ORIX AUTO INFRASTRUCTURE SERVICES LTD.

25th Annual Report
2019 - 2020

Plot No.94, Marol Co-operative Industrial Estate, Andheri-Kurla Road,
Andheri (East), Mumbai – 400 059
Tel.: +91 22 6707 0100 – Fax +91 22 2852 8549
Web Site – www.orixindia.com

Corporate Information:

Board of Directors:

Mr. Harukazu Yamaguchi	:	DIN 03535391	:	Director and Chairman
Mr. Sandeep Gambhir	:	DIN 00083116	:	Managing Director and CEO
Mr. Kiyokazu Ishinabe	:	DIN 07763966	:	Director
Mr. Abhay Kakkar	:	DIN 06659327	:	Additional Independent Director
Mr. Nagesh Dubey	:	DIN 06967617	:	Additional Independent Director
Mr. Ikuo Nakamura	:	DIN 08074714	:	Director
Ms. Meeta Sanghvi	:	DIN 08065804	:	Director
Mr. Ryohei Suzuki	:	DIN 08218888	:	Whole-Time Director

Statutory Auditors:

B S R & Co. LLP, Chartered Accountants (ICAI Reg. no. 101248W/W-100022)

Registered Office:

Plot No. 94, Marol Co-operative Industrial Estate, Andheri-Kurla Road, Andheri (East), Mumbai – 400059.

Web: www.orixindia.com
Email: info@orixindia.com
CIN: U63032MH1995PLC086014

Key Managerial Personnel:

Mr. Sandeep Gambhir - Managing Director and Chief Executive Officer
Mr. Vivek Wadhera - Chief Financial Officer
Mr. Jay Gandhi - Company Secretary

Bankers :

1. ANZ Banking Group
2. Bank of Baroda
3. BNP PARIBAS
4. Central Bank of India
5. Bank of India
6. Corporation Bank
7. Credit Agricole Corporate & Investment Bank
8. Deutsche Bank AG
9. HDFC Bank
10. ICICI Bank
11. IDBI BANK
12. IDFC First Bank
13. Kotak Mahindra Bank
14. Mizuho Bank
15. MUFG Bank
16. State Bank of India
17. The Federal Bank
18. CTBC Bank Co., Ltd

DIRECTORS' REPORT

The Members,
ORIX Auto Infrastructure Services Limited

Your Directors are pleased to present the Twenty Fifth Annual Report on the business and operations of your Company together with the audited accounts for the financial year ended March 31, 2020.

2020 happens to be a milestone year for Company as it completes 25 years in India in March 2020. It has been a wonderful journey where the company has grown significantly in terms of revenue and profitability and more importantly it has gained the trust and confidence of its employees and customers alike. The Company celebrated its 25th Anniversary on 2nd March 2020 and there were events and celebrations in all branches, the management team representatives travelled to all the branches and were there in person to celebrate this important day with all our employees. The Company organized large scale events in New Delhi and Mumbai on 4th March 2020 and 6th March 2020, respectively, to express gratitude to its clients for their support and patronage. Both these events witnessed large scale participation from the clients which was very encouraging and that demonstrated the trust and affection of the clients towards the ORIX brand.

(1) **Financial Performance**:

A summary of the Financial Performance of the Company both on standalone and consolidated basis, for the Financial Year 2019-2020 as compared to previous Financial year is given below:

(Rs. in Mn)

Particulars		**Standalone**		**Consolidated**	
		FY 2019-2020	**FY 2018-2019**	**FY 2019-2020**	**FY 2018-2019**
Gross Income	:	8195.10	8,258.64	11,637.52	11,425.9
Profit/(loss) before interest, depreciation and taxation	:	3402.60	3,426.07	5,988.76	5760.15
Financial charges	:	786.74	828.26	2576.55	2,431.75
Depreciation	:	2493.95	2396.10	2586.65	2477.17
Profit / (Loss) Before Tax	:	54.47	176.15	825.57	851.93
Profit from discontinuing operations	:	-	-		-
Provision for tax:	:				
Current Tax	:	123.15	254.22	358.32	421
MAT credit of earlier year utilised / expensed	:	-	-		-
Deferred Tax	:	127.05	(214.79)	288.04	(187.83)
Income Tax relating to previous year	:	(1.60)	0.06	0.20	6.35

Profit/(Loss) After Tax	:	(194.13)	136.65	179.01	612.41
Profit / (Loss) For The Year (After Adjustment For Minority Interest)	:	-	-	-	-
Balance brought forward from previous year	:	351.04	214.37	1389.27	864.15
Transferred to Reserve Fund	:	-	-	73.07	87.38
Adjustment in Profit / (Loss)	:	-	-	-	
Balance Carried Forward	:	156.91	351.04	1495.10	1389.27

(2) **Dividend**:

Your Directors have not recommended payment of dividend for the financial year ended March 31, 2020 since it is proposed to retain the same in the business.

(3) **Reserve Fund:**

Your Directors do not proposed to appropriate any amount to be transferred to General Reserves during the financial year 2019-20.

(4) **Brief description of the Company's state of affairs during the year and review of operations of the Company:**

The last year has been a challenging year for the overall Industry. Over the last couple of years, there were signs of a slowdown, whether they were because of GST implications or as an effect of the disruptions in the financial markets due to challenges faced by some large players. For the first three qurters of the year under review, the economy was growing at a pace which was much lower than what the Indian econmoy had witnessed in the last couple of years, the last quarter of the year under review was severely impacted due to the spread of COVID -19. A pandemic this nature is something that has not been witnessed in many decades and apart from the immediate health issues it was likely to cause, it is resulting in much larger economic issues that many organisations were not prepared for.

Despite the various challenges that were there on the econcomic front, for the first three quarters of the last year, the revenue and profitability momentum was largely intact and the Company made the best use of the various opportunities that came its way. The transporation related businesses which are a major proportion of the overall revenue, were in the similar range as last year, though they were significantly impacted in the last quarter the country going into lockdown towards the second half of March 2020.

All the necessary steps were taken to ensure the safety and well being of our employees. There has been a continuous engagement with our clients, vendors as well as employees during this lockdown that has continued for a few months now. The organization has demonstrated great adaptability and resilience against the pandemic and we feel confident that the organization will bounce back and will be on the road to recovery sooner rather and later.

Duting the financial year 2019-20, the company delivered a PBT of INR 55mn and a total revenue of INR 8.2 bn. The Company has been and continues to be the market leader in car rental, employee transportation and operating lease business. The revenue has been flat as compared to FY 2018-2019 and that is attributed to slow economic growth and severe impact of COVID 19 in Q4 of last financial year.

The next few quarters would again be slow with the overall slowdown in the economy, COVID 19 pushing many states into continued lockdown and the Company focussing on expense reduction due to revenue being under pressure

(5) **Credit Rating:**

The India Ratings & Research Private Limited (FITCH) has assigned ratings for the various facilities availed by the Company vide letter dated June 01, 2020, details of which are given below:

Facility	India Ratings & Research Private Limited (FITCH)	Amount (Rs. in mn)
Long Term Loan	IND AAA Term	6.669
Short Term Limits	IND A1+	7,850
Total		**14,519**

(6) **Borrowings:**

Your Company has diversified funding sources from Public Sector Banks and Private Sector Banks, in the form of Short Term Loan and Long Term Loan.

During the year, your Company raised Rs.2,700 million through term loans from Banks. Interest payment or principal repayment of the term loans due as on March 31, 2020 has been paid. The assets of the Company which are available by way of security are sufficient to discharge the claims of the banks as and when they become due.

As of March 31, 2020, Total Debt stood at Rs.8,913 mn (Rs. 8,844 mn as of March 31, 2019). Total Debt includes Short Term Loans and Long Term loans including term loans maturing within 12 months of the balance sheet date amounting to Rs. 1,998 mn.

(7) **Share Capital:**

I. Authorised Share Capital : The Authorized Share Capital of the Company is Rs. 1,700,000,000 (Rupees One Billion Seven Hundred Million Only) consisting of 160,000,000 (One Hundred Sixty Million Only) Equity Shares of Rs.10/- each and 10,000,000 (Ten Million Only) Preference Shares of Rs.10/- each.

II. Issued, Subscribed and Paid up Share Capital : The Issued Subscribed and Paid up Share Capital of the Company is Rs. 1,279,964,980/- (Rupees One Billion Two Hundred Seventy Nine Million Nine Hundred Sixty four Thousand Nine Hundred Eighty only) divided into 127,996,498 (One Hundred Twenty Seven Million Nine Hundred Ninety-Six Thousand Four Hundred Ninety Eight) Equity Shares of Rs.10/- each.

As required by the Reserve Bank of India ('RBI') Master Direction – Foreign Investment in India RBI/FED/2017-18/60 FED Master Direction No. 11/2017-18 dated 4 January (updated as on March 08, 2019), RBI Notification No. FEMA 20(R)/2017-RB dated 7 November 2017 and Consolidated Foreign Direct Investment ('FDI') Policy Circular 1 of 2017 ("FDI Policy") ('Regulations'), the Statutory Auditors of the Company are required to certify that the Company is in compliance with the Regulations as regards to downstream investment and other FEMA prescriptions. The certificiate shall be obtained in due course.

(8) **Details in respect of adequacy of internal financial controls with reference to the Financial Statements:**

In terms of Section 177 of the Companies Act, 2013 ('the Act'), Audit Committee's terms of reference, amongst others, includes evaluation of Internal Financial Control (IFC) and Risk Management Systems. An evaluation of the Company's Internal Financial Control (IFC) is a detailed process 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 During the year under review, a detailed exercise was carried by Mr. Rishikesh Agarwal, an external expert who evaluated the entity level controls; business process level controls; testing, reporting and monitoring and Risk Management Systems of the Company so as to evaluate operating effectiveness of entity level controls on financial reporting process and put in place suitable remediation plan / compensatory control to minimise or eliminate risk of any nature.

The report provided by Mr. Rishikesh Agarwal did not indicate any material issues which required attention of the Audit Committee and Statutory Auditors.

(9) **Details of Subsidiary Company :**

I. General Information :

During the year under review, the Company had two Subsidiary Companies namely ORIX Leasing & Financial Services India Limited (OLFS) and ORIX Housing Finance Corporation India Ltd (OHFC).

OLFS is registered with Reserve Bank of India as Non Deposit taking Systemically Important Non-Banking Financial Company. OLFS is primarily engaged in the business of providing finance, inter alia, by way of Finance Lease to Corporate Customers for providing them Vehicles and / or Equipment on lease basis; Commercial Vehicle Loan to retail customers; and providing Loan to retail customers against immovable properties.

OHFC was incorporated on April 21, 2018 with the objective of carrying out the business of Housing Finance Company (HFC) in India. The Company had also made an application to National Housing Bank for issue of Certificate of Registration to commence the business of a HFC in India. However, due to the current market scenario, especially with the funding issues with the Non-banking Finance Companies and Housing Finance Companies, the Board of Directors of OHFC had approved for the withdrawal of the HFC application and accordingly the application was withdrawn in the month of December 2019. The Board of Directors of OAIS, in its meeting held on February 26, 2020, has approved the merger of OHFC with the Company. The Shareholder's approval for the said proposal is awaited. Once the Company receives necessary approval from Shareholder, the Company will initiate the further process

During the year, the Board of Directors has reviewed the affairs of OLFS and OHFC, the wholly owned subsidiaries of the Company. In accordance with Section 129(3) of the Act, the Company has prepared Consolidated Financial Statements as on March 31, 2020, which includes financial position of the Company, OLFS and OHFC. Further, a statement containing salient features of the financial statement of OLFS and OHFC is prepared in prescribed format AOC-1 and appended as Annexure-A to this Report.

II. Performance and financial position of the Subsidiary Companies :

The broad highlights for FY 2019-2020 for OLFS are as under:

(Rs. Mn)

Particulars		**FY; 2019-2020**	**FY: 2018-2019**
Gross Income	:	3480.40	3203.71
Profit/(loss) before interest, depreciation and taxation	:	2649	2359
Financial charges	:	1797	1610
Depreciation	:	92.71	81.07
Profit/(Loss) before tax	:	758.68	667.85
Provision for tax:			
Current Tax	:	232	163
Deferred Tax	:	161	28
Income Tax relating to previous year	:	2	6
Profit/(Loss) after tax	:	364	470
Transferred to Reserve Fund	:	73	87
Balance Carried forward	:	291	383

The broad highlights for FY 2019-2020 for OHFC are as under:

(Rs. Mn)

Particulars		FY; 2019-2020	FY: 2018-2019
Gross Income	:	13.16	3205
Profit/(loss) before interest, depreciation and taxation	:	12.3	2275
Financial charges	:	0	1606
Depreciation	:	0	68
Profit/(Loss) before tax	:	12.3	600
Less: Taxation expenses		3.33	
Profit/(Loss) after tax	:	8.97	163
Balance brought forward from previous year		5.33	2
Transferred to Reserve Fund	:	0	6
Adjustment in Profit/ (Loss)	:	0	428
Balance Carried forward	:	14.3	87

(10) **DEPOSITS:**

During the year under review, the Company did not accept / renew any deposits from the public within the meaning of Section 73 to 76 of the Act as well as the Companies (Acceptance of Deposits) Rules, 2014.

(11) **AUDITORS:**

I. Statutory Auditors: Pursuant to the provisions of Sections 139 and 141 of the Act, M/s. B S R & Co. LLP, Chartered Accountants (ICAI Reg. no. 101248W/W-100022), were appointed as Statutory Auditors of the Company in the Annual General Meeting of the Company held on July 29, 2016, to hold office up to the financial year 2020-2021.

The observations made by the Auditors' in their report for the financial year ended March 31, 2020 are self-explanatory and therefore do not call for any further comments under section 143 of the Companies Act, 2013.

There are no qualifications, reservations, adverse remarks or disclaimer made by the Statutory Auditor in their report for the financial year ended March 31, 2020.

II. Secretarial Auditor: Pursuant to the provisions of Section 204 of the Act, the Board of Directors at its meeting held on November 28, 2020 had appointed M/s. BNP & Associates, Practicing Company Secretaries, as the Secretarial Auditor of the Company to conduct the secretarial audit of the Company for the Financial Year 2019 - 2020.

There are no qualifications, reservations, adverse remarks or disclaimer made by the Secretarial Auditor in their report for the financial year ended March 31, 2020. The Report of the Secretarial Auditor in Form MR-3 is annexed as 'Annexure-B'.

(12) **Statutory Disclosure:**

I. Pursuant to the provisions of Section 92(3) and Section 134(3)(a)read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT- 9 is annexed as 'Annexure-C'.

II. Disclosure as per Section 197(12) of the Act pertaining to individuals employed throughout the year and in receipt of remuneration of not less than Rs. 1,02,00,000/- (Rupees One Crore and Two Lakhs) per annum or Rs. 8,50,000/- (Rupees Eight lakh and fifty thousand) per month is given in 'Annexure-D'.

III. Pursuant to the provisions of Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars of the contracts or arrangements with related parties referred to in section 188(1) in Form AOC-2 is annexed as 'Annexure-E'.

Pursuant to the provisions of Section 134(3)(e), the Company's policy on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) is annexed as 'Annexure-F'. The Nomination and Remuneration Policy has been uploaded on the website of the Company at https://www.orixindia.com/pdf/OAIS-policy/corporate-governance/Nomination%20and%20Remuneration%20Policy.pdf

(13) **Corporate Governance:**

The report on Corporate Governance for the Company is annexed as 'Annexure-G' and forms an integral part of this Annual Report.

(14) **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:**

I. Conservation of Energy and Technology Absorption:

(a) The requirements of disclosure with regard to Conservation of Energy in terms of Section 134 of the Act, read with the Companies (Accounts) Rules, 2014, are not applicable to the Company since it does not own any manufacturing facility.

(b) However, the Company makes all efforts towards conservation of energy, protection of environment and ensuring safety.

II. Technology Absorption:

Not Applicable

III. Foreign Exchange Earnings and Outgo:

There is foreign exchange outgo of Rs. 17.74 mn during the financial year under review.

(15) **Directors and Key Managerial Personnel (KMP):**

I. On recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors, at its meeting held on February 26, 2020, have re-appointed Mr. Nagesh Dubey (DIN: 06967617) and Mr. Abhay Kakkar (DIN 06659327) as Additional Directors (Independent Non-executive Directors) of the Company with effect from March 09, 2020 till the conclusion of the ensuing Annual General Meeting, in terms of Sections 149, 152 and 161 of the Companies Act, 2013 ('the Act') and subject to the approval of the members in the ensuing General Meeting, for appointment as Independent Directors for a term of five consecutive years effective March 09, 2020.

II. Mr. Sandeep Gambhir (DIN 00083116), Managing Director, Mr. Vivek Wadhera, Chief Financial Officer and Mr. Jay Gandhi (ICSI Membership no. A16040), Company Secretary are the Key Managerial Personnel of the Company.

(16) **Retire by Rotation :**

In accordance with Section 152 and other applicable provisions of the Act, Ms. Meeta Sanghvi (DIN 08065804) being Non-Executive Director of the Company retires by rotation and being eligible offers herself for re-appointment at the ensuing Annual General Meeting. The Board recommends her re-appointment.

(17) **Declaration from Independent Directors:**

The Company has received declaration from Mr. Nagesh Dubey (DIN: 06967617) and Mr. Abhay Kakkar (DIN: 06659327) Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed under Section 149(6) of Companies Act, 2013. No transaction was entered with Independent Directors during the year under review, which could have any material pecuniary relationship with them. Apart from sitting fees, no other remuneration was given to the above Independent Directors. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV of the Act.

(18) **Risk Management and Portfolio quality:**

Risk Management is an on-going process. The Board has defined the roles and responsibilities of the Risk Management Committee and has delegated the monitoring and reviewing of the Risk Management Plan to the Committee.

The Company is exposed to Credit Risk, Economy Risk, Asset Liability Mismatch Risk, etc. The expertise in lending operations acquired by the Company over past few years has helped to mitigate credit risk. The Company ensures that the short term and long-term resources of funds are favourably matched with deployment. To avoid any asset liability mismatch risk, the Company proposes to long term funding instruments. The Company has continued to enjoy trust and support from its banks and financial institutions, due to its impeccable record in servicing debts on time.

The Company has also adopted stringent checks and internal controls across all branches. Risk function is an independent department without any business overlays. The Company has implemented necessary control measures to arrest the operational risk arising from manual processes, which are not supported by IT systems. The Company mitigates its interest rate risk through innovative resource mobilization technique, prudent fund management etc. Superior credit rating of company's financial instruments enables it to raise funds at competitive rates. The Treasury and Asset Liability Management Committee regularly review the interest rate risk and liquidity risk.

