surplus</b>	<b>30,502.36</b>	<b>18,834.96</b>





## Note 24: Revenue from Operations - Interest Income

(Rupees in Lakhs)

Particulars	For the year ended 31st March 2023			For the year ended 31st March 2022		
	On Financial Assets measured at Fair value through OCI (1)	On Financial Assets measured At Amortised Cost (2)	Total (1+2)	On Financial Assets measured at Fair value through OCI (1)	On Financial Assets measured At Amortised Cost (2)	Total (1+2)
Interest Earned on Loans	-	108,364.05	108,364.05	-	82,083.46	82,083.46
(i) Interest Earned on Loans	-	2,519.13	2,519.13	-	3,256.74	3,256.74
(ii) Finance Charges Earned on Hire Purchase Loans	-	3,818.42	3,818.42	-	1,939.42	1,939.42
Interest Earned on Investments	-	2,587.12	2,587.12	-	2,898.69	2,898.69
Interest Earned on Public Deposit Account	-	45.35	45.35	-	76.07	76.07
Interest Earned on Loan to Deposits	-	117,334.07	117,334.07	-	90,254.38	90,254.38
Total	-			-		

## Note 25: Other Income

(Rupees in Lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Discount on Advance Payment for Bus Chassis	-	-
Miscellaneous Income	0.80	0.63
Total	0.80	0.63

## Note 26: Finance Costs

(Rupees in Lakhs)

Particulars	For the year ended 31st March 2023			For the year ended 31st March 2022		
	On Financial Assets measured at Fair value through OCI (1)	On Financial Assets measured at Amortised cost (2)	Total (1+2)	On Financial Assets measured at Fair value through OCI (1)	On Financial Assets measured at Amortised cost (2)	Total (1+2)
Interest on Deposits	-	76,820.82	76,820.82	-	60,306.64	60,306.64
Interest on Loan from Banks	-	31,709.67	31,709.67	-	21,510.37	21,510.37
Interest on Investments	-	-	-	-	2.27	2.27
Processing Fees and Guarantee Commission	-	2,099.81	2,099.81	-	1,803.94	1,803.94
Total	-	110,630.31	110,630.31	-	83,623.22	83,623.22





## Note 27: Fees and Commission expense

(Rupees In Lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Filing fees	1.21	1.06
Credit Rating fees	5.94	5.15
Sitting fees	1.10	0.25
<b>Total</b>	<b>8.25</b>	<b>6.46</b>

## Note 28: Employee Benefit Expense

(Rupees In Lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Salaries and Wages	245.45	150.27
Staff Welfare Expenses	5.71	5.57
Contribution to Provident and Other Funds	17.48	13.44
EDLI	0.10	0.20
Gratuity	18.90	18.50
<b>Total</b>	<b>287.64</b>	<b>187.98</b>

## Note 29: Other Expenses

(Rupees In Lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Provision for Standard Assets	954.98	785.47
Postage	6.90	7.53
Bank Charges	37.50	1.63
Advertisement and Publicity	15.27	-
Printing & Stationery	7.93	6.56
Rent	44.60	37.96
Telephone Charges	1.85	1.97
Security Charges	7.13	3.65
Travelling & Conveyance	0.05	-
Vehicle Maintenance & Fuel Charges	7.14	3.24
Repairs and Renewals	7.22	3.32
Office Expenses	9.31	7.30
Electricity Charges	4.11	3.65
Insurance Charges	0.35	0.30
Books & Periodicals	0.18	0.17
Board Meeting Expenses	1.74	0.93
Legal Expenses	0.35	0.08
Audit Fees Statutory Audit	0.47	0.47
Audit Fees Tax Audit	0.24	0.18
Other Professional Fees	7.15	5.92
Misc Expenses	-	0.03
CSR Expenditure	80.78	52.07
Loss on sale of assets	0.05	-
<b>Total</b>	<b>1,195.31</b>	<b>922.43</b>

## Note 30: Other Comprehensive Income

(Rupees In Lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
Actuarial Gain/(Loss) on Leave Salary	1.08	5.41
Actuarial Gain/(Loss) on Plan Asset	-	-
Actuarial Gain/(Loss) on Obligation	-17.01	17.79
<b>Total</b>	<b>-15.93</b>	<b>17.20</b>





**Tamilnadu Transport Development Finance Corporation Limited**  
**SCHEDULE TO THE BALANCE SHEET OF A NON-BANKING FINANCIAL COMPANY**  
 (As required in terms of Paragraph 9BB of Non-Banking Financial Companies Prudential Norms  
 (Reserve Bank) Directions, 1998)