(19) Vigil Mechanism:

The Company has adopted Vigil Mechanism policy with a view to provide a mechanism for directors and employees of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) and (10) of the Act. The functioning of Vigil Mechanism is reviewed by the Audit Committee from time to time. The Policy has been uploaded on the website at: https://www.orixindia.com/pdf/OAIS-policy/corporate-governance/Whistle%20Blower%20Policy.pdf

The Company conducts regular workshops and training sessions to inform and educate the employees about Whistle Blower Policy. During the year 2019-20 there were three complaints reported in the form of whistle blower under the Whistle Blower Policy. The reported incidents were dealt with and disposed-off by the Audit Committee in accordance with the Whistle Blower Policy of the Company.

(20) Corporate Social Responsibility (CSR):

The Company's Corporate Social Responsibility (CSR) activities are guided and monitored by its CSR Committee. The CSR Policy of the Company provides a broad set of guidelines including intervention areas. The Company believes CSR is a way of creating shared value and contributing to social and environmental good. Company's strategy is to integrate its activities in community development, social responsibility and environmental responsibility.

As part of its CSR initiatives, the Company has initiated partnerships with implementing agencies for projects in the areas of Community development, Agriculture development, Education, Promoting Healthcare, and Environment sustainability. Youth empowerment programs, Armed forces widows and dependents. These projects are in accordance with Schedule VII of the Act.

The Company believes in achieving its CSR objectives through sustained intervention by partnering implementing agencies with strong credentials in the areas the Company seeks to make a difference.

The Company has been circumspect in initiating projects and partnering with the agencies concerned. The endeavor in the current financial year has been building relationships with credible implementing agencies and effective implementation of projects initiated.

The Company, however, believes that it is well positioned to build on the foundations put in place in the current year to broaden and accelerate its CSR interventions in the ensuing years. The company carried out various philanthropic and environmental Corporate Social Responsibility (CSR) initiatives throughout the year. Employee volunteering was also encouraged in the community projects.

The annual disclosure on CSR activities is annexed herewith as "Annexure-H".

(21) **Internal Audit and Compliance:**

I. Internal Audit:

The Company conducts its internal audit functions within the parameters of regulatory framework which is well commensurate with the size, scale and complexity of operations. The internal controls are reviewed and enhanced periodically.

The Internal Audit Department continuously monitors compliance to internal processes across the operations to ensure that all assets are safe guarded and protected against loss from unauthorised use or disposition, that transactions are authorised, recorded and reported correctly and that operations are conducted in an efficient and cost effective manner.

The Internal Audit activities are designed to ensure reporting efficiency and compliance with the regulations. The Internal Audit Reports are discussed at length during the Audit Committee meetings, which also reviews the adequacy and effectiveness of the internal controls. The Company has framed the scope and plan of Internal Audit to effectively monitor and supervise the internal audit function in accordance with the statutory requirements.

II. Compliance:

The Company has set up Compliance Department which is independent of Internal Audit Functions. The Compliance Functions have a preventive, advisory and supervisory role, with particular emphasis on:

(1) Facilitating the effective identification of risk of violation of relevant external requirements, such as compliance with laws and regulations, as well as providing advice on risk reduction measures
(2) Developing and facilitating the implementation of internal controls that will provide the organisation with protection from Compliance Risk
(3) Monitoring and reporting on the effectiveness of control measures
(4) Providing the business with advice about acceptable behaviour and practices in relation to the interpretation of external laws and internal rules
(5) Monitoring relevant regulatory developments within the compliance function's areas of responsibility
(6) Ensuring awareness and training

This function is evolving within the organisation and executives of this department are closely working with ultimate holding company (ORIX Corporation) Global General Counsel's Office, which is responsible for supervising the Compliance functions of the Company, so as to adopt best ethical business practice and behaviour within the organisation. Moreover, Annual Compliance Plan has been drawn up and submitted to the Audit Committee so that concentrated efforts can be made in specific direction for ensuring that directives of ORIX Corporation are followed

The Audit Committee reviews the performance of the internal audit and compliance functions, the effectiveness of controls and compliance with regulatory guidelines and gives such directions to the Management as necessary / considered appropriate.

(22) **Particulars of Loans, Guarantees or Investments**:

Details of Loans, Guarantees and Investments governed under the provisions Section 186 of the Act are given in the Notes to Accounts forming part of the Audited Financial Statements.

(23) **Significant and Material Orders Passed by the Regulators or Courts:**

There has been no significant and material order passed by the Regulators or Courts that would impact the going concern status of the Company and its future operations.

(24) **Policy on Prevention of Sexual Harassment:**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. During the year under review, there was one sexual harassment case reported to the Company. The same has been dealt with in accordance with the Policy.

(25) **Investor Education and Protection Fund (IEPF)**

During the year under review, there were no amount which were required to be transferred to Investor Education and Protection Fund as per provisions of Section 125 of the Companies Act, 2013.

(26) **Directors' Responsibility Statement:**

To the best of their knowledge and belief and according to the information and explanations obtained` by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

(1) that in preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards had been followed; along with proper explanation relating to material departures

(2) that appropriate accounting policies have been selected and applied consistently and judgments and estimates made are reasonable & prudent so as to give a true & fair view of the state of affairs of the Company as at the end of the financial year ended March 31, 2020 and of the profit of the Company for the said year;

(3) that proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(4) that the annual accounts have been prepared on a going concern basis;

(5) the Company has an established internal financial control framework including internal controls over financial reporting, operating controls and for the prevention and detection of frauds and errors. The framework is reviewed periodically by Management and tested by Mr. Rishikesh Agarwal, an external consultant, appointed by the Company to conduct the internal financial control. Based on the periodical testing, the framework is strengthened from time to time to ensure the adequacy and effectiveness of internal financial controls; and

(6) that the systems to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

(27) **Frauds reported by the Auditor**

No fraud has been reported by the Auditors under sub-section (12) of section 143 of Companies Act, 2013.

(28) **Secretarial Standards issued by ICSI:**

Pursuant to the provisions of section 118(10) of the Companies Act, 2013, compliance with Secretarial Standards relating to General and Board Meeting specified by the Institute of Company Secretaries of India (ICSI) as approved by the Central Government have become mandatory from July 1, 2015. The Company is adhering to the standards issued by the ICSI, including any amendment or modification as them be notified by them from time to time.

(29) **General:**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

(1) Issue of equity shares with differential rights as to dividend, voting or otherwise.

(2) Issue of shares (including sweat equity shares) to employees of the Company.
(3) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

(4) No change in nature of business.

(5) There were no material changes and commitments affecting the financial position of the Company between the end of financial year (March 31, 2020) and the date of the Report

(30) **Acknowledgments:**

We are grateful to the Government of India, Ministry of Corporate Affairs, Bankers, Rating Agency, customers and all other business associates for their valuable guidance and support and wish to express our sincere appreciation for their continued co-operation and assistance. Financial Institutions and other lenders, Customers, Employees and other Stakeholders remained sound during the year under review. We look forward to their continued support and encouragement.

Your Directors express their deep sense of appreciation for all the employees whose commitment, co-operation, active participation, dedication and professionalism has made the organization's growth possible.

By Order of the Board of Directors
ORIX Auto Infrastructure Services Limited

Sandeep Gambhir	**Ryohei Suzuki**
Managing Director and CEO	**Whole-Time Director**
DIN: 00083116	**DIN: 08218888**

Place: Mumbai
Date: July 31, 2020

ANNEXURES TO THE BOARD'S REPORT

Annexure-A

Statement containing salient features of the Financial Statement of subsidiaries / associate companies / joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014) – AOC -1

Part "A" – Subsidiaries

(1) **Name of the Subsidiary : ORIX Leasing & Financial Services India Limited**

Sr. No.	Particulars	Details
(1)	Reporting period for the subsidiary concerned, if different from the Holding Company's reporting period	Not Applicable
(2)	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Not Applicable
(3)	Share capital	Rs. 1,009,359,010/-
(4)	Reserves & Surplus	Rs. 4,700,096,622
(5)	Total Assets	Rs.26,701,331,127
(6)	Total Liabilities	Rs.26,701,331,127
(7)	Investments	Nil
(8)	Turnover	Rs. 3,480,402,284
(9)	Profit before Taxation	Rs. 758,679,929
(10)	Provision for taxation	Rs.394,638,857
(11)	Profit after Taxation	Rs.364,041,070
(12)	Proposed dividend	0
(13)	Percentage of Shareholding	100%

(2) **Name of the Subsidiary : ORIX Housing Finance Corporation India Limited**

Sr. No.	Particulars	Details
(1)	Reporting period for the subsidiary concerned, if different from the Holding Company's reporting period	Not Applicable

(2)	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Not Applicable
(3)	Share capital	Rs. 20,00,00,000/-
(4)	Reserves & Surplus	Rs. 1,42,81,351
(5)	Total Assets	Rs. 21,75,37,539
(6)	Total Liabilities	Rs. 21,75,37,539
(7)	Investments	Nil
(8)	Turnover	Rs. 1,31,62,162
(9)	Profit before Taxation	Rs. 1,22,99,600
(10)	Provision for taxation	Rs. 33,24,563
(11)	Profit after Taxation	Rs. 89,75,037
(12)	Proposed dividend	0
(13)	Percentage of Shareholding	100%

Notes :

1. Names of subsidiaries which are yet to be commence operations : ORIX Housing Finance Corporation India Limited.

2. Names of subsidiaries which have been liquidated or sold during the year: None

Part "B" – Associates and Joint Ventures - None

For and on behalf of the Board of Directors
ORIX Auto Infrastructure Services Limited

Sandeep Gambhir
(Managing Director and CEO)
DIN: 00083116

Ryohei Suzuki
(Whole-Time Director)
DIN: 08218888

Vivek Wadhera
(Chief Financial Officer)

Jay Gandhi
(Company Secretary)

Place: Mumbai
Date: July 31, 2020

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020
[Pursuant to provision of section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014]

To,
The Members
ORIX Auto Infrastructure Services Limited
Plot No. 94, Marol Co-operative Industrial Estate
Andheri Kurla Road, Andheri East,
Mumbai-400 059

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ORIX Auto Infrastructure Services Limited, having CIN U63032MH1995PLC086014** (hereinafter called 'the Company') for the audit period covering the financial year ended on March 31, 2020 ('the audit period').

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the company's corporate conducts/statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

(i) our **verification** of the books, papers, minute books, soft copy of various records, scanned copies of minutes and Statutory Registers, forms and returns filed and compliance related action taken by the company during the financial year ended 31st March 2020 as well as before the issue of this report,

(ii) **Compliance Certificates** confirming Compliance with all laws applicable to the company given by Key Managerial Personnel / senior managerial Personnel of the company and taken on record by Audit Committee / Board of Directors, and

(iii) **Representations** made, documents shown, and information provided by the company, its officers, agents, and authorized representatives during our conduct of secretarial Audit.

We hereby report that in our opinion, during the audit period covering the financial year ended on 31st March 2020 the Company has:
(i) Complied with the statutory provisions listed hereunder, and
(ii) Board-processes and compliance mechanism in place
to the extent, in the manner and subject to the reporting made hereinafter.

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1. **Compliance with specific statutory provisions**

We further report that:

1.1 We have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions/ clauses of:

i. The Companies Act, 2013 ('the Act') and the Rules made thereunder;
ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;
v. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993;
vi. Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards)

1.2 During the period under review, and also considering the compliance related action taken by the company after 31st March 2020 but before the issue of this report, the company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us :

(i) **Complied with** the applicable provisions/clauses of the Act, Rules, Regulations and Agreements mentioned under sub-paragraphs (ii),(iii), (iv) and (v) of paragraph 1.1 above.

(ii) **Complied with** the applicable provisions/ clauses of :

(a) The Act and rules mentioned under paragraph 1.1 (i) ; and

(b) The Secretarial standards on meetings of the Board of Directors (SS-1) and Secretarial standards on General Meetings (SS-2) mentioned under paragraph 1.1 (vi) above to the extent applicable to Board meetings and Committee meetings, 24th Annual General Meeting held on 28th August, 2019 and 27th Extra Ordinary general Meeting held on 5th September, 2019 held during the review period **except** for some meetings for which draft minutes which were circulated to all the Directors beyond the prescribed time limit of 15 days from the date of conclusion of the meeting and hence

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those minutes were entered in the minutes book beyond the prescribed time limit of 30 days as per Secretarial Standards-1

(c) The Compliance of the provisions of the Rules made under the Act [paragraph 1.1(i)] and SS-1 [paragraph 1.1(vi) with regard to the Board meeting and Committee meetings held through video conferencing during the review period were verified based on the minutes of the meeting provided by the company.

1.3 We are informed that, during the year, the company was not required to initiate any compliance related action in respect of the following laws/rules/regulations/standards, and was consequently not required to maintain any books, papers, minute books or other records or file any form/ returns thereunder:

i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

iii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

iv. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

v. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

vi. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;and

ix. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of overseas direct investments.

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2. Board processes:

We further report that –

2.1 The Board of Directors of Company as on 31st March 2020 comprised of:

(a) One Chairman /Director
(b) One Managing Director and CEO
(c) One Whole Time Director
(d) Three Non- Executive Non Independent Directors
(e) Two Additional (Independent Directors), Mr. Nagesh Dubey and Mr. Abhay Kakkar, reappointed as an Additional Directors **(Non-Executive & Independent)** by the Board of Directors of the Company at its meeting dated 26th February, 2020 with effect from 09th March, 2020 for the second term of five years, subject to the approval of Shareholders at the ensuing General Meeting.

2.2 The processes relating to the following changes in the composition of the board of Directors during the year were carried out in compliance with the provisions of the Act:

(i) Re-appointment of Mr. Kiyokazu Ishinabe, a director liable by rotation at 24th Annual General Meeting held on 28th August, 2019.

(ii) Appointment of Mr. Ryohei Suzuki, as Whole Time Director at 24th Annual General Meeting held on 28th August, 2019.

(iii) Re-appointment of Mr. Nagesh Dubey & Mr. Abhay Kakkar as Additional (Non-Executive & Independent Directors) by the Board of Directors of the Company at its meeting dated 26th February, 2020, subject to the approval of Shareholders at the ensuing General Meeting.

2.3 Adequate notice was given to all the directors to enable them to plan their schedule for the Board meetings, except for one meeting which was convened at a shorter notice to transact urgent business.

2.4 Notice of Board meetings was sent to directors at least seven days in advance except in few cases where the meetings were convened at a shorter notice, at which more than one independent director was present as required under Section 173(3) of the Act and SS-1.

2.5 Agenda and detailed notes on agenda were sent to the directors at least seven days before the board meetings.

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2.6 Agenda and detailed notes on agenda for the following items were either circulated separately less than seven days before or at the Board meetings and consent of the Board for so circulating them was duly obtained as required under SS-1:

(i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited financial statement/ results, unaudited financial results and connected papers, and
(ii) Additional subjects/ information/ presentations and supplementary notes.

2.7 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.

2.8 We note from the minutes verified that, at the Board meetings held during the year:
(i) Majority decisions were carried through; and
(ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the minutes.

3. Compliance mechanism:

There are reasonably adequate systems and processes in the company, commensurate with the company's size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

4. Specific events/ actions:

4.1 During the year, the following specific events/ actions having a major bearing on the company's affairs took place, in pursuance of the above referred laws, rules, regulations and standards :

(i) During the Year, pursuant to approval accorded by the shareholders of the Company, at their Extra Ordinary General Meeting held on September 05, 2019 , the Company has altered its Memorandum of Association (MOA) , in order to change its Object Clause, by incorporating Sub Clauses (5) and (6) as Main objects under Part A of Clause III of MOA , after the existing Sub Clause 4 and re numbering Sub Clauses accordingly. Subsequent to such alteration, the following Additional Clauses have been incorporated in the MOA:

5. " To carry on in India and elsewhere the business of providing of all sorts of advisory and supervisory or monitoring services with respect to wind energy projects such as undertakings design, project management, operation and maintenance, including review , monitoring and supervision of all matters related to the above thereof, including but not limited to reviewing, monitoring and supervising design reports construction program, technical performance, maintenance and quality of wind farms, making recommendations for maximizing energy

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output , comparing production forecasts with actual and recommending remedial action, supervising power curve tests, supervising meter readings and accuracy of invoices and following up on collections and receivables, providing best practice examples in relation to wind energy policies and matters affecting the development operation and maintenance of wind energy projects, providing technical inputs with respect to technology inputs with respect to technology trends in the wind energy business area, providing necessary inputs and diligence support for assessment and examination of business opportunities in the wind energy sector and advising in relation to the development of wind power projects, including but not limited to advising and monitoring in relation to site surveys, wind resource studies , approvals, licenses and permission, choice of turbines and balance of plant transmission systems.”

6. “ To carry on in India and elsewhere the business of providing administrative support services and business process outsourcing services of all kinds to wind energy businesses and other infrastructure projects, including but not limited to, support services in the area of maintenance of books and records, finance, accounts , human resources, costing, payroll, invoicing, account maintenance and bank relationships, compliances, IT and data management and liaising with third party vendors and contractors”

Venkataraman Krishnan

Digitally signed by Venkataraman Krishnan
Date: 2020.07.31 15:48:34 +05'30'

Place: Mumbai
Date: 31st July, 2020

Venkataraman Krishnan
Associate Partner
ACS No.8897/COP No : 12459
UDIN:A008897B000536336
For BNP & Associates
Company Secretaries
(Firm Regn No : P2014MH037400)
PR 637/2019

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

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Annexure A

To,
The Members,
ORIX Auto Infrastructure Services Limited

Secretarial Audit Report of even date is to be read along with this letter.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to ORIX Auto Infrastructure Services Limited (the 'Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records were produced to us. We believe that the processes and practices we followed, provides a reasonable basis for our opinion for the purpose of issue of the Secretarial Audit Report.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Venkataraman Krishnan
Digitally signed by Venkataraman Krishnan
Date: 2020.07.31 15:52:13 +05'30'

Venkataraman Krishnan
Associate Partner
ACS No.8897/COP No : 12459
UDIN:A008897B000536336
For BNP & Associates
Company Secretaries
(Firm Regn No : P2014MH037400)
PR 637/2019

Place: Mumbai
Date: 31st July, 2020

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Annexure - C

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. Registration & Other details:

(1)	CIN	U63032MH1995PLC086014
(2)	Registration Date	March 2, 1995
(3)	Name of the Company	**ORIX Auto Infrastructure Services Limited**
(4)	Category/Sub-category of the Company	Unlisted Public Company Limited by Shares
(5)	Address of the Registered office & contact details	Plot No. 94, Marol Co-operative Industrial Estate, Andheri-Kurla Road, Andheri (East), Mumbai – 400059; Tel.: +91 (22)6707 0100; Fax: +91 22 2852 8549; Email: info@orixindia.com; Website: www.orixindia.com
(6)	Whether listed company	No
(7)	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C-101, 24/7, Lal Bahadur Shastri Marg, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400083

II. Principal Business Activities of the Company:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
(1)	Renting and Leasing of Motor Vehicle	77100	100

III. Particulars of Holding, Subsidiary and Associate Companies:

Sr.No.	Name & Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
(1)	ORIX Corporation Add: World Trade Center Bldg., 2-4-1, Hamamatsu-cho, Minato-ku, Tokyo 105-6135, Japan	Not Applicable	Holding Company	99.99	2(46)
(2)	ORIX Leasing & Financial Services India Ltd. Add: Plot No. 94, Marol Co-operative Industrial Estate, Andheri-Kurla Road, Andheri (East), Mumbai – 400059.	U74900MH2006PLC163937	Subsidiary Company	100	2(87)
(3)	ORIX Housing Finance Corporation India Limited Add: House No. 71/2, Ground Floor, Najafgarh Road Industrial Area, New Delhi – 110 015	U65920DL2018PLC332902	Subsidiary Company	100	2(87)

IV. Share Holding Pattern (Equity Share Capital breakup as percentage of total equity):

A. 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				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
(a) Individual/ HUF	-	-	-	-	-	-	-	-	-
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.:	-	-	-	-	-	-	-	-	-
(e) Banks / FI	-	-	-	-	-	-	-	-	
(f) Any other	-	-	-	-	-	-	-	-	
Sub Total A(1)	-	-	-	-	-	-	-	-	-
(2) **Foreign**									
(a) Individual (NRIs /Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b) Other Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	12,79,84,992	0	12,79,84,992	99.99	12,79,84,992	0	12,79,84,992	99.99	0
(d) Banks / FI	-	-	-	-	-	-	-	-	-
(e) Any other	-	6	6	0.00	6	0	6	0.00	0
Sub total A(2)	12,79,84,992	6	12,79,84,998	99.99	12,79,84,998	0	12,79,84,998	99.99	0
Total shareholding of Promoter (A)	**12,79,84,992**	**6**	**12,79,84,998**	**99.99**	**12,79,84,998**	**0**	**12,79,84,998**	**99.99**	**0**

Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	**2,495**	**9,005**	**11,500**	**0.01**	**7,495**	**4,005**	**11,500**	**0.01**	**0.00**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**2,495**	**9,005**	**11,500**	**0.01**	**7,495**	**4,005**	**11,500**	**0.01**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**127,987,487**	**9011**	**127,996,498**	**100.00**	**127,992,493**	**4005**	**127,996,498**	**100**	**0**

B. Shareholding of Promoter :

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	ORIX Corporation (including holding shares jointly with 6 individuals)	12,79,84,998	99.99	Nil	12,79,84,998	99.99	Nil	0

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B. Public Shareholding									
1. Institutions									
(a)Mutual Funds	-	-	-	-	-	-	-	-	-
(b)Banks / FI	-	-	-	-	-	-	-	-	-
(c)Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt(s)	-	-	-	-	-	-	-	-	-
(e)Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g)FIIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
(a) Bodies Corp.									
(i). Indian									
(ii). Overseas									
(b) Individuals									
(i). Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	9000	9000	0.01	5000	4000	9000	0.01	0
(ii). Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
(c) Others (specify) IL&FS Employees Welfare Trust	2,495	5	2500	0.00	2,495	5	2500	0.00	0
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-

Sd/- Sd/-

C. Change in Promoters' Shareholding

SN	Particulars	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	127,984,998	99.99	127,984,998	99.99
	Addition -	-	-	-	-
	At the end of the year	127,984,998	99.99	127,984,998	99.99

D. Shareholding Pattern of top ten Shareholders: None
(Other than Directors, Promoters and Holders of GDRs and ADRs): Not Applicable

SN	For Each of the Top 10 Shareholders	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 Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year				

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E. **Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	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
1.	**ORIX Corporation and Mr. Harukazu Yamaguchi**				
	At the beginning of the year	1	0.00	1	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	1	0.00	1	0.00
3.	**ORIX Corporation and Mr. Ryohei Suzuki**				
	At the beginning of the year	1	0.00	1	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year.	0	0.00	0	0.00

4.	**ORIX Corporation and Mr. Ikuo Nakamura**				
	At the beginning of the year	1	0.00	1	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	1	0.00	1	0.00
5.	**ORIX Corporation and Mr. Kiyokazu Ishinabe**				
	At the beginning of the year	1	0.00	1	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	0	0.00	0	0.00
6.	**ORIX Corporation and Mr. Sandeep Gambhir**				
	At the beginning of the year	1	0.00	1	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	1	0.00	1	0.00

7.	**ORIX Corporation and Mr. Jay Gandhi**				
	At the beginning of the year	1	0.00	1	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year.	1	0.00	1	0.00
8.	**ORIX Corporation and Mr. Vivek Wadhera**				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year.	1	0.00	1	0.00

V. Indebtedness -Indebtedness of the Company including interest outstanding/accrued but not due for pay

(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	10,05,35,703.00	8,72,75,48,240.00		8,82,80,83,943.00
ii) Interest due but not paid (Recovered)		1,59,44,790.00		1,59,44,790.00
iii) Interest accrued but not due				
Total (i+ii+iii)	**10,04,95,703.00**	**8,74,34,93,030.00**		**8,84,39,88,733.00**
Change in Indebtedness during the financial year				
Addition		4,76,23,73,510.00		4,76,23,73,510.00
Reduction	(10,04,95,703.00)	(4,59,46,76,759.00)		(4,69,52,12,462.00)
Net Change	(10,04,95,703.00)	**16,76,96,751.00**		**(6,72,01,048.00)**
Indebtedness at the end of the financial year				
i) Principal Amount		8,84,40,16,595.00		8,84,40,16,595.00
ii) Interest due but not paid (Recovered)	66,260.00	1,80,21,861.00		1,80,88,121.00
iii) Interest accrued but not due		5,12,28,396.00		5,12,28,396.00
Total (i+ii+iii)	**66,260.00**	**8,91,32,66,852.00**		**8,91,33,33,112.00**

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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of Managing Director	Name of Whole-time Director	Total Amount (in Rs.)
		Mr. Sandeep Gambhir	**Mr. Ryohei Suzuki**	
1	Gross salary (in Rs.)			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,68,20,495	80,47,171	3,48,67,666
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,39,096	2,55,915	3,95,011
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0.00	0	0.00
2	Stock Option	-	-	
3	Sweat Equity	-	-	
4	Commission - as % of profit - others, specify…	-	-	
5	Others, please specify	-		
	Total (A)	**2,69,59,591**	**83,03,086**	**3,52,62,677**
	*Ceiling as per the Companies Act, 2013	*Not Applicable		

* The Company is having inadequate profits during the Financial Year 2019-2020. However the remuneration to its managerial person is paid in accordance with section II, part II of schedule V and in compliance of conditions prescribed therein and hence ceiling limits are not specified.

B. Remuneration to Other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount (in Rs.)
1	Independent Directors	Mr. Nagesh Dubey	Mr. Abhay Kakkar		
	Fee for attending Board and Committee meetings	360,000/-	360,000/-		7,20,000/-
	Commission				
	Others, please specify				
	Total (1)	360,000/-	360,000/-		7,20,000/-
2	Other Non-Executive Directors	Not Applicable			
	Fee for attending board committee meetings				
	Commission				
	Others, please specify				
	Total (2)	-	-		-
	Total (B)=(1+2)	-	-		-
	Total Managerial Remuneration				
	Overall Ceiling as per the Act	Overall Ceiling as per the Companies Act, 2013 for sitting fees is Rupees One Lakh per Board Meeting or a Committee Meeting thereof. The total Managerial Remuneration is within the ceiling prescribed.			

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel (Amount in Rs.)		
		Managing Director & CEO (Mr. Sandeep Gambhir)	**CFO (Mr. Vivek Wadhera)**	**Company Secretary (Mr. Jay Gandhi)**
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,68,20,495	2,06,72,065	66,62,124
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,39,096	1,67,374	76,701
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	Others specify…	-	-	-
5	Others, please specify	-	-	-
	Total	**2,69,59,591**	**2,08,39,439**	**67,38,825**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: -

There were no penalties / punishment/ compounding of offences for the year ended March 31, 2020.

Annexure-D

Information as per Rule 5 (2) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name of the Employee and Designation	Remuneration Received (in Rs.)	Nature of Employment	Qualification and Experience	Date of Commencement of Employment	Age	Last Employment held before joining the Company
Sandeep Gambhir, MD and CEO	2,69,59,591	Full Time Employment	B.Com, CA, Cost Accountant 23 Years of experience	8-Jan-13	47 years	Barclays Investment & Loans (India) Limited
Vivek Wadhera, CFO	2,08,39,439	Full Time Employment	B.Com, CA, 21 Years of experience	9-Apr-13	43 years	Barclays Bank plc
Pankaj Jain	1,46,99,640	Full Time Employment	B.Com, PGDBA, 29 Years of experience	30-Sep-09	51 years	Carzonrent (India) Pvt. Ltd.
P.N Subramanian	1,06,86,147	Full Time Employment	B.Com, PGD in Marketing, Masters in Marketing, 33 Years of experience	18-Dec-2006	55 years	General Motors

Annexure-E

Related Party Transaction Disclosure as per Section 188 of the Companies Act, 2013

Form No. AOC - 2

(Pursuant to clause (h) of sub - section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub - section (1) of section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto

(1) Details of contracts or arrangements or transactions not at arm's length basis: NIL

(2) Details of material contracts or arrangement or transactions at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	ORIX Corporation, Japan -Holding Company ORIX Leasing & Financial Services India Limited – Subsidiary Company ORIX Housing Finance Corporation India Limited – Subsidiary Company
(b)	Nature of contracts/arrangements/transactions	Normal business transactions (Mentioned in the notes forming part of the financial statements at Note no. 37).
(c)	Duration of the contracts/arrangements/ transactions	Usually annual, however, depends on the nature of transaction.
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Maintained at arm's length similar to third party contracts. Value of such transactions during the financial year is mentioned in the notes forming part of the financial statements.
(e)	Justification for entering into such contracts or arrangements or transactions	Competitive pricing and value of services rendered.
(f)	Date(s) of approval by the Board, if any	N.A.
(g)	Amount paid as advances, if any	N.A.

Note: No advance is payable in respect of any of the above transactions.

Annexure-F

Details of Nomination and Remuneration Policy as per Section 178 of the Act

(I) Terms and Conditions for Appointment and Removal of Director, KMP and Senior Management:

(1) Criteria: The Committee shall identify and ascertain the integrity, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

(2) Qualification: A person should possess adequate qualification for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

(3) Term/Tenure:

(a) Managing Director/Whole-time Director:

(i) The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

(ii) The Company shall not appoint or continue the employment of any person as Whole-time Director/Managing Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

(b) Independent Director:

(i) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

(ii) No Independent Director shall hold office for more than two consecutive terms of 5 years, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

(4) Evaluation of Director, KMP and SMPs:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

(5) Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, and SMP in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

(6) Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, policies of the Company, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP's or SMP's subject to the provisions and compliance of the said Act, rules and regulations and Policy of the Company.

(II) Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel:

(1) General:

(a) The remuneration / compensation / commission etc. to the Whole-time Director including Managing Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

(b) The remuneration and commission to be paid to the Whole-time Director including Managing Director shall be either in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the Rules made thereunder or as approved by the shareholders of the Company as deemed appropriate by the Committee.

(c) Increments to the existing remuneration / compensation structure of Whole-time Director, Managing Director, KMPs and SMPs may be recommended by the Committee to the Board.

(d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

(2) Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

(a) Fixed pay:

The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

(b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director / Managing Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and Rule 7(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Central Government approval may be sought wherever and whenever required

(c) Remuneration to Non- Executive / Independent Director:

(i) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Companies Act, 2013, The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and any other Rules made thereunder.

(ii) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof as fixed by the Board of Directors from time to time.

Provided that the amount of such fees shall not exceed Rs. One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

(iii) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

(iv) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

Annexure – G

Corporate Governance disclosures as per Section 134 of the Companies Act, 2013

(A) Company's Philosophy on Corporate Governance:

The Company's philosophy on Corporate Governance is aimed at assisting the management of the Company in the efficient conduct of its business and meeting its obligations to stakeholders and is guided by a strong emphasis on transparency, accountability and integrity.

(B) Board of Directors:

During the year, the Board met at regular intervals to discuss and decide on various business and policy matters of the Company. During the F.Y:- 2019–2020, the meetings of the Board of Directors were held on July 04, 2019, August 28, 2019, August 28, 2019, September 16, 2019, November 28, 2019 and February 26, 2020.

The present strength of Board of Directors is eight (8) Directors. The Board comprises of Executive and Non-Executive Directors including two (2) Independent Directors. One of the Non-Executive Director is a woman. The Non-Executive Directors bring independent judgment in the Board's deliberations and decisions. None of the Directors of your Company are related to each other.

The Directors of the Company have wide experience in the field of finance, risk management, banking and human resources.

The details of attendance of the Board of Directors as at March 31, 2020 are as under:

Sr.No.	Name of Director	No. of Board Meetings Attended	Last AGM Attended
(1)	Mr. Harukazu Yamaguchi, Director and Chairman	1	No
(2)	Mr. Sandeep Gambhir, Managing Director and CEO	6	Yes
(3)	Mr. Kiyokazu Ishinabe, Director	2	No
(4)	Mr. Abhay Kakkar, Independent Director	4	No

(5)	Mr. Nagesh Dubey, Independent Director	4	Yes
(6)	Ms. Meeta Sanghvi, Director	6	Yes
(7)	Mr. Ikuo Nakamura, Director	1	No
(8)	Mr. Ryohei Suzuki, Whole time Director	6	Yes

(C) Committees of the Board of Directors:

(I) Composition:

Sr. No.	Name of the Committee	Composition of the Committee
(1)	Audit Committee	Mr. Nagesh Dubey - Chairman
		Mr. Kiyokazu Ishinabe
		Mr. Abhay Kakkar
(2)	Nomination and Remuneration Committee (NRC)	Mr. Kiyokazu Ishinabe- Chairman
		Mr. Abhay Kakkar
		Mr. Nagesh Dubey
		Mr. Ryohei Suzuki
(3)	Treasury and Asset Liability Management Committee	Mr. Kiyokazu Ishinabe- Chairman
		Mr. Sandeep Gambhir
		Mr. Ryohei Suzuki
(4)	Executive Committee	Mr. Kiyokazu Ishinabe
		Mr. Sandeep Gambhir
		Mr. Ryohei Suzuki
(5)	Risk Management Committee	Mr. Kiyokazu Ishinabe- Chairman
		Mr. Sandeep Gambhir
		Mr. Ryohei Suzuki

(6)	Residual Value Committee	Mr. Kiyokazu Ishinabe-Chairman
		Mr. Sandeep Gambhir
		Mr. Ryohei Suzuki
(7)	Credit Committee	Mr. Kiyokazu Ishinabe
		Mr. Sandeep Gambhir
		Mr. Ryohei Suzuki
(8)	Corporate Social Responsibility (CSR) Committee	Mr. Kiyokazu Ishinabe - Chairman
		Mr. Sandeep Gambhir
		Mr. Abhay Kakkar

(II) Powers of the Committees:

(1) Audit Committee: The key responsibilities of the Committee are:

(a) **Financial Reporting**:

(i) To oversee the financial reporting process, accounting controls and disclosure of financial information to ensure that financial information report is sufficient and credible;

(ii) To review Related Party Transaction (RPT) Policy of the Company on a periodic basis and approve, in terms of the RPT Policy, any Related Party Transactions i.e. transactions of the Company of material nature with Related Parties as defined under section 2(76) of the Companies Act, 2013 that may have potential conflict with the interests of Company at large including modification in such transactions;

(iii) To review audited / unaudited / limited review of the annual and/or semi-annual financial statements before submission to the Board focusing primarily on:

- the application of significant accounting policies and any changes to them;
- the methods used to account for significant or unusual transactions;
- Compliance with accounting standards;

- ➢ Significant adjustments arising out of audit;
- ➢ Qualifications in draft audit report;
- ➢ Areas involving significant judgement, estimation or uncertainty and the provisions in the financial statements;
- ➢ Compliance with legal and regulatory and financial reporting requirements; and
- ➢ To review Auditors' Report on annual / semi-annual financial statement before submission to the Board;

(iv) To approve and ratify write offs amount upto the limit specified in Approval Authority Matrix (AAM) and report to the Board of Directors such write offs;

(v) To recommend to Board for approval of write offs of an amount exceeding the threshold limits of Audit Committee, as specified in AAM, which requires approval of the Board ;

(vi) Scrutiny of inter-corporate loans and investments;

(vii) To note valuation of undertakings or assets of the Company, wherever necessary;

(viii) Monitoring the end use of funds raised through public offers and related matters;

(b) **Auditor (External Auditor) :**

The Committee shall:

(i) consider and make recommendations to the board, to be put to shareholders for approval at the Annual General Meeting, in relation to the appointment, re-appointment and removal of the Company's Statutory Auditor (External Auditor);

(ii) review and monitor the External Auditor's independence and performance and effectiveness of audit process

(iii) if an External Auditor resigns, investigate the issues leading to this and decide whether any action is required;

(iv) oversee the relationship with the external auditor. In this context the Committee shall:

- approve their remuneration, including both fees for audit and non-audit services, and ensure that the level of fees is appropriate to enable an effective and high-quality audit to be conducted;

- approve their terms of engagement, including any engagement letter issued at the start of each audit.

- Holding discussions with Statutory Auditors before the audit commences regarding nature and scope of audit as well as post audit discussions on any areas of concern;

(v) satisfy itself that there are no relationships between the auditor and the company (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity;

(vi) evaluate the risks to the quality and effectiveness of the financial reporting process in the light of the external auditor's communications with the Committee;

(vii) meet regularly with the external auditor (including once at the planning stage before the audit and once after the audit at the reporting stage) and, at least once a year, meet with the external auditor without management being present, to discuss the auditor's remit and any issues arising from the audit

(viii) discuss with the external auditor the factors that could affect audit quality and review and approve the annual audit plan, ensuring it is consistent with the scope of the audit engagement, having regard to the seniority, expertise and experience of the audit team;

(ix) review the findings of the audit with the external auditor. This shall include but not be limited to, the following:

- a discussion of any major issues which arose during the audit;

- key accounting and audit judgements;

- the auditor's view of their interactions with senior management; and

- levels of errors identified during the audit;

(x) review the management letter and management's response to the auditor's findings and recommendations.

(xi) review the effectiveness of the audit process, including an assessment of the quality of the audit, the handling of key judgements by the auditor, and the auditor's response to questions from the Committee.

(xii) Discusses problems and reservations arising from the interim and/or the final audits (full or limited review) and any matters the statutory auditor may wish to discuss so as to ascertain quality and veracity of Company's accounts.

(c) **Internal Control :**

(i) keep under review the company's internal financial controls systems that identify, assess, manage and monitor financial risks, and other internal control and risk management systems including information technology security and control; and

(ii) Understand the scope of internal and external auditors' review of internal control over financial reporting and obtain reports from significant findings and recommendation, together with management's responses.