**PARTICULARS AS ON 31st MARCH 2023**

		Rs. in lakhs	
		Amount outstanding	Amount overdue
<b>Liabilities side</b>			
(1)	Loans and advance availed by the NBFCs inclusive of interest accrued thereon but not paid.		
a)	Debentures: Secured	-	-
	Unsecured	-	-
	(Other than falling within the meaning of public deposits)	-	-
b)	Deferred credits	-	-
c)	Term Loan- From banks	438,181.95	-
	From Govt.	-	-
	From LIC	-	-
d)	Inter-Corporate Loans and borrowings	-	-
e)	Commercial paper	-	-
f)	Public deposits	333,093.80	-
g)	Other loans (Specific nature)	-	-
	Other deposits (exempted deposits)	617,877.05	-
	Interest accrued on deposits	51,437.61	-
	Interest accrued on Loans	-	-
(2)	Break up of (1)(f) above		
	(Outstanding public deposits inclusive of interest accrued thereon but not paid)		
a)	In the form of unsecured debentures	-	-
b)	In the form of partly secured debentures i.e., debentures where there is shortfall in the value of security	-	-
c)	Other public deposits	333,093.80	-
<b>Assets side</b>			
(3)	Break up of Loans and Advances including bills receivable (other than those included in (4) Below:		
a)	Secured	384,098.01	-
b)	Unsecured	1,153,288.21	-
(4)	Break up of leased assets and stock on hire and hypothecation loans counting towards EL/HP activities		
i)	Lease Assets including lease rentals under sundry debtors		
a)	Finance Lease	-	-
b)	Operating Lease	-	-
ii)	Stock on hire including hire charges under sundry debtors		
a)	Assets on hire - HP to STUs and Transport Department:	74,595.43	-
b)	Reposessed Assets	-	-
iii)	Hypothecation loans counting towards EL/HP activities - LIC loan:		
a)	Loans where assets have been reposessed	-	-
b)	Loans other than (a) above	-	-





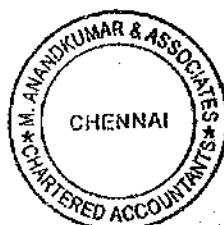


<b>(5) Break up of Investments</b>			
<b>Current Investments:</b>			
1.	Quoted	1,023.06	-
2.	Unquoted	-	-
<b>Long Term Investments</b>			
1.	Quoted	-	-
	i) Shares (a) Equity (b) Preference	-	-
	ii) Debentures and Bonds	1,067.28	-
	iii) Units and mutual funds	-	-
	iv) Government securities (SLR Investments)	59,424.24	-
	v) Others (Please specify)	-	-
2.	Unquoted (Public Sector Undertakings bonds guaranteed by Govt. of Tamilnadu)	-	-
<b>(6) Borrowers groupwise classification all leased assets stock-on-hire and loans and advances:</b>			
<b>Category</b>		<b>Amount net of provisions</b>	
		<b>Secured</b>	<b>Unsecured Total</b>
1.	<b>Related Parties:</b>		
	a) Subsidiaries	-	-
	b) Companies in the same group	-	-
	c) Other related parties	-	-
2.	<b>Other than Related Parties</b>	458,693.44	1,153,288.21
	<b>Total</b>	458,693.44	1,611,981.65
<b>(7) Investors groupwise classification all investments (Current and Long Term) in shares and securities (both quoted and Unquoted)</b>			
<b>SLNo.</b>	<b>Category</b>	<b>Market value / breakup or fair Value or NAV</b>	<b>Book Value (net of provisions)</b>
1.	<b>Related Parties:</b>		
	a) Subsidiaries	-	-
	b) Companies in the same group	-	-
	c) Other related parties	-	-
2.	<b>Other than Related Parties</b>	-	61514.58
	<b>Total</b>	-	61514.58
<b>(8) Other Information:</b>			
<b>Particulars</b>		<b>Amount</b>	
i)	<b>Gross Non- Performing Assets</b>		
	a) Related Parties	-	-
	b) Other than Related Parties	-	-
ii)	<b>Net Non- Performing Assets</b>		
	a) Related Parties	-	-
	b) Other than Related Parties	-	-
iii)	<b>Assets acquired in satisfaction of debt</b>	-	-

*[Signature]*  
J. Kannan  
Chief Financial Officer

*[Signature]*  
V. Venkatarajan  
Joint Managing Director  
(DIN: 9199349)

*[Signature]*  
S. Renganathan  
Director  
(DIN: 8445436)



Place: CHENNAI  
Date: 10-08-2023

As per our Report attached  
For M. Anandkumar and Associates  
Chartered Accountants  
(Firm Registration No : 006100S)  
*[Signature]*  
CA. M. ANANDKUMAR, B.COM, F.A.  
Membership No. 201997