(iii) review and approve the statements to be included in the annual report concerning internal control, risk management

(d) **Internal Audit:**

The Committee shall:

(i) approve the Internal Audit Charter.

(ii) approve the appointment or termination of the Head of Internal Audit;

(iii) review and approve the role and mandate of internal audit, monitor and review the effectiveness of its work;

(iv) review and approve the annual internal audit plan and scope to ensure it is aligned to the key risks of the business, and receive regular reports on work carried out;

(v) ensure internal audit has unrestricted scope, the necessary resources and access to information to enable it to fulfil its mandate, ensure there is open communication between different functions and that the internal audit function evaluates the effectiveness of these functions as part of its internal audit plan, and ensure that the internal audit function is equipped to perform in accordance with appropriate professional standards for internal auditors;

(vi) meet regularly with the Internal Audit Head without management being present, to discuss any issues arising from the audit and also effectiveness of the function

(vii) carry out an annual assessment of the effectiveness of the internal audit function; and as part of this assessment:

- determine whether it is satisfied that the quality, experience and expertise of internal audit is appropriate for the business; and

- review the actions taken by management to implement the recommendations of internal audit and to support the effective working of the internal audit function;

(viii) monitor and assess the role and effectiveness of the internal audit function in the overall context of the company's risk management system and the work of compliance, finance and the external auditor; and

(ix) consider whether an independent, third party review of Information Technology (IT) Audit are appropriate.

(e) **Tax Auditors :**

The committee shall:

(i) consider and make recommendations to the board, in relation to the appointment, re-appointment and removal of the company's Tax Auditor;

(ii) review the findings of the audit with the Tax Auditor. This shall include but not be limited to, the following:

- discussion of any major issues which arose during the audit; and

- review Tax Audit Report

(f) **Compliance :**

(i) Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of findings / investigation of compliance department and follow-up (including disciplinary action) of any instances of noncompliance.

(ii) Review the findings / observation of any inspection / examinations carried out by regulatory agencies or any notice received from regulatory authorities concerning violation of any law.

(iii) Review the process for communicating the code of conduct to company personnel, and for monitoring compliance therewith.

(iv) Obtain regular updates from compliance head regarding compliance matters.

(v) review regular reports from the Compliance Officer and keep under review the adequacy and effectiveness of the company's compliance function

(vi) Consider whether the controls established to prevent fraud and illegal acts are adequate so as to ensure all major cases of fraud/illegal acts are reported to Audit Committee

(g) **Whistleblowing and Fraud:**

The Committee shall:

(i) review the company's procedures for detecting fraud;

(ii) review the company's systems and controls for the prevention of Bribery Anti-Corruption (ABAC) and receive reports on non-compliance;

(iii) Review Whistle Blower reports under Whistle Blower Policy and / or Vigil Mechanism

(h) **Litigation Review:**

To review report of litigation against or by the Company involving debt or claim above the threshold value as specified in AAM.

(2) Nomination and Remuneration Committee: The key responsibilities of the Committee are:

(a) Reviewing the current Board composition, its governance framework and determine future requirements and making recommendations to the Board for approval;

(b) Examining the qualification, knowledge, skill sets, positive attributes and experience of each director and their effectiveness to the Board on a yearly basis;

(c) Scrutinizing nominations for Independent/Non-Executive/Executive Directors with reference to their qualifications and experience and provide its recommendation to the Board for appointment/removal/filling of vacancies;

(d) Identifying persons who are qualified to become Key Managerial Personnel and/or in the senior management team and recommendation to the Board for their appointment and/or removal; and

(e) Formulate the Policy and recommend to the Board of Directors relating to the remuneration for the Directors, Key Managerial Personnel and senior management team.

(3) Treasury and Asset Liability Management Committee: The key responsibilities of the Committee are:

(a) Pricing of products for both deposits and advances;

(b) Fixing of desired maturity profile and mix of the incremental assets and liabilities;

(c) Reviewing the results and progress in implementation of the decisions made in the previous meeting;

(d) To articulate the current interest rate view;

(e) To develop a view on future direction of interest rate movements and decide on funding mixes between fixed v/s. floating rate funds, money market vs. capital market funding, domestic vs. foreign currency funding, etc;

(f) To approve borrowings from various Banks, Financial Institutions and Companies upto such amount as the Shareholders may authorise, from time to time, in the ordinary course of business;

(g) To raise money as and by way of Loan or Debentures (Secured / Unsecured / Convertible / Non-Convertible) or through Inter Corporate Deposit or Commercial Papers or through any other resources as may be necessary either from Domestic or International Market; and

(h) To approve purchase and / or sale and assignment of receivables arising out of lease rentals and / or loan / hire purchase instalments whether with or without underlying assets.

(4) Executive Committee: The key responsibilities of the Committee are:

(a) To note waiver of income/reversals approved by Chairman and Director

(b) To consider and approve opening of New Bank Accounts (Current Account / Cash Credit Account / Over Draft Account) and also approve change in various Authorised Signatories and their respective empowerment for signing cheques / various instruments for and on behalf of the Company.

(c) To review Principal and Agency Agreement approved by Chairman and Director.

(d) To approve general expenditure (for single purpose) over Rs.10 mn.

(e) To consider and approve closure of Bank Accounts.

(5) Risk Management Committee: The key responsibilities of the Committee are:

(a) Risk planning;

(b) Risk assessment & monitoring – Economy Review, Industry Review, Portfolio Review, Rating;

(c) Risk systems (MIS and IT system integration); and

(d) Risk reporting – Keeping the Board informed at regular intervals of credit, market and operational Risk Profile of the Company.

(e) To lay down internal Rules, Policies, Processes and Regulations with regard to Credit and delegate it to the executives of the Company.

(6) Residual Value Committee: The key responsibilities of the Committee are:

(a) Residual Value of the vehicles provided by the Company on Operating Lease basis or cars acquired by the Company for Rent-A-Car business;

(b) Setting the Residual Value Policy;

(c) Setting / alteration of the Maintenance Budget from time to time for the vehicles provided by the Company on Operating Lease basis or cars acquired by the Company for Rent-A-Car business; and

(d) Delegate powers of the Committee to the Executives of the Company with regard to reduction in Residual Value and Per KM Maintenance Cost of the Vehicles within the limits as approved by the Committee.

(7) Credit Committee: The Committee is entrusted with the powers of the Board of Directors with regard to approval of Credit Proposals in respect of Operating Lease business. All the approvals are obtained through electronic process i.e. system by virtue of Approval Matrix of the Company.

(8) CSR Committee: The key responsibilities of the Committee are:

(a) To formulate the Company's CSR strategy, policy and goals;
(b) To monitor the Company's CSR policy and performance;
(c) To review the CSR project/initiatives from time to time;
(d) To ensure legal and regulatory compliance from a CSR view point; and
(e) To ensure reporting and to stakeholders on the Companies CSR projects/initiatives.

(III) Attendance of the Committees of Directors:

Type of Meetings	**No. of Meetings held**	**Mr. Nagesh Dubey**	**Mr. Abhay Kakkar**	**Mr. Ryohei Suzuki**	**Mr. Sandeep Gambhir**	**Mr. Kiyokazu Ishinabe**
Audit Committee	5	5	5	-	-	4
Nomination and Remuneration Committee	3	3	2	3	-	1
Treasury and Asset Liability Management Committee	6	-	-	6	6	3

Residual Value Committee	1	-	-	1	1	0
CSR Committee	1	-	1	-	1	1
*Risk Management Committee	-	-	-	-	-	-
*Credit Committee	-	-	-	-	-	-
*Executive Committee	-	-	-	-	-	-

*The Committees did not meet during the year; however, approvals were taken by way of Circular Resolution.

(D) Meeting of Independent Directors:

Section 149(8) of the Act read with Schedule IV of the Act require the Independent Directors of the Company to hold at least one meeting in a year, without the attendance of non-independent directors and members of management. The Independent Directors of the Company met on March 16, 2020, pursuant to the provisions of the Act.

Sitting fees was paid to all the Independent Directors of the Company for attending the meetings of Board of Directors and Committee meetings, wherever they are members. The Sitting fees have been approved to Rs. 50,000/- per Board Meeting and Rs. 20,000/- per meeting for Committee meetings with effect from July 31, 2018.

(E) Board Performance Evaluation Mechanism:

The Nomination and Remuneration Committee (NRC) had approved a framework for performance evaluation of the Board of Directors, its Committees and the individual Board members. This performance evaluation framework was designed based on the following:

(a) Expertise;
(b) Objectivity and Independence;
(c) Understanding of the Company's business;
(d) Understanding and commitment to duties and responsibilities;
(e) Willingness to devote the time needed for effective contribution to Company;
(f) Participation in discussion in effective and constructive manner;
(g) Responsive in approach; and
(h) Ability to encourage and motivate the management for continued performance and success.

As part of the framework, structured questionnaires were prepared after taking into consideration the inputs received from the Directors and NRC. These questionnaires covers various aspects of the Board`s functioning including composition and quality, culture, roles and responsibilities, processes and functioning, execution and performance to specific duties, obligations and governance. The questionnaires consist of:

(a) 'Peer Review' form given by the directors, rating performance of all other Directors.

(b) 'Committee Evaluation' form given by the directors, rating performance of individual committees.

(c) 'Board Assessment' form given by every director, rating performance of the Board as a whole.

The questionnaires were reviewed in the below manner:

(a) 'Peer Review' were reviewed by the NRC and placed before the Board for their noting.

(b) 'Committee Evaluation' and 'Board Assessment' were reviewed by the NRC and placed before the Board for their noting.

Further, the Independent Directors of the Company, at their separate meeting had reviewed all the responses received from the Non-Independent (Non-Executive) Directors on the questionnaires pertaining to 'Peer Review' and 'Board Assessment'.

(F) General Meetings:

Meeting	Date and Time	Venue	Resolutions passed
24th - Annual General Meeting	August 28, 2019 at 11:00 a.m.	Mumbai	(1) Adoption of Audited Accounts (Standalone and Consolidated), Directors' Report and Auditors' Report for the financial year ended March 31, 2019; (2) Appointment of Mr. Kiyokazu Ishinabe (DIN 07763966) as Director liable to retire by rotation; **Special Business**: (3) Appointment of Ryohei Suzuki (DIN 08218888) as Whole-time Director of the Company; and
27th Extra-Ordinary General Meeting	September 5, 2019 at 11 :00 a.m.	Mumbai	(1) Alternation of Memorandum of Association of the Company

8G BN

Annexure-H

Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

(1) A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs –The CSR Policy has been formulated in accordance with the provisions of Section 135 of the Act. Various projects are within the framework of Schedule VII of the Act. The web link to the CSR policy is at http://www.orixindia.com/OAIS.aspx

(2) The Composition of the CSR Committee: Mr. Kiyokazu Ishinabe, Director; Mr. Sandeep Gambhir, Managing Director; and Mr. Abhay Kakkar, Independent Director.

(3) Average net profit of the company for last three financial years: Rs. **252,564,262/-** (2016-2017, 2017-2018 and 2018-2019)

(4) Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) – **Rs. 5,051,286 /-**

(5) Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year - **Rs. 5,051,286 /-**

(b) Amount unspent, if any - None

(c) **Manner in which the amount spent during the financial year is detailed below :**

Sr. No.	CSR project or activity identified	Sector	Location	Amount outlay (budget) Project Wise (Amount in Rs.)	Amount spent on the projects or programs Direct expenditure on projects or programs Overheads	Cumulative expenditure upto the reporting period (Amount in Rs.)	Amount spent through implementing agency*
(1)	The Mobile 1000 Van Programme (Health Care) in Rural India	Promoting Healthcare	Rural India.	12,50,000	Direct expenditure on project	12,50,000	Wockhardt Foundation
(2)	Rotary Blood Bank" at Village Kadipur, Pataudi Road, Gurgaon – 122001	Promoting health care including	Village Kadipur , Pataudi	10,00,000	Direct expenditure on project	10,00,000	Rotary Club of Gurgaon South City Community

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	to provide support to underprivileged on health related matter	Preventing health care	Road, Gurgaon – 122001				Services Society
(3)	Nisvartha Foundation – Students Education Sponsorship, Maharashtra .	Promoting Education	Maharashtra	5,00,000	Direct expenditure on project	5,00,000	Nisvartha Foundation
(4)	Early Intervention Centre for Children with Special Needs, Delhi, NCR	Promoting Healthcare	Delhi, NCR	4,01,286	Direct expenditure on project	4,01,286	Sarthak Educational Trust
(5)	Promotion of education for Children from Banjara Community in Jaipur and Alwar District, Rajasthan.	Promoting Education	Jaipur and Alwar District, Rajasthan.	19,00,000	Direct expenditure on project	19,00,000	Bal Ashram Trust
Total				**50,51,286**		**50,51,286**	

By Order of the Board of Directors
ORIX Auto Infrastructure Services Limited

Sandeep Gambhir
Managing Director and CEO
DIN: 00083116

Ryohei Suzuki
Whole-Time Director
DIN: 08218888

Place: Mumbai
Date: July 31, 2020

B S R & Co. LLP
Chartered Accountants

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India

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Independent Auditors' Report

To the Members of ORIX Auto Infrastructure Services Limited

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of ORIX Auto Infrastructure Services Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of matter

As described in Note 1.3 and Note 41 to the standalone financial statements, the extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of the above matters.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Director's report and management discussion & analysis report, but does not include the financial statements and our auditors' report thereon.

Other Information *(Continued)*

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements *(Continued)*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements 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 in the standalone financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   (A) As required by Section 143(3) of the Act, we report that:

      a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

      b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

      c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

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d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 1 April 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' 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:

i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 36.1 to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any derivative contracts during the year - Refer Note 36.3 to the standalone financial statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act.. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Ajit Viswanath

Ajit Viswanath
Partner
Membership No: 067114
ICAI UDIN: 20067114AAAABI5398

Place: Mumbai
Date: 31 July 2020

ORIX Auto Infrastructure Services Limited

Annexure A to the Independent Auditors' report on the standalone financial statements of ORIX Auto Infrastructure Services Limited for the year ended 31 March 2020

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The inventory has been physically verified by management during the year. In our opinion, the frequency of such physical verification is reasonable. No material discrepancies were noticed on such verification.

iii. According to the information and explanation given to us and based on the audit procedures conducted by us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans to any director or any person in whom director is interested in terms of Section 185 of the Act. Further, the Company has complied with Section 186 of the Act with respect to the investments made.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public as per the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or other relevant provisions of the Act and rules framed there under. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub- section (1) of section 148 of the Act, for any of the activities conducted / services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(a) According to the information and explanations given to us and on the basis of our examination of the books of account, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, value added tax, wealth tax, duty of customs and duty of excise.

ORIX Auto Infrastructure Services Limited

Annexure A to the Independent Auditors' report on the financial statements of ORIX Auto Infrastructure Services Limited for the year ended 31 March 2020 *(Continued)*

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and service tax, value added tax, sales tax, cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the following statutory dues have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (Rs.)	Period	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	3,527,676	AY 2002-03	Deputy Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	1,200,961	AY 2003-04	Deputy Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	3,002,625	AY 2006-07	Deputy Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	57,187,606	AY 2017-18	Assistant Commissioner of Income Tax
Finance Act 1994-Service Tax	Service Tax	9,759,263	Oct 2005 to March 2006	Commissioner of Service Tax, Mumbai
Finance Act 1994-Service Tax	Service Tax	14,006,766	April 2006 to Sept 2006	Commissioner of Service Tax, Mumbai
Finance Act 1994-Service Tax	Service Tax	8,753,493	April 2006 to March 2009	CESTAT
Finance Act 1994-Service Tax	Service Tax	333,763,385	April 2006 to March 2011	CESTAT
Finance Act 1994-Service Tax	Service Tax	88,251,790	April 2011 to March 2012	CESTAT
Finance Act 1994-Service Tax	Service Tax	133,282,699	April 2012 to March 2013	CESTAT
Finance Act 1994-Service Tax	Service Tax	140,026,161	April 2013 to March 2014	CESTAT
Finance Act 1994-Service Tax	Service Tax	145,625,106	April 2014 to March 2015	CESTAT
Finance Act 1994-Service Tax	Service Tax	641,432,073	April 2015 to June 2017	CESTAT
Finance Act 1994-Service Tax	Service Tax	28,406,780	April 2012 to June 2017	Deputy Commissioner of Sales Tax, Maharashtra
Value Added Tax Act	VAT	102,382,438	January 2006 to September 2009	Joint Commissioner Commercial Tax, Chennai
Value Added Tax Act	VAT	1,449,208	April 2008 to March 2009	West Bengal Commercial Taxes A&R Board
Value Added Tax Act	VAT	2,321,427	April 2008 to March 2009	Additional Commissioner (Appeal), Uttar Pradesh
Value Added Tax Act	VAT	172,887,041	April 2005 to March 2008	VAT Tribunal, Maharashtra

ORIX Auto Infrastructure Services Limited

Annexure A to the Independent Auditors' report on the financial statements of ORIX Auto Infrastructure Services Limited for the year ended 31 March 2020 *(Continued)*

Name of the statute	Nature of dues	Amount	Period	Forum where the dispute is pending
Value Added Tax Act	VAT	526,329	December 2006 to December 2011	High Court, Andhra Pradesh
Value Added Tax Act	VAT	22,491,744	May 2012 to March 2014	Additional/Joint Commissioner of Sales Tax (Delhi)
Value Added Tax Act	VAT	8,615,751	April 2012 to March 2013	VAT Tribunal, Maharashtra
Value Added Tax Act	VAT	14,557,337	April 2013 to March 2014	VAT Tribunal, Maharashtra
Value Added Tax Act	VAT	495,761	April 2013 to March 2014	Appellate Deputy Commissioner, Telengana
Value Added Tax Act	VAT	7,954,232	April 2014 to March 2015	VAT Tribunal, Maharashtra
Value Added Tax Act	VAT	96,609,480	April 2017 to March 2018	Deputy Commissioner of Sales Tax, Mumbai
Value Added Tax Act	VAT	929,811	October 2015 to June 2017	Deputy Commissioner, Bhubneshwar
Value Added Tax Act	VAT	1,272,069	April 2015 to March 2016	Additional/Joint Commissioner of Sales Tax (Delhi)
Value Added Tax Act	VAT	10,531,562	April 2009 to March 2010	West Bengal Commercial Taxes A&R Board

vii. According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not defaulted in repayment of outstanding to financial institution or bank. The Company did not have any debentures or borrowings from the government during the year.

viii. According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not raised any money by way of initial public offer or further public offer. According to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.

ix. According to the information and explanations given to us and based on the audit procedures conducted by us, no material fraud on or by the Company, by its officers or employees, was noticed or reported during the year, nor have we been informed of such case by management.

x. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act

xi. According to the information and explanations given to us, the Company is not a Nidhi Company as per the Act. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

xii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

Annexure A to the Independent Auditors' report on the financial statements of ORIX Auto Infrastructure Services Limited for the year ended 31 March 2020 *(Continued)*

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

xiv. According to the information and explanation given to us and based on the audit procedures conducted by us, the Company has not entered into any material non-cash transactions with directors or person connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Ajit Viswanath

Ajit Viswanath
Partner
Membership No: 067114
ICAI UDIN: 20067114AAAABI5398

Place: Mumbai
Date: 31 July 2020

Annexure B to the Independent Auditors' report on the standalone financial statements of ORIX Auto Infrastructure Services India Limited for the year ended 31 March 2020.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of ORIX Auto Infrastructure Services India Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

Annexure B to the Independent Auditors' report on the standalone financial statements of ORIX Auto Infrastructure Services India Limited for the year ended 31 March 2020. *(Continued)*

Auditors' Responsibility ***(Continued)***

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Ajit Viswanath

Ajit Viswanath
Partner
Membership No. 067114
ICAI UDIN: 20067114AAAABI5398

Place: Mumbai
Date: 31 July 2020

B S R & Co. LLP
Chartered Accountants

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Independent Auditors' Report

To the Members of ORIX Auto Infrastructure Services Limited

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of ORIX Auto Infrastructure Services Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of matter

As described in Note 1.3 and Note 41 to the standalone financial statements, the extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of the above matters.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Director's report and management discussion & analysis report, but does not include the financial statements and our auditors' report thereon.

Other Information *(Continued)*

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements *(Continued)*

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements 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 in the standalone financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   (A) As required by Section 143(3) of the Act, we report that:

      a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

      b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

      c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

Report on Other Legal and Regulatory Requirements *(Continued)*

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 1 April 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' 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:

i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 36.1 to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. The Company did not have any derivative contracts during the year - Refer Note 36.3 to the standalone financial statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act.. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Ajit Viswanath

Ajit Viswanath
Partner
Membership No: 067114
ICAI UDIN: 20067114AAAABI5398

Place: Mumbai
Date: 31 July 2020

ORIX Auto Infrastructure Services Limited

Annexure A to the Independent Auditors' report on the standalone financial statements of ORIX Auto Infrastructure Services Limited for the year ended 31 March 2020

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified in a phased manner over a period of two years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The inventory has been physically verified by management during the year. In our opinion, the frequency of such physical verification is reasonable. No material discrepancies were noticed on such verification.

iii. According to the information and explanation given to us and based on the audit procedures conducted by us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3 (iii) of the Order is not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not granted any loans to any director or any person in whom director is interested in terms of Section 185 of the Act. Further, the Company has complied with Section 186 of the Act with respect to the investments made.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public as per the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or other relevant provisions of the Act and rules framed there under. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub- section (1) of section 148 of the Act, for any of the activities conducted / services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

(a) According to the information and explanations given to us and on the basis of our examination of the books of account, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, value added tax, wealth tax, duty of customs and duty of excise.

ORIX Auto Infrastructure Services Limited

Annexure A to the Independent Auditors' report on the financial statements of ORIX Auto Infrastructure Services Limited for the year ended 31 March 2020 *(Continued)*

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and service tax, value added tax, sales tax, cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the following statutory dues have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (Rs.)	Period	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	3,527,676	AY 2002-03	Deputy Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	1,200,961	AY 2003-04	Deputy Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	3,002,625	AY 2006-07	Deputy Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	57,187,606	AY 2017-18	Assistant Commissioner of Income Tax
Finance Act 1994-Service Tax	Service Tax	9,759,263	Oct 2005 to March 2006	Commissioner of Service Tax, Mumbai
Finance Act 1994-Service Tax	Service Tax	14,006,766	April 2006 to Sept 2006	Commissioner of Service Tax, Mumbai
Finance Act 1994-Service Tax	Service Tax	8,753,493	April 2006 to March 2009	CESTAT
Finance Act 1994-Service Tax	Service Tax	333,763,385	April 2006 to March 2011	CESTAT
Finance Act 1994-Service Tax	Service Tax	88,251,790	April 2011 to March 2012	CESTAT
Finance Act 1994-Service Tax	Service Tax	133,282,699	April 2012 to March 2013	CESTAT
Finance Act 1994-Service Tax	Service Tax	140,026,161	April 2013 to March 2014	CESTAT
Finance Act 1994-Service Tax	Service Tax	145,625,106	April 2014 to March 2015	CESTAT
Finance Act 1994-Service Tax	Service Tax	641,432,073	April 2015 to June 2017	CESTAT
Finance Act 1994-Service Tax	Service Tax	28,406,780	April 2012 to June 2017	Deputy Commissioner of Sales Tax, Maharashtra
Value Added Tax Act	VAT	102,382,438	January 2006 to September 2009	Joint Commissioner Commercial Tax, Chennai
Value Added Tax Act	VAT	1,449,208	April 2008 to March 2009	West Bengal Commercial Taxes A&R Board
Value Added Tax Act	VAT	2,321,427	April 2008 to March 2009	Additional Commissioner (Appeal), Uttar Pradesh
Value Added Tax Act	VAT	172,887,041	April 2005 to March 2008	VAT Tribunal, Maharashtra

Annexure A to the Independent Auditors' report on the financial statements of ORIX Auto Infrastructure Services Limited for the year ended 31 March 2020 *(Continued)*

Name of the statute	Nature of dues	Amount	Period	Forum where the dispute is pending
Value Added Tax Act	VAT	526,329	December 2006 to December 2011	High Court, Andhra Pradesh
Value Added Tax Act	VAT	22,491,744	May 2012 to March 2014	Additional/Joint Commissioner of Sales Tax (Delhi)
Value Added Tax Act	VAT	8,615,751	April 2012 to March 2013	VAT Tribunal, Maharashtra
Value Added Tax Act	VAT	14,557,337	April 2013 to March 2014	VAT Tribunal, Maharashtra
Value Added Tax Act	VAT	495,761	April 2013 to March 2014	Appellate Deputy Commissioner, Telengana
Value Added Tax Act	VAT	7,954,232	April 2014 to March 2015	VAT Tribunal, Maharashtra
Value Added Tax Act	VAT	96,609,480	April 2017 to March 2018	Deputy Commissioner of Sales Tax, Mumbai
Value Added Tax Act	VAT	929,811	October 2015 to June 2017	Deputy Commissioner, Bhubneshwar
Value Added Tax Act	VAT	1,272,069	April 2015 to March 2016	Additional/Joint Commissioner of Sales Tax (Delhi)
Value Added Tax Act	VAT	10,531,562	April 2009 to March 2010	West Bengal Commercial Taxes A&R Board

vii. According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not defaulted in repayment of outstanding to financial institution or bank. The Company did not have any debentures or borrowings from the government during the year.

viii. According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has not raised any money by way of initial public offer or further public offer. According to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.

ix. According to the information and explanations given to us and based on the audit procedures conducted by us, no material fraud on or by the Company, by its officers or employees, was noticed or reported during the year, nor have we been informed of such case by management.

x. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act

xi. According to the information and explanations given to us, the Company is not a Nidhi Company as per the Act. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

xii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

Annexure A to the Independent Auditors' report on the financial statements of ORIX Auto Infrastructure Services Limited for the year ended 31 March 2020 *(Continued)*

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

xiv. According to the information and explanation given to us and based on the audit procedures conducted by us, the Company has not entered into any material non-cash transactions with directors or person connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

xv. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Ajit Viswanath

Ajit Viswanath
Partner
Membership No: 067114
ICAI UDIN: 20067114AAAABI5398

Place: Mumbai
Date: 31 July 2020

Annexure B to the Independent Auditors' report on the standalone financial statements of ORIX Auto Infrastructure Services India Limited for the year ended 31 March 2020.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of ORIX Auto Infrastructure Services India Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

Annexure B to the Independent Auditors' report on the standalone financial statements of ORIX Auto Infrastructure Services India Limited for the year ended 31 March 2020. ***(Continued)***

Auditors' Responsibility ***(Continued)***

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Ajit Viswanath

Ajit Viswanath
Partner
Membership No. 067114
ICAI UDIN: 20067114AAAABI5398

Place: Mumbai
Date: 31 July 2020

ORIX Auto Infrastructure Services Limited

Balance Sheet
as at 31 March 2020

(All amounts are in INR Lakhs, except as stated)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
I ASSETS			
1 Non current Assets			
(a) Property, plant and equipment	2	76,015	80,732
(b) Capital work - in progress		773	1,463
(c) Intangible assets	3	364	377
(d) Right-of-use assets	4	1,038	1,271
(e) Financial assets			
i. Investments	5	42,405	42,405
ii. Other financial assets	6	1,926	1,232
(f) Deferred tax assets (Net)	44	7,135	8,334
(g) Other non current assets	7	4,151	3,378
Total non current assets		1,33,807	1,39,192
2 Current Assets			
(a) Inventories	8	372	391
(b) Financial Assets			
i. Trade receivables	9	14,722	16,228
ii Cash and cash equivalents	10	2,451	564
iii. Bank balances other than (ii) above	11	77	72
iv. Loans	12	57	37
v. Other financial assets	13	2,444	1,949
(c) Other current assets	14	9,648	7,251
Total current assets		29,771	26,492
TOTAL ASSETS		1,63,578	1,65,684
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	15	12,800	12,800
(b) Other equity	16	42,737	44,890
Total Equity		55,537	57,690
2 Non-Current Liabilities			
(a) Financial liabilities			
i. Borrowings	17	41,801	43,034
ii Lease liabilities	18	901	1,120
ii Other financial liabilities	19	57	84
(b) Provisions	20	366	309
(c) Other non-current liabilities	21	648	639
Total non current liabilities		43,773	45,186
3 Current liabilities			
(a) Financial liabilities			
i. Borrowings	22	27,354	18,502
ii Lease liabilities	23	279	245
iii. Trade payables	24		
- Total outstanding dues of micro and small enterprises		108	103
- Total outstanding dues of Creditors other than Micro and Small Enterprises		10,500	12,405
iv Other financial liabilities	25	23,110	30,420
(b) Provisions	26	309	319
(c) Other current liabilities	27	2,608	814
Total current liabilities		64,268	62,808
TOTAL EQUITY AND LIABILITIES		1,63,578	1,65,684

Company overview and significant accounting policies — 1
The accompanying notes are an integral part of these Financial Statements

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors
ORIX Auto Infrastructure Services Limited
CIN : U63032MH1995PLC086014

Ajit Viswanath
Partner
Membership No: 067114

Sandeep Gambhir
Managing Director & CEO
DIN - 00083116)

Ryohei Suzuki
Director
(DIN - 08218880)

Mumbai
31 July 2020

Vivek Wadhera
CFO

Jay Gandhi
Company Secretary

ORIX Auto Infrastructure Services Limited

Statement of profit and loss
for the year ended 31 March 2020

(All amounts are in INR Lakhs, except as stated)

	Particulars	Notes	Year ended 31 March 2020	Year ended 31 March 2019
I	**Revenue**			
	Revenue from operations	28	78,771	80,614
	Other income	29	3,180	1,972
	Total income		81,951	82,586
II	**Expenses**			
	Cost of materials consumed	30	1,297	1,644
	Employee benefit expense	31	8,542	8,538
	Finance cost	32	7,867	8,283
	Depreciation and amortisation expense	33	24,940	23,961
	Other expenses	34	38,760	38,399
	Total expenses		81,406	80,825
III	**Profit before tax**		545	1,761
IV	**Tax expenses**			
	Current tax		1,232	2,542
	Deferred tax		1,270	(2,148)
	Tax expenses relating to prior years		(16)	1
V	**(Loss) / Profit for the year**		(1,941)	1,366
VI	**Other Comprehensive Income**			
A	Items that will not be reclassified to profit or loss			
	Remeasurements of post-employement benefit obligation		283	182
	Income tax related to items that will not be reclassified to profit or loss		(71)	64
	Other Comprehensive Income for the year		212	246
VII	**Total Comprehensive Income for the year**		(2,153)	1,120
VIII	**Earnings per equity share (Face value ₹ 10 per share)**	35		
	(1) Basic		(1.68)	0.88
	(2) Diluted		(1.68)	0.88

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No 101248W/W-100022

Ajit Viswanath

Ajit Viswanath
Partner
Membership No: 067114

Mumbai
31 July 2020

For and on behalf of the Board of Directors
ORIX Auto Infrastructure Services Limited
CIN : U63032MH1995PLC086914

Sandeep Gambhir
Managing Director & CEO
(DIN - 00083116)

Ryohei Suzuki
Director
(DIN - 08218888)

Vivek Wadhera
CFO

Jay Gandhi
Company Secretary

ORIX Auto Infrastructure Services Limited

Statement of Changes in Equity (SOCIE)
for the year ended 31 March 2020

(All amounts are in INR Lakhs, except as stated)

(a) Equity share capital

	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the reporting year	12,800	12,800
Changes in equity share capital during the year	-	-
Balance at the end of the reporting year	12,800	12,800

(b) Other equity

Particulars	Reserves and Surplus			Other Comprehensive Income	Total
	Securities premium	General Reserve	Retained earnings		
Balance at 1 April, 2019	39,985	1,856	3,510	(461)	44,890
Loss for the year	-	-	(1,941)		(1,941)
Other comprehensive income for the year	-	-		(212)	(212)
Balance at 31 March, 2020	39,985	1,856	1,569	(673)	42,737

Particulars	Reserves and Surplus			Other Comprehensive Income	Total
	Securities premium	General Reserve	Retained earnings		
Balance at 1 April, 2018	39,985	1,856	2,144	(215)	43,770
Profit for the year	-	-	1,366		1,366
Other comprehensive income for the year	-	-		(246)	(246)
Balance at 31 March, 2019	39,985	1,856	3,510	(461)	44,890

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No 101248W/W-100022

Ajit Viswanath

Ajit Viswanath
Partner
Membership No: 067114

Mumbai
31 July 2020

For and on behalf of the Board of Directors
ORIX Auto Infrastructure Services Limited
CIN : U63032MH1995PLC086014

Sandeep Gambhir
Managing Director & CEO
(DIN - 00083116)

Ryohei Suzuki
Director
(DIN - 08218888)

Vivek Wadhera
CFO

Jay Gandhi
Company Secretary

ORIX Auto Infrastructure Services Limited

Cash Flow Statement
for the year ended 31 March 2020

(All amounts are in INR Lakhs, except as stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Cash flow from operating activities		
Profit before tax	545	1,761
Adjustments for:		
Depreciation and amortisation expense	24,642	23,671
Provision for employee benefits (net)	424	373
Loss on sale of fixed assets	1,182	1,205
Finance costs	7,764	8,164
Interest on lease liability	103	119
Expected credit loss allowances	94	(12)
Bad debts written off	102	121
Sundry balances written back	(620)	(142)
Expenses for short term leases	182	150
Operating profit before working capital changes	34,418	35,410
Adjustments for change in working capital:		
(Increase) / Decrease in inventory and repossessed assets	19	(344)
Decrease in trade receivable	1,311	4,594
(Increase) in short term loan	(20)	(2)
(Increase) in other financial assets	(1,190)	(1,020)
(Increase) / Decrease in other assets	(2,372)	1,620
(Decrease) in trade payables	(2,082)	(562)
Increase / (Decrease) in financial liabilities	(515)	1,240
Increase / (Decrease) in other current liabilities	1,754	(1,921)
Increase / (Decrease) in other non current liabilities	10	(53)
Net cash from operating activities before taxes	31,333	38,962
Less : taxes paid (net of refund)	(2,014)	(2,336)
Cash flows generated from operating activities - A	29,319	36,626
Cash flow from investing activities		
Purchase of fixed assets	(33,025)	(36,015)
Proceeds from sale of fixed assets	12,621	11,350
Addition to right-of-use assets	232	(1,271)
Investment in Subsidiary	-	(2,000)
Investment in Fixed Deposits	(5,098)	(102)
Redemption of fixed deposits	5,094	138
Cash flows used in investing activities - B	(20,176)	(27,900)
Cash flow from financing activities		
Proceeds from Long term borrowing	12,000	35,000
Repayment of Long term borrowing	(35,159)	(28,857)
Proceeds from Short term borrowings	45,932	31,500
Repayment of Short term borrowing	(28,250)	(44,012)
(Repayment)/ Proceeds from Cash credit	(8,880)	4,355
Increase / (Decrease) in Book overdraft	49	(115)
Increase in ECB Borrowing	15,000	-
Increase / (Decrease) in Lease Liability on principal component	(169)	1,246
Increase / (Decrease) in Lease liabilty Interest portion	(15)	119
Finance Cost	(7,764)	(8,164)
Cash flows used from financing activities - C	(7,256)	(8,928)
Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	1,887	(202)
Cash and cash equivalents as at the beginning of the year	564	765
Cash and cash equivalents as at the end of the year (Refer Note no. 10)	2,451	564

ORIX Auto Infrastructure Services Limited

Cash Flow Statement ***(Continued)***
for the year ended 31 March 2020

(All amounts are in INR Lakhs, except as stated)

Note :

1) Cash and cash equivalent comprise of balances with banks in current account and fixed deposit accounts (Refer Note 10)

2) The bank deposits have been kept as a security for registration with the VAT authorities of various states.

The accompanying notes form an integral part of these financial statements

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No. 101248W/W-100022

For and on behalf of the Board of Directors
ORIX Auto Infrastructure Services Limited
CIN : U63032MH1995PLC086014

Ajit Viswanath

Ajit Viswanath
Partner
Membership No: 067114

Sandeep Gambhir
Managing Director & CEO
(DIN - 00083116)

Ryohei Suzuki
Director
(DIN - 08218888)

Mumbai
31 July 2020

Vivek Wadhera
CFO

Jay Gandhi
Company Secretary

1. Company Overview and Significant Accounting policies

1.1 Company Overview

ORIX Auto Infrastructure Services Limited ("the Company"/ "OAIS") was incorporated as public limited company in India under the Companies Act 1956 on 2 March 1995 and obtained certificate of commencement of business in 1995. ORIX Corporation, Japan is the holding Company. The Company is engaged in the business of providing transport solutions in the form of operating lease, car rentals, self-drive vehicles, employee transport solutions. The Company's registered office is at Plot no.94, Marol Co. op. industrial estate, Andheri-kurla road, Andheri (E), Mumbai-400 059, Maharashtra, India.

1.2 Statement of compliance and basis of preparation and presentation of standalone Financial

(a) Statement of compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

(b) Basis of preparation

These standalone financial statements have been prepared in Indian Rupee (₹) and all values are rounded to nearest Rupee (₹) in lakhs except where otherwise stated which is the functional currency of the Company. These standalone financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Company has considered an operating cycle of 12 months. The statement of cash flows have been prepared under indirect method.

These standalone financial statements were approved by the Company's Board of Directors and authorised for issue on 31 July 2020.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Balance Sheet, the Statement of Changes in Equity and the Statement of Profit and Loss are presented in the format prescribed under Division III of Schedule III of the Companies Act, 2013, as amended from time to time. The Statement of Cash Flows has been presented as per the requirements of Ind-AS 7 Statement of Cash Flows.

Standards Issued but not Effective Yet

As at 31 March 2020, there are no standards which are issued but not effective.

1. Company Overview and Significant Accounting policies *(Continued)*

1.3 Use of estimates

The preparation of the standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the standalone financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these standalone financial statements have been disclosed in the relevant disclosures. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the standalone financial statements.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the standalone financial statements.

Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimated useful life of property, plant and equipment (PPE) and intangible asset - useful life of PPE and Intangible assets is reviewed at the end of each reporting period.
- Estimation of defined benefit obligation - Key actuarial assumptions including salary escalation rate, discount rate, mortality rate, attrition rate.
- Recognition of deferred tax assets for carried forward tax losses - availability of future taxable profit

Impairment of trade receivables and financial instruments – The measurement of impairment losses on trade receivables commitments and other financial instruments requires judgement, in estimating the amount and timing of collection and risk of default while determining the impairment losses and assessing a significant increase in credit risk.

The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Company's criteria for assessing if there has been a significant increase in credit risk
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulae and the choice of inputs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL model

1. Company Overview and Significant Accounting policies *(Continued)*

1.3 Use of estimates *(Continued)*

It has been the Company's policy to regularly review its model in the context of actual loss experience and adjust when necessary.

The COVID-19 pandemic and the long-drawn lock-down has resulted in a significant decrease in the economic activities globally as well as across our country. The extent of impact of COVID-19 on economic growth of the country is difficult to predict and will mainly depend on the future developments in containment of COVID-19 and the actions taken for resumption of operations, which is highly uncertain.

The extent to which the global pandemic will impact the Company's assessment and resultant loss provisions is uncertain. The Company has assessed the potential impact of COVID-19 on the carrying value of its assets based on relevant internal and external factors / information available at the time of making these judgements. In relation to COVID-19, critical estimates and judgements include the extent and duration of the pandemic, the markets and industry in which it operates, its customer's ability to continue in business and pay, support provided by government, assumptions of forecasts such as growth rates and changes in working capital balances, liquidity analysis, discount rates, credit-spread/ counter party credit risk, etc.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

1.4 Revenue Recognition

The Company earns revenue primarily from providing assets on operating lease, rentals of cars and rentals of self-drive vehicles, employee transport solutions and maintenance of vehicles.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- Income from operations is recognized on accrual basis.
- Operating lease income:

Leases in which the Company as a lessor does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Lease rental income on an operating lease is recognized in the Statement of profit and loss on a straight-line basis over the lease term.

In respect of Maintenance Linked Leases (MLL), lease rentals are segregated between income for asset leased and maintenance charges. The maintenance costs are recognised and accounted for as expenses as and when incurred.

- Rental Income from Rent a Car (RAC):

Car rental income and service charges are recognized on completion of the services.

- Service centre:

1. Company Overview and Significant Accounting policies *(Continued)*

1.4 Revenue Recognition *(Continued)*

Sales of automobile spare parts and accessories along with labour charges during service /repairs of cars are accounted for on completion of jobs. Other sale of spares and accessories are accounted for on dispatch basis.

Income on maintenance contracts included in service charges under sales and services has been accounted on period basis.

- Business transport solutions (BTS):

Business Transport solutions income relates to services to corporates towards management of their logistics requirements for transportation of employees. In order to provide these services, the Company normally enters into arrangements with various vendors for use of vehicles on back to back basis. Income is recognized on the basis of actual services provided to clients based on the rates and terms mutually agreed upon.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Use of significant judgements in revenue recognition

- The Company's contracts with customers could include to transfer multiple products and services to a customer. The Company assesses the products / services in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Company uses judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. Transfer of significant risks and rewards to the customer is an indicator.

1. Company Overview and Significant Accounting policies *(Continued)*

1.5 Property, plant and equipment

a. Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Cost comprises of cost of acquisition, cost of improvements and any attributable cost of bringing the assets to its working condition for intended use.

b. The cost of fixed assets not ready for their intended use at the balance sheet date is disclosed under capital work in progress.

c. Land and Buildings are taken on a long-term composite lease. The Company has assessed the lease of land and building separately and concluded that both of these leases are finance leases in nature.

d. Assets given by the Company under operating lease are included in fixed assets.

e. PPE is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognised in the Statement of profit and loss in the year the asset is derecognised.

f. Subsequent costs incurred, after the asset is put to use, are generally maintenance costs or other statutory costs that do not increase useful life of asset and same are charged in the Statement of profit and loss.

g. Residual value, estimated useful life and method of depreciation are reviewed every year. Any change in these estimates are accounted as change in accounting estimates.

1.5.1 Depreciation / Amortisation:

Depreciation / Amortisation has been provided on straight line method at the rates prescribed under part "C" of Schedule II to the Companies Act, 2013, except for following assets. The useful life of the asset is the period over which the asset is expected to be available for the use to the Company:

Asset Type	Useful life
Leasehold improvements	Over lease period
Car rental Self Drive vehicles	5 years
Business Transport Solution Own vehicles	4.9 years
Furniture, equipment's to employees	4 years
Furniture and fixtures	7 years
Own executive vehicles	Over agreed period
Plant and machinery	5 years
Computer software	6 years
Motor cars under operating lease	5 years

a. Depreciation for the month of purchase is calculated in the proportionate period from the date of purchase and depreciation for the month of sale is calculated in the proportionate period till the date of sale.

b. Fixed assets costing less than ₹ 5,000 are charged to the Statement of profit and loss in the year of purchase.

1. Company Overview and Significant Accounting policies *(Continued)*

1.6 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment.

Intangibles are capitalised at cost of acquisition including cost attributable to readying the asset for use.

Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use.

Amortisation method and useful lives are reviewed periodically including at each financial year end.

Support and maintenance payable annually are charged to the statement of profit and loss

1.7 Financial instruments

1.7.1 Initial Recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

1.7.2 De-recognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

1.7.3 Subsequent measurement

a. Non-derivative financial instruments

i. Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

1. Company Overview and Significant Accounting policies *(Continued)*

1.7 Financial instruments *(Continued)*

1.7.3 Subsequent measurement *(Continued)*

a. Non-derivative financial instruments *(Continued)*

ii. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

iii. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

iv. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

v. Investment in subsidiaries

Investment in subsidiaries is carried at cost in the standalone financial statements.

b. Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

1.8 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

1. Company Overview and Significant Accounting policies *(Continued)*

1.8 Fair value of financial instruments *(Continued)*

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

1.9 Impairment

a. Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

b. Non-financial assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

1. Company Overview and Significant Accounting policies *(Continued)*

1.10 Provisions, Contingent liability and Contingent assets

A contingent liability is disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote.

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

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. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent Assets are neither recognized nor disclosed in the financial statements.

1.11 Foreign currency transactions

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Subsequent measurement

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at the fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The difference on translation is charged to the Statement of profit and loss account.

1.12 Leases

Effective April 1, 2018, the Company has applied Ind AS 116 which establishes a comprehensive framework for determining Leasing transactions. Ind AS 116 replaces Ind AS 17 Leases. The Company has adopted Ind AS 116 using the modified retrospective method.

The determination of whether an arrangement is a lease, as defined under IND AS 116, is based on whether fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

(All amounts are in INR Lakhs, except as stated)

1. Company Overview and Significant Accounting policies *(Continued)*

1.12 Leases *(Continued)*

Company as a Lessor

Leases where the lessor transfers substantially all the risks and rewards of ownership of the leased asset are classified as finance lease and other leases are classified as operating lease.

Company as a lessee:

The Company at the commencement of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Company recognizes the lease payments as an operating expense.

1.13 Asset retirement obligations ('ARO')

ARO is initially measured at the present value of expected cost to settle the obligation and accounted for in the books if found material.

1.14 Retirement and other employee benefits:

i. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided at the undiscounted amount of the benefits expected to be paid in exchange for that service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Post-Employment Benefits

a. Define contribution plans

The Company has taken group gratuity- cum -life assurance scheme of Life Insurance Corporation of India for gratuity payable to the employees and incremental liability based on actuarial valuation as per the projected unit credit method as at the reporting date, is charged to the Statement of Profit and Loss.

b. Define benefit plans

The Company's gratuity benefit scheme is defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under each of the two plans is performed annually by a qualified actuary using the projected unit credit method.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

1. Company Overview and Significant Accounting policies *(Continued)*

1.14 Retirement and other employee benefits: *(Continued)*

ii. Post-Employment Benefits *(Continued)*

b. Define benefit plans *(Continued)*

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

c. Leave encashment

The employees can carry-forward a portion of the unutilised accrued leave encashment and utilise it in future service periods or receive cash compensation on termination of employment. Since the leave encashment do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such leave encashment in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

1.15 Taxation

Income tax expenses represents the sum of the tax currently payable and deferred tax.

i. Current Tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

1. Company Overview and Significant Accounting policies *(Continued)*

1.15 Taxation *(Continued)*

ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the standalone 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 utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference 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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

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 is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset as the Company has legally enforceable right to set off current tax assets against current tax liabilities.

iii. Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit and 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.

1.16 Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Company has appointed a CEO, who assesses the financial performance and position of the Company, and makes strategic decisions of allocation of resources. Hence, CEO has been identified as being the chief operating decision maker.

Entity shall report separately information about operating segment that meets criteria as per IND AS 108.

1. Company Overview and Significant Accounting policies *(Continued)*

1.17 Valuation of inventories:

Inventories comprising of stock of spare parts, accessories and vehicles retired from active use in business are valued at the lower of cost and net realizable value. Cost of spare parts and accessories is arrived at on "First in first out" basis. Obsolete, defective and unserviceable stocks are provided for as and when identified based on technical evaluation by the management.

1.18 Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.19 Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand and as imprest, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

1.20 Borrowing costs

Borrowing costs (other than those that are attributable to the acquisition, construction or production of qualifying assets) are charged to the statement of profit and loss account in the period in which they are incurred.

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements *(Continued)*
as at 31 March 2020

(All amounts are in INR Lakhs, except as stated)

2 Property, Plant and Equipment :

Particulars	Buildings under Finance lease	Leasehold improvements	Plant and equipments	Furniture and fixtures	Vehicles	Data processing equipments	Office equipment	Operating lease - vehicles	Total
Gross carrying amount :									
As At April 01, 2018	3,103	696	11	151	15,144	631	305	88,884	1,08,925
Additions	-	71	1	50	5,353	148	38	30,526	36,187
Transfers	-	-	-	-	(258)	-	-	(1,214)	(1,472)
Disposals	-	-	-	6	1,410	0	1	20,197	21,614
As at March 31, 2019	3,103	767	12	195	18,829	779	342	97,999	1,22,026
As At April 01, 2019	3,103	767	12	195	18,829	779	342	97,999	1,22,026
Additions	-	22	0	17	6,107	228	37	27,206	33,617
Transfers	-	-	-	-	36	-	-	(827)	(791)
Disposals	-	-	-	16	2,381	1	-	29,087	31,485
As at March 31, 2020	3,103	789	12	196	22,591	1,006	379	95,291	1,23,367
Accumulated Depreciation / amortisation :									
As At April 01, 2018	119	236	6	54	5,123	302	125	22,286	28,251
Additions	59	146	2	40	3,276	190	63	19,798	23,574
Transfers	-	-	-	-	(148)	-	-	(531)	(679)
Disposals	-	-	-	6	848	0	1	8,997	9,852
As at March 31, 2019	178	382	8	88	7,403	492	187	32,556	41,294
As At April 01, 2019	178	382	8	88	7,403	492	187	32,556	41,294
Additions	59	150	2	34	4,015	169	64	20,039	24,532
Transfers	-	-	-	-	20	-	-	(551)	(531)
Disposals	-	-	-	10	1,847	1	-	16,085	17,943
As at March 31, 2020	237	532	10	112	9,591	660	251	35,959	47,352
Net carrying									
Net carrying amount as at March 31, 2019	2,925	385	4	107	11,426	287	155	65,443	80,732
Net carrying amount as at March 31, 2020	2,866	258	2	84	12,999	345	128	59,333	76,015

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements *(Continued)*
as at 31 March 2020

(All amounts are in INR Lakhs, except as stated)

3 Intangible Assets

Particulars	Software	Total
Gross carrying amount :		
As At April 01, 2018	511	511
Additions	82	82
As at March 31, 2019	593	593
As At April 01, 2019	593	593
Additions	98	98
As at March 31, 2020	691	691
Accumulated Depreciation / amortisation :		
As At April 01, 2018	120	120
Additions	97	97
As at March 31, 2019	217	217
As At April 01, 2019	217	217
Additions	110	110
As at March 31, 2019	327	327
Net carrying		
Net carrying amount as at March 31, 2019	376	376
Net carrying amount as at March 31, 2020	364	364

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements *(Continued)*
as at 31 March 2020

(All amounts are in INR Lakhs, except as stated)

4 **Right of use Assets**

Particulars	Right to use	Total
Gross carrying amount :		
As At April 01, 2018	1,543	1,543
Additions	18	18
As at March 31, 2019	1,561	1,561
As At April 01, 2019	1,561	1,561
Additions	65	65
Disposals	11	11
As at March 31, 2020	1,615	1,615
Accumulated Depreciation / amortisation :		
As At April 01, 2018	-	-
Additions	290	290
As at March 31, 2019	290	290
As At April 01, 2019	290	290
Additions	298	298
Disposals	11	11
As at March 31, 2019	577	577
Net carrying		
Net carrying amount as at March 31, 2019	1,271	1,271
Net carrying amount as at March 31, 2020	1,038	1,038

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements *(Continued)*
as at 31 March 2020

(All amounts are in INR Lakhs, except as stated)

5 Non-current investments

Name of the body corporate	Partly paid / fully paid	Extent of holding (%)	As at 31 March 2020		As at 31 March 2019	
			No. of shares	Amount	No. of shares	Amount
Investment in equity shares of Subsidiary (at cost)						
Unquoted investments						
ORIX Leasing & Financial Services India Limited	Fully Paid (Face value of ₹ 10)	99.99	10,09,35,831	40,405	10,09,35,831	40,405
ORIX Housing financial Corporation India Ltd.	Fully Paid (Face value of ₹ 10)	99.99	1,99,99,993	2,000	1,99,99,993	2,000
Total				42,405		42,405

(All amounts are in INR Lakhs, except as stated)

Particulars	As at 31 March 2020	As at 31 March 2019
6 Other financial assets		
Security Deposits- Premises	179	192
Less: Expected credit loss allowance	(5)	(3)
	174	189
Security Deposits- Petrol and Sundry Deposits	224	263
Bank deposits with residual maturity of more than 12 months*	1	2
Out of pocket expenses recoverable	1,527	778
Total	1,926	1,232

*The bank deposits have been kept as a security for registration with the VAT authorities of various states

	As at 31 March 2020	As at 31 March 2019
7 Other non current assets		
Balances with Government authorities- VAT Input Credit and TDS refund	1,667	1,677
Prepaid expenses	21	37
Advance Tax (net of provision for tax - ₹ 10,888 (Previous year ₹ 9,673))	2,463	1,664
Total	4,151	3,378
8 Inventories		
Stores and spares	34	24
Retired Vehicles held for sale*	338	367
Total	372	391

* The Company has created provision of ₹ 249 (Previous year ₹ 329) which is netted off against retired vehicles held for sale

	As at 31 March 2020	As at 31 March 2019
9 Trade receivables		
Unsecured		
Considered good	14,145	15,732
Considered doubtful	992	820
	15,137	16,552
Less: Expected credit loss allowance	(415)	(324)
Total	14,722	16,227
10 Cash and cash equivalents		
Cash and bank balancess		
Balance with banks		
In current accounts	2,421	540
Cash on hand	30	24
Total	2,451	564

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements *(Continued)*
as at 31 March 2020

(All amounts are in INR Lakhs, except as stated)

	Particulars	As at 31 March 2020	As at 31 March 2019
11	**Bank balances other than (10) above**		
	Bank balances other than cash and cash equivalents		
	Deposit with original maturity of more than 3 months but residual maturity of less than 12 months*	77	72
	TOTAL	77	72
	*The bank deposits have been kept as a security for registration with the VAT authorities of various states.		
12	**Loans**		
	Unsecured, Considered good		
	Loans and advances to employees	57	37
	Total	57	37
13	**Other Current financial assets**		
	Non-Derivative asset		
	Deposits	87	35
	Receivable on account of cost recoveries	729	974
	Out of pocket expenses recoverable	1,628	940
	Less: Expected credit loss allowance	(0)	(0)
	Total	2,444	1,949
14	**Other current assets**		
	Capital advances	1,071	331
	Other Advances		
	Advances to suppliers - considered good	1,756	1,168
	Advances to suppliers - considered doubtful	225	225
	Less: Allowance for doubtful advances to suppliers	(225)	(225)
	Advance for expenses	339	57
	Others		
	Prepaid expenses	1,037	1,008
	Balance with government authorities		
	- GST input credit	5,352	4,497
	Incentive receivable from dealers	93	114
	Insurance claim	-	76
	Total	9,648	7,251

Chartered Accountants

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements *(Continued)*
as at 31 March 2020

(All amounts are in INR Lakhs, except as stated)

15 Share capital:

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Authorized				
Equity shares of ₹ 10 each	16,00,00,000	16,000	16,00,00,000	16,000
13.5% preference shares of ₹ 10 each	1,00,00,000	1,000	1,00,00,000	1,000
Issued				
Equity shares of ₹ 10 each	12,94,61,287	12,946	12,94,61,287	12,946
Subscribed and fully paid-up				
Equity shares of ₹ 10 each	12,79,96,498	12,800	12,79,96,498	12,800

i) **Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:**

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	12,79,96,498	12,800	12,79,96,498	12,800
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	12,79,96,498	12,800	12,79,96,498	12,800

ii) **Terms / rights attached to equity shares:**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive residual assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

iii) 127,984,998 Equity Shares (Previous year - 127,984,998) are held by ORIX Corporation, Japan, the holding company and its nominees

iv) **Details of shareholders holding more than 5% shares in the Company / shares held by holding / ultimate holding company:**

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of shares held	% of holding	No. of shares held	% of holding
ORIX Corporation (Japan), the holding company and its nominees	12,79,84,998	100.00%	12,79,84,998	100.00%

Note :

1 No shares have been reserved for issue under options

2 No shares have been alloted pursuant to contract(s) without payment being received in cash

(All amounts are in INR Lakhs, except as stated)

Particulars	As at 31 March 2020	As at 31 March 2019
16 Other equity		
Securities premium account	39,985	39,985
General reserve	1,856	1,856
Reserves and surplus	1,569	3,510
Other Comprehensive Income	(673)	(461)
Total	42,737	44,890

i) Securities premium is used for recording the premium on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

ii) The general reserve comprises of transfer of profit from retained earnings for appropriation purposes. The reserve can be distributed/utilized by the company in accordance with the Companies Act, 2013

iii) Reserves and surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, transfers to General reserve or any such other appropriations to specific reserves

iv) Actuarial gains and losses on defined benefit plans are recognized in other comprehensive income, net of taxes.

Particulars	As at 31 March 2020	As at 31 March 2019
17 Long term borrowings		
Term Loan		
- From Banks (Refer note no 43)	26,801	43,034
- From Parent Company (ORIX Corpoartion-Japan)	15,000	-
Total	41,801	43,034

Notes

1 The Company borrows from various banks, in the form of term loan up to a period 5 years As on March 31,2020 interest rate range was 7 69% p a. to 9 50% p.a (Previous year interest rate range was 8 00% p.a to 9.50% p.a.)

2. Term loan from Banks aggregating ₹ 41,687 (Previous year aggregating ₹ 42,896) is guaranteed by ORIX Corporation, Japan (Holding Company).

Particulars	As at 31 March 2020	As at 31 March 2019
18 Lease liabilities		
Lease liabilities	901	1,120
Total	901	1,120
19 Other financial liabilities		
Non- derivative liabilities		
Security deposits from customers	57	84
Total	57	84
20 Long term provisions		
Provision for employee benefits		
Provision for employee's retirement benefits		
- Provision for compensated absences	275	284
- Provision for gratuity	91	25
Total	366	309
21 Other non-current liabilities		
Net Insurance & maintenance reserves of operating lease	648	638
Lease equalisation	-	1
Total	648	639

(All amounts are in INR Lakhs, except as stated)

Particulars	As at 31 March 2020	As at 31 March 2019
22 Short term borrowings		
Secured		
Loans repayable on demand from banks		
- Cash credit from banks	-	505
- Working capital demand loan	-	500
Unsecured		
Loans repayable on demand from banks		
- Working capital demand loan	26,611	9,000
- Overdraft facility from bank	-	8,375
Book overdraft	170	120
Interest accrued but not due on borrowings	573	2
Total	27,354	18,502

Notes:

1 The Company's borrowings from various banks, in the form of cash credit / short term loan / working capital demand loan up to a period 1 years carried interest rate of 6.75% p.a. to 8.30% p.a. (Previous year 8.00% p.a. to 10.65% p.a.)

2. Working capital demand loan from Banks aggregating of ₹ 26,611 (Previous year ₹ 9,000) is guaranteed by ORIX Corporation, Japan (Holding Company)

3. Loans are secured by floating charge by way of hypothecation of the following assets as per the drawing power:

i. Unencumbered owned assets

ii. Receivables under operating lease with underlying assets

iii. Receivables from the Company's other business activities

Particulars	As at 31 March 2020	As at 31 March 2019
23 Lease liabilities		
Lease liabilities	279	245
Total	279	245
24 Trade payables		
Total outstanding dues of micro and small enterprises (Refer Note No 36 4)	108	103
Total outstanding dues of creditors other than micro and small enterprises	10,500	12,405
Total	10,608	12,508
25 Other financial liabilities		
Current maturities of long term debts-unsecured	19,978	26,904
Advance from customers	1,412	1,543
Payable to employees	788	978
Other Payables		
- Security Deposits for operating lease and self drive	186	133
- Provision for expenses	746	862
Total	23,110	30,420

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements *(Continued)*
as at 31 March 2020

(All amounts are in INR Lakhs, except as stated)

	Particulars	As at 31 March 2020	As at 31 March 2019
26	**Short term Provisions**		
	Provision for employee benefits		
	- Provision for Compensated absences	17	43
	- Provision for Gratuity	292	276
	Total	309	319
27	**Other current liabilities**		
	Provision for income tax (net of advance tax ₹ nil (Previous year ₹ nil)	23	23
	Other Payables		
	- Statutory remittances (Contributions to PF, withholding taxes, sales tax, service tax, etc)	2,044	321
	- Net Insurance and maintenance reserves of operating lease	85	52
	- Operating lease rentals due but not accured	363	346
	- Advance rental under self drive	65	67
	- Salary payable	9	5
	- Insurance claim	19	-
	Total	2,608	814

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements ***(Continued)***
for the year ended 31 March 2020

(All amounts are in INR Lakhs, except as stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
28 Revenue from operations		
Sale of products		
Spares and Consumables	1,490	1,858
Sale of services		
Operating leases on vehicles	29,582	30,028
Car rentals	22,681	27,092
Car rental - self drive	2,090	1,590
Business transport solutions	21,081	18,323
Service centre revenue	295	286
Maintenance revenue	731	632
Other operating revenue		
Income on pre termination of lease	182	234
Discount- business transport solutions vendors	357	307
Insurance commission	282	264
Total	78,771	80,614
29 Other income		
Interest income on:		
Bank deposits	19	6
Income tax refund	74	415
Loans and advances	97	107
Security Deposits-Premises	14	13
Others	-	2
Other Non-Operating Income		
Bad debts recovered	50	-
Sundry balances written back	620	142
Management Fees	259	259
Rental income	134	134
Miscellaneous income	1,913	894
Total	3,180	1,972
30 Cost of material consumed		
Spare Parts, Accessories		
Inventory at the beginning of the year	19	18
Add: Purchases	1,307	1,645
Less: Inventory at the end of the year	(29)	(19)
Total	1,297	1,644
31 Employee benefit expenses		
Salaries and wages	7,462	7,578
Contribution to provident and other funds	649	555
Staff welfare expenses	431	405
Total	8,542	8,538

Chartered Accountants

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements *(Continued)*
for the year ended 31 March 2020

(All amounts are in INR Lakhs, except as stated)

31 Employee benefit

The Company contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Company makes contributions towards provident fund, superannuation fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

The Company recognised ₹ 226 (Previous year ₹ 176) for superannuation contribution and other retirement benefit contributions in the Statement of Profit and Loss.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

The Company recognised ₹ 423 (Previous year ₹ 379) for provident fund contributions in the Statement of Profit and Loss

(ii) Defined Benefit Plan:

A. The Company makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees The scheme provides for payment as under:

i) On normal retirement / early retirement / withdrawal / resignation:
As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.
ii) On death in service:
As per the provisions of the Payment of Gratuity Act, 1972 without any vesting period.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	31 March 2020	31 March 2019
	Gratuity Funded	
Defined benefit obligation	1,653	1,361
Fair value of plan assets	1,270	1,060
Net defined benefit (obligation)/assets	383	301
Non-current	91	25
Current	292	276

B. Movement in net defined benefit (asset) / liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

	31 March 2020	31 March 2019
	Gratuity Funded	
Defined benefit obligation		
Opening balance		
Included in profit or loss	1,361	1,059
Current service cost		
Past service cost	143	116
Interest cost		
	103	86
Included in OCI	1,607	1,261
Remeasurement loss (gain):		
Actuarial loss (gain)	106	68
Demographic assumptions	125	116
Financial assumptions	-	-
Experience adjustment	-	-
Return on plan assets excluding interest income	-	-
	-	-
	1,838	1,445

(All amounts are in INR Lakhs, except as stated)

31 Employee benefit *(Continued)*

(ii) Defined Benefit Plan: *(Continued)*

B. Movement in net defined benefit (asset) / liability *(Continued)*

	31 March 2020	31 March 2019
	Gratuity Funded	
Other		
Contributions paid by the employer	-	-
Benefits paid	(185)	(84)
Closing balance	1,653	1,361
Fair value of plan asset		
Opening balance	1,061	919
Included in profit or loss		-
Interest income	80	74
	1,141	993
Included in OCI		
Remeasurement gain (loss)		
Actuarial gain (loss)	-	-
Demographic assumptions	-	-
Financial assumptions	-	-
Experience adjustment	-	-
Return on plan assets excluding interest income	-	-
	(52)	2
	1,089	995
Other		
Contributions paid by the employer	366	149
Assets Transferred Out/ Divestments		-
Benefits paid	(185)	(84)
Closing balance	1,270	1,061
Represented by		
Net defined benefit asset	-	-
Net defined benefit liability	383	301
	383	301

C. Plan assets

Plan assets comprise the following

	31 March 2020	31 March 2019
	Gratuity Funded	
Investment in scheme of insurance	100%	100%

D. Defined benefit obligations

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31 March 2020	31 March 2019
Discount rate	6.84%	7.54%
Expected rate of return on plan assets	6.84%	7.54%
Salary escalation	7.00%	7.00%
Mortality pre retirement	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Mortality post retirement	N. A.	N. A.
Employee turnover rate (for different age groups)	21.00% - 2.00%	21.00% - 2.00%

The estimate of future salary increases, considered in actuarial valuation takes into consideration inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

(All amounts are in INR Lakhs, except as stated)

31 Employee benefit *(Continued)*

(ii) Defined Benefit Plan: *(Continued)*

E. Reconciliation of net liability/asset

Gratuity	As at 31 March 2020	As at 31 March 2019
Opening Balance	301	140
Expenses Recognized in the Statement of Profit or Loss	165	128
Expenses Recognized In OCI	283	182
(Employer benefits)	(366)	(149)
Net liabilityAsset recognised in the balance sheet	383	301

F. Expenses recognized in Statement of Profit and loss

	As at 31 March 2020	As at 31 March 2019
Expenses Recognized in the Statement of Profit or Loss for Current Period		
Current Service Cost	143	116
Net Interest Cost	23	11
Past Service Cost	-	-
(Expected Contributions by the Employees)	-	-
(Gains)/Losses on Curtailments And Settlements	-	-
Net Effect of Changes in Foreign Exchange Rates	-	-
Expenses Recognized	165	127

G. Expenses recognized in Other Comprehensive Income (OCI)

	As at 31 March 2020	As at 31 March 2019
Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period		
Actuarial (Gains)/Losses on Obligation For the Period	231	184
Return on Plan Assets, Excluding Interest Income	52	(2)
Change in Asset Ceiling		-
Net (Income)/Expense For the Period Recognized in OCI	283	182

H. Reconciliation of OCI

Gratuity	As at 31 March 2020	As at 31 March 2019
Opening Balance	461	215
Acturies losses during the year	212	246
Balance end of the year	673	461

I. Other Details

	As at 31 March 2020	As at 31 March 2019
Prescribed contribution for next years (12 months)	292	276

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements *(Continued)*

for the year ended 31 March 2020

(All amounts are in INR Lakhs, except as stated)

31 Employee benefit *(Continued)*

(ii) Defined Benefit Plan: *(Continued)*

J. Maturity Analysis of Prjected Benefit Obligation : From the Fund

	As at 31 March 2020	As at 31 March 2019
Projected benefits payable in future years from the date of reporting		
1st following Year	73	86
2nd following Year	44	52
3rd following Year	51	53
4th following Year	160	54
5th following Year	73	142
Sum of years 6 to 10	828	596

K. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

	31 March 2020		31 March 2019	
	Increase	Decrease	Increase	Decrease
	Gratuity		Gratuity	
Discount rate (1% movement)	(149)	172	(120)	139
Future salary growth (1% movement)	170	(150)	138	(121)
Employee turnover rate (1% movement)	5	(4)	3	(4)
Mortality post retirement	N. A.	N. A.	N. A	N A

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

iii. Other long term employee benefits.

Compensated absences are payable to employees. The charge towards compensated absences for the year ended 31 March 2020 based on actuarial valuation using the projected accrued benefit method is ₹ 292 (Previous year 31 March 2019 ₹ 327).

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements *(Continued)*
for the year ended 31 March 2020

(All amounts are in INR Lakhs, except as stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
32 Finance cost		
Interest expense on financial liabilities at amortised cost	7,347	7,830
Interest on lease liability (Refer note no. 39)	103	119
Other borrowing costs	417	334
Total	7,867	8,283
33 Depreciation and amortisation expense		
Depreciation on tangible fixed assets	24,532	23,574
Amortisation of right-of-use assets	298	290
Amortization on intangible fixed assets	110	97
Total	24,940	23,961
34 Other expenses		
Contract labour / chauffeurs payment	3,914	3,301
Service station labour charges	155	132
Car hire charges for Car rental	6,932	8,183
Vehicle hire charges for Business Transport Solution	15,833	16,186
Rent	207	114
Electricity	136	133
Travelling and conveyance	372	469
Communication expenses	310	286
Professional and legal fees	448	405
Vehicle running expenses	2,963	3,080
Repairs and maintenance :		
- Machinery	55	50
- Others	1,600	1,444
Insurance premium	1,547	1,347
Rates and taxes	435	184
Directors' sitting fees	7	10
Printing and stationery	88	83
Software maintenance expenses	381	347
Loss on sale of fixed assets (net)	1,181	1,205
Freight & forwarding charges	21	22
Provision for expected credit losses	94	(12)
Bad debts written off	102	121
Corporate Social Responsibility Expenditure (Refer note (i) below)	51	42
Payment to the auditor (Refer note (ii) below)	66	61
Miscellaneous expenses	1,862	1,206
Total	38,760	38,399

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements *(Continued)*
for the year ended 31 March 2020

(All amounts are in INR Lakhs, except as stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019

34 Other expenses *(Continued)*

Notes :

(i) Corporate Social Responsibility Expenditure (CSR)

1 Gross amount required to be spent by Company on CSR is ₹ 51 (Previous year ₹ 42) and the same is spent during the year.

2 Amount spent during the year on:

Particulars	Amount Spent	
1. Construction/acquisition of any asset	-	-
2 On purposes other than (1) above	51	42
Total	51	42

(ii) Payment to Auditors:		
Statutory Audit	64	59
Other services		
For Certification Work	2	2
Total	66	61

35 Earnings per equity share

		Year ended 31 March 2020	Year ended 31 March 2019
Profit after tax attributable to equity shareholders	(A)	(2,153)	1,120
Calculation of weighted average number of equity shares			
Number of equity shares at the beginning of the year		12,79,96,498	12,79,96,498
Number of equity shares outstanding at the end of the year		12,79,96,498	12,79,96,498
Weighted average number of equity shares outstanding during the year	(B)	12,79,96,498	12,79,96,498
Basic and diluted earnings per share (₹)	(A / B)	(1.68)	0.88
Face value per share (₹)		10	10

(All amounts are in INR Lakhs, except as stated)

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36.1 Contingent liabilities and commitments (to the extent not provided for):

i) Claims against the Company not acknowledged as debts

Particulars	31 March 2020	31 March 2019
Income tax	649	77
Sales tax and Value added tax	4,870	4,394
Service tax	16,295	16,334
Litigation pending against the Company	55	28
Total	21,869	20,833

1) The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with Income Tax, Sales Tax and Service Tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in its financial statements. The amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

36.2 Expenditure in foreign currency:

Particulars	31 March 2020	31 March 2019
Foreign travel	5	5
Bank guarantee fees and Charges	83	95
Commitment Charges	7	6
Reimbursement of salary	83	44
Professional fees	-	4
Total	178	154

36.3 Foreign currency exposures not hedged by derivative instruments are as follows:

Particulars	As at 31 March 2020		As at 31 March 2019	
	Amount in foreign currency	Amount in INR	Amount in foreign currency	Amount in INR
Amount payable for Bank Guarantee fees (USD)	1	38	1	46
Amount payable for Bank Commitment Charges (USD)	0	1	0	1
Amount payable for Reimbursement of Salary (YEN)	119	83	71	44

The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts has been made in the books of accounts. The Comapny did not enter into any derivative transactions during the year.

36.4 Details of dues to micro enterprises and small enterprises

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, there are no amounts due to MSME as at 31 March 2018.

Particulars	As at 31 March 2020	As at 31 March 2019
a) Principal amount due and remaining unpaid to suppliers as at the year end	86	103
b) Interest accrued and due to suppliers on the above amount as at the year end	22	-
c) Interest paid to suppliers in terms of Section 16 of the MSMED Act	-	-
d) Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
e) Interest paid to suppliers (other than Section 16 of the MSMED Act)	-	-
f) Interest due and payable to suppliers for payments already made (for the period of delay, if any)	-	-
g) Interest accrued and remaining unpaid at the year end	-	-
h) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-

36.5 There has been no other events after the reporting date that require disclosure in these financial statement

Notes to the standalone financial statements *(Continued)*

for the year ended 31 March 2020

(All amounts are in INR Lakhs, except as stated)

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A. As per Ind As 24 - Related parties

Sr. No.	Particulars	Country of Incorporation	Proportion of ownership interest
1	Holding Company		
	ORIX Corporation	Japan	100%
2	Subsidiary Company		
	ORIX Leasing & Financial Services India Limited (OLFS)	India	100%
	ORIX Housing finance Corporation India Ltd	India	100%
3	Infrastructure Leasing and Financial Services Ltd	India	-
	Fellow Associate		
4	Key Management Personnel		
	Mr Sandeep Gambhir, Chief Executive Officer		
	Mr Vivek Wadhera, Chief Financial Officer		
	Mr. Harukazu Yamaguchi, Chairman and Director		
	Mr. Kiyokazu Ishinabe, Director		
	Mr Ikuo Nakamura, Director		
	Mr Nagesh Dubey, Independent Director		
	Mr Abhay Kakkar, Independent Director		
	Mr Ryohei Suzuki, Additional Director		
	Ms Meeta Sanghvi, Director		

B Transactions with Related Parties

Sr. No.	Particulars	Subsidiary	Holding Company	Key management personnel	Fellow Associate
i	Rent Income	134	-	-	-
		(134)	(-)	(-)	(-)
ii	Management Fees income	259	-	-	-
		(259)	(-)	(-)	(-)
iii	Interest Income on Inter company current account	73	-	-	-
		(74)	(-)	(-)	(-)
iv	Software Cost	126	-	-	-
		(-)	(-)	(-)	(-)
v	Interest and other expenses	45	-	-	-
		(20)	(-)	(-)	(-)
vi	Reimbursement of administrative expenses	23	-	-	-
		(24)	(-)	(-)	(-)
vii	ECB borrowing	-	15,000	-	-
		(-)	(-)	(-)	(-)
viii	Interest Expenses on ECB	-	569	-	-
		(-)	(-)	(-)	(-)
ix	Bank Guarantee charges	-	83	-	-
		(-)	(95)	(-)	(-)
x	Commitment charges	-	7	-	-
		(-)	(6)	(-)	(-)
xi	Reimbursement of Professional fees	-	-	-	-
		(-)	(33)	(-)	(-)
xii	Reimbursement of expatriate allowance	-	83	-	-
		(-)	(44)	(-)	(-)
xiii	Mr Sandeep Gambhir, Chief Executive Officer	-	-	280	-
		(-)	(-)	(444)	(-)
xiv	Mr Vivek Wadhera, Chief Financial Officer	-	-	219	-
		(-)	(-)	(182)	(-)
xv	Mr Ryohei Suzuki, Additional Director	-	-	85	-
		(-)	(-)	(56)	(-)
xvi	Mr. Abhay Kakkar	-	-	4	-
		(-)	(-)	(5)	(-)
xvii	Mr. Nagesh Dubey	-	-	4	-
		(-)	(-)	(5)	(-)
xviii	Premises Deposits	-	-	-	20
		(-)	(-)	(-)	(-)
xix	Expenses towards Rent and electricity	-	-	-	92
		(-)	(-)	(-)	(75)

Figures in brackets relate to previous year.

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements *(Continued)*
for the year ended 31 March 2020

(All amounts are in INR Lakhs, except as stated)

37 ***(Continued)***

Transactions with Related Parties *(Continued)*

C Details of related party outstanding balances as at the year-end are given below:

Sr. No. Particulars	Subsidiary	Holding Company	Key management personnel	Fellow subsidiary
Net Receivable	729	-	-	-
	(974)	(-)	(-)	(-)
Receivable				
Management Charges	93	-	-	-
	(70)	(-)	(-)	(-)
Rent Expense	48	-	-	-
	(36)	(-)	(-)	(-)
Cost reimbursement	10	-	-	-
	(6)	(-)	(-)	(-)
Adavance receive for Software cost	84	-	-	-
	(-)	(-)	(-)	(-)
Interest Income	66	-	-	-
	(66)	(-)	(-)	(-)
Other receivable	427	-	-	-
	(795)	(-)	(-)	(-)
Payable	-	15,634	-	-
	(-)	(91)	(-)	(-)
Interest & other Expenses	-	39	-	-
	(-)	(47)	(-)	(-)
ECB borrowing	-	15,000	-	-
	(-)	(-)	(-)	(-)
Interest Expenses on ECB	-	512	-	-
	(-)	(-)	(-)	(-)
Reimbursement of Extriate allowance	-	83	-	-
	(-)	(44)	(-)	(-)
Payable towards lease assets	462	-	-	-
	(346)	(-)	(-)	(-)
Payable towards Director sitting fees				
Abhay Kakkar	-	-	1	-
	(-)	(-)	(-)	(-)
Nagesh Dubey	-	-	1	-
	(-)	(-)	(-)	(-)
Receivable towards premises deposit paid	-	-	-	20
	(-)	(-)	(-)	(-)
Payable towards rent & electricity Expenses	-	-	-	18
	(-)	(-)	(-)	(35)

Figures in brackets relate to previous year.

(All amounts are in INR Lakhs, except as stated)

38 Operating Lease as Lessor:

The Company is in the business of leasing vehicles. The lease term for these contracts ranges from 2 to 4 years and are fixed and cannot be terminated without consent of both the lessor and lessee. No purchase options are given to the lessees during or at the end of the lease term. On retirement of vehicles from the rental business i.e. when a vehicle is not actively let out on a lease for more than 6 months, the vehicle becomes held for sale and reclassified to inventory. Any contigent rent is not conisdered as part of MLP as they are not resonably measured at the commncement of the lease and recognised in profit and loss as income when recieved.

Risk management on the residual interest of the leasing portfolio happens through the process of RV committee. RV committee meets on a periodic basis and determines the RV that are offered for each model.

In case of Operating lease transaction RV committee decides the residual value of each asset class. The Company has adequate expertise, data and resources to estimate the RVs at the inception of lease and manage the sale process at the end of lease tenor.

Category of lease

	As at 31 March 2020	As at 31 March 2019
Vehicles	29,582	30,028

The future minimum lease payments receivable under non-cancellable operating leases are as follows:

	As at 31 March 2020	As at 31 March 2019
Less than one year	24,305	26,667
Between one and five years	28,395	32,314
Total	52,700	58,981

Finance Lease as Lessee:

The Company has entered into lease agreements for leasehold land and building, the land and building has been classfied as finance lease. The lease term is for 62 years expiring on 31-March-2068. The arrangement does not grant an extension option to the Company. Following is the carrying amount of the leasehold buliding:

	As at 31 March 2020	As at 31 March 2019
Gross carrying amount	3,103	3,103
Addition	-	-
Net carrying amount	3,103	3,103
Opening Accumulated depreciation	178	119
Depreciation for the period	59	59
Net carrying amount	2,866	2,925

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(All amounts are in INR Lakhs, except as stated)

39 The Company adopted Ind AS 116, Leases, which applied to all lease contracts outstanding as at April 1, 2018, using modified retrospective method by recording the cumulative effect of initial application as an adjustment to opening retained earnings.

The Company has made use of the following practical expedients available in Ind AS 116: -

a) The Company will not reassess whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered by the Company or modified by the Company before April 1, 2018.

b) The Company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment. Consequently, the Company has recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-of-use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted using the incremental borrowing rate at the date of initial application.

c) The Company does not recognize RoU assets and lease liabilities for leases with less than twelve months of lease term and low value assets on the date of initial application.

Until March 31, 2018, prior to adoption of Ind AS 116, The Company had taken office premises under cancellable and non-cancellable operating lease agreements that were renewable on a periodic basis at the option of both the lessor and the lessee. The operating lease agreements extended up to a maximum of nine years from their respective dates of inception and some of these lease agreements had price escalation clause.

The difference between the lease obligation disclosed as of March 31, 2018 under Ind AS 17 and the value of the lease liabilities as of April 1, 2018 is primarily on account of practical expedients exercised for low value assets and short term leases as at adoption of the standard, in measuring the lease liability and discounting the lease liabilities to the present value in accordance with Ind AS 116.

Operating lease commitments disclosed as at March 31, 2018	2,110
(Less): Impact of discounting on opening lease liability	559
(Less): Short-term leases not recognized as a liability	8
Lease liability recognized as at April 1, 2018	1,543

IND AS 116 disclosure

Particular	As at 31 March 2020	As at 31 March 2019
Depreciation charge of ROU	298	290
Interest expenses on lease liability	103	119
Expenses for short term leases	182	150
Expenses for low value leases	-	-
Cash outflow of leases during the year	353	315
additions to ROU during the year	65	18
Carrying amount of ROU	1,038	1,271
Maturity analysis of undiscounted lease cash flows		
Less than 6 months	180	172
6-12 months	184	174
1-2 years	219	340
2-5 years	477	523
More than 5 years	468	598
Total	1,528	1,807

(All amounts are in INR Lakhs, except as stated)

40 Segment Reporting

The Chief Executive Officer (CEO) been identified as the Chief Operating Decision Maker (CODM). The CEO regularly reviews the performance reports and make decisions about allocation of resources.

An operating segment is a component of the company that engages in business activities from which it may earn revenue and incur expenses, for which discrete financial information is available.

The Company is engaged in the business of providing transport solutions in the form of Operating Lease, Car rentals and Employee Transport solutions.

The company operates only in one segment and thus there are no reportable segments as per Ind As 108 on Operating segments. Also, the Company operates only in India and it perceives that there is no significant difference in its risks and returns in operating from different geographic areas within India.

The Company does not disclose separate segment information as the external reporting information provided in these financial statements reflects internal management information. Thus the assets and results of the segment can be determined by reference to the Balance Sheet and Statement of Profit and Loss for year respectively.

Information about major customers

No revenue from single customer amounted to 10% or more of the Company's total revenue in the year ended 31st March 2020 or 31st March 2019.

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements *(Continued)*
for the year ended 31 March 2020

(All amounts are in INR Lakhs, except as stated)

41 **Financial instruments – Fair values and risk management**

A. Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below

March 31, 2020	Carrying Value	Fair value Level 1	Level 2	Level 3	Total
Financial assets					
Financial Assets measured at Amortised Cost					
Security Deposits	485		485		485
Other non current financial assets	1		1		1
Trade receivables	14,722		14,722		14,722
Other receivables	3,884		3,884		3,884
Cash and cash equivalents	2,450	2,450			2,450
Bank balances other than above	77	77			77
Loans					
Loans - Employees	57		57		57
	21,676	2,527	19,149	-	21,676
Financial liabilities					
Term loans from Banks	46,780		46,773		46,773
Term loan from Parent Company (ORIX Corporation-Japan)	15,000		14,761		14,761
Security deposits from customers	243		243		243
Lease liabilities	1,180		1,180		1,180
Cash Credit From Banks	-		-		-
Working capital Demand Loan-unsecured	26,611		26,611		26,611
Interest accrued but not due on borrowings	573		573		573
Advance from customers	1,412		1,412		1,412
Payable to Employees	788		788		788
Book Overdraft	170		170		170
Provision for expenses	745		745		745
Trade and other payables	10,608		10,608		10,608
	1,04,110	-	1,03,864	-	1,03,864

March 31, 2019	Carrying Value	Fair value Level 1	Level 2	Level 3	Total
Financial assets					
Financial Assets measured at Amortised Cost					
Security Deposits	488		488		488
Other non current financial assets	2		2		2
Trade receivables	16,228		16,228		16,228
Other receivables	2,691		2,691		2,691
Cash and cash equivalents	564	564			564
Bank balances other than above	72	72			72
Loans					-
Loans - Employees	37		37		37
	20,082	636	19,446	-	20,082
Financial liabilities					
Term Loans	69,940		69,686		69,686
Security deposits from customers	217		217		217
Lease liabilities	1,364		1,364		1,364
Cash Credit From Banks	505		505		505
Working capital Demand Loan-Secured	500		500		500
Working capital Demand Loan-unsecured	9,000		9,000		9,000
Overdraft Facility From Bank	8,375		8,375		8,375
Advance from customers	1,543		1,543		1,543
Payable to Employees	978		978		978
Book overdraft	120		120		120
Provision for expenses	862		862		862
Trade and other payables	12,508		12,508		12,508
	1,05,912	-	1,05,658	-	1,05,658

(All amounts are in INR Lakhs, except as stated)

41 ***(Continued)***

I. Financial instruments – Fair values and risk management *(Continued)*

A. Accounting classification and fair values *(Continued)*

(1) Assets that are not financial assets (such as prepaid expenses, advances to suppliers etc.), are not included.
(2) In this table, the Company has disclosed the fair value of each class of financial assets and financial liabilities in a way that permits the information to be compared with their carrying amounts. In addition, it has reconciled the assets and liabilities to the different categories of financial instruments as defined in Ind AS 109. This presentation method is optional and a different presentation method may be more appropriate, depending on circumstances.
(3) Investments in subsidiaries is measured at cost in ccordance with Ind AS 27 and hence not included in the table above

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

a. Fair value of cash and bank balances, prepaid guarantee commission, other short term receivables, trade payables, other current liabilities, security deposits approximate their carrying amounts largely due to short term maturities of these instruments

b. The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used

Financial instruments measured at fair value

Type	Valuation technique
Fixed rates long term borrowings	The valuation model considers present value of expected payments discounted using an appropriate discounting rate
Security deposits for premises	The valuation model considers present value of expected payments discounted using an appropriate discounting rate

(All amounts are in INR Lakhs, except as stated)

41 *Financial instruments – Fair values and risk management (Continued)*

Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Interest risk ;
- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates primarily to the Company's borrowings with floating interest rates

Exposure to interest rate risk

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows

Interest bearing financial liabilities		31 March 2020	31 March 2019
Fixed rate borrowings			
Term Loan from Banks		1,250	11,100
Term loan from Parent Company (ORIX Corpoartion-Japan)		15,000	-
Lease liabilities		1,180	1,364
Security Deposits		243	217
	Total	17,673	12,681
Variable rate borrowings			
Term Loan from Banks		45,530	58,838
Cash Credit and Overdraft facilities From Banks		-	8,880
Working capital Demand Loan		26,611	9,500
Book Overdraft		170	120
	Total	72,311	77,338

Interest bearing financial assets		31 March 2020	31 March 2019
Fixed Rate			
Bank Deposits		78	74
Loan to Employees		57	37
Security Deposits		485	488
	Total	620	599
Variable Rate			
Receivable on account of cost recoveries		729	974
	Total	729	974

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(All amounts are in INR Lakhs, except as stated)

41 *Financial instruments – Fair values and risk management (Continued)*

i. Interest rate risk *(Continued)*

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below.

	Profit or (loss)	
	100 bp increase	100 bp decrease
31 March 2020		
Variable-rate instruments	(716)	716
Cash flow sensitivity (net)	(716)	716
31 March 2019		
Variable-rate instruments	(764)	764
Cash flow sensitivity (net)	(764)	764

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves The sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period

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ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements *(Continued)*
for the year ended 31 March 2020

(All amounts are in INR Lakhs, except as stated)

41 ***Financial instruments – Fair values and risk management (Continued)***

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances

The maximum exposure to the credit risk at the reporting date is primarily from Operating Lease, Rent-a-car and business transport solutions receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

a. Collaterals held and concentrations of credit risk

The company holds security deposit as collaterals against its credit exposures from Operating Lease
The Company evaluates the credit risk after considering factors such as colletral value (security deposit) , and the past credit history of customer

Below table provides the value of collateral held against credit impaired outstanding:

31 March 2020	Maximum exposure to credit risk	Security deposit	Net Exposure
Operating Lease	2,903	24	2,879

b. Amounts arising from ECL

i. Inputs, assumptions and techniques used for estimating impairment on Operating Lease, Rent-a-car and business transport solutions receivables

Assumption and Estimation techniques considered in the ECL model:
- "Loss given default" (LGD) is an estimate of loss from a transaction given that a default occurs
- "Probability of default" (PD) is defined as the probability of whether the borrowers will default on their obligations in the future. Stage 3 assets are considered to have a 100% PD
- "Exposure at default" (EAD) represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by the Company.

The ECL has been computed on trade receivables in accordance with simplified approach based on days past due buckets of respective portfolios. The days past due has been adjusted to give effect to following:
- the time lag between the raising of invoices and handing it over to the customer
- the credit period mentioned in respective invoice
- The time lag incorporated for Car Rental and Business Transport Solution ('BTS') is 90 days
- The probability of default is based on the historical trends of impairment of trade receivables. The historical trends are adjusted with macro economic factors to make it forward looking
- Loss given default is based on the recovery pattern for the default clients, as well as Basel guidelines
-Given the economic scenario, an additional LGD of 5% has been factored in for Car Rental and BTS
-The company categorises receivables into stages based on the days past due status adjusted to give effect of credit period and time lag for invoicing

Stage	Days past due			
	Operating Lease	Car Rental	Business Transport Solution	Others
Stage 1	0-30	0-120	0-120	0-30
Stage 2	31-90	120-180	120-180	31-90
Stage 3	More than 90 Days	More than 180 Days	More than 180 Days	More than 90 Days

Impact of Covid-19 :

The COVID-19 pandemic and the long-drawn lock-down has resulted in a significant decrease in the economic activities globally as well as across our country. The extent of impact of COVID-19 on economic growth of the country is difficult to predict and will mainly depend on the future developments in containment of COVID-19 and the actions taken for resumption of operations, which is highly uncertain. Based on the detailed evaluation, the Company has made adequate provision for credit losses against the potential impact of COVID -19. The final impact of the global health pandemic is very uncertain and the actual impact may be different than that estimated based on the conditions prevailing as at the date of approval of these financial results/statements. The management will continue to closely monitor the material changes in the macro-economic factors impacting the operations of the Company.

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(All amounts are in INR Lakhs, except as stated)

41 *Financial instruments – Fair values and risk management (Continued)*

II. Credit risk *(Continued)*

b. Amounts arising from ECL *(Continued)*

Forward looking information:
The below table shows the values of forward looking macro economic variable used in each of the scenarios for the ECL calculation. For this purpose the Company has used the data source of Economist Intelligence Unit. GDP has been used as a macro economic factor to calculate the forward looking probablities of default. The upside and downside % change has been derived using historical standard deviation from the base scenario.
Scenario Weights have been arrived at taking into consideration product characteristics and prevailing macro-economic conditions. Given the economic conditions on account of COVID 19, the worst case scenario weights have been increased for Car Rental. This is basis management's estimation of the market scenario and related impact on product-specific portfolio quality.

ECL Scenario	Probability assigned			2020
	Operating Lease	Car Rental	Business Transport Solution	%
Best Case	21.20%	21.20%	21.20%	7.15
Base Case	68.20%	48.40%	68.20%	6.10
Worst Case	10.60%	30.40%	10.60%	5.05

Assessment of significant increase in credit risk:
As the simplified approach has been followed, there would not be any assessment of significant increase in credit risk

Definition of default
A default on a financial asset is when the counterparty fails to make the contractual payments within 180 days of raising the invoice for rent a car and business transport solutions portfolios. For operating lease receivables portfolio, the same would be within 90 days from the due date of the rental. This definition of default is determined by considering the business environment in which the company operates and other micro-economic factors.

Policy for write-off of receivables
The management reviews trade receivables and expected credit losses on the same periodically. Basis past experience and management's expectations about the collectebility of receivables, receivables are written off in the statement of profit and loss

Write offs done by the management during the periods for consideration are as follows:

	Operating Lease	Business Transport Solution	Total
Write off	90	11	101

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(All amounts are in INR Lakhs, except as stated)

41 ***Financial instruments – Fair values and risk management (Continued)***

ii. Credit risk *(Continued)*

b. Amounts arising from ECL *(Continued)*

ii Exposure at default and Loss allowance

Exposure at default

31 March 2020	OL	RAC	Business Transport Solution	Others	Total
Stage 1	1,844	5,502	5,383	3,662	16,392
Stage 2	588	208	202	165	1,163
Stage 3	447	256	197	92	992
Total	2,879	5,966	5,782	3,919	18,547
Loss Allowance	46	158	135	83	421

31 March 2019	OL	RAC	Business Transport Solution	Others	Total
Stage 1	1,793	5,881	6,021	2,353	16,048
Stage 2	861	263	329	97	1,550
Stage 3	283	309	146	82	820
Total	2,937	6,453	6,496	2,532	18,418
Loss Allowance	20	149	85	74	328

Loss allowance

The movement in the allowance for impairment in respect of trade and other receivable during the year was as follows:

Operating Lease	As at 31 March 2020	As at 31 March 2019
Balance as the beginning of the year	20	37
Impairment loss recognised (net)	26	(17)
Balance as at the year end	46	20
RAC		
Balance as the beginning of the year	149	157
Impairment loss recognised (net)	9	(8)
Balance as at the year end	158	149
BTS		
Balance as the beginning of the year	85	62
Impairment loss recognised (net)	50	23
Balance as at the year end	135	85
Others		
Balance as the beginning of the year	74	83
Impairment loss recognised (net)	9	(9)
Balance as at the year end	83	74
Total Loss allowance	421	328

There is no material concentration of loss allowance at any perticular geographic area

(All amounts are in INR Lakhs, except as stated)

41 *Financial instruments – Fair values and risk management (Continued)*

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturity profile of financial assets and liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments.

March 31, 2020	Carrying amount	Total	Contractual cash flows				
			Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial assets							
Security Deposits	485	490	62	26	138	239	25
Other non current financial assets	1	1	-	-	1	0	-
Trade receivables	14,722	14,722	14,722				
Other receivables	3,884	3,884	1,852	505	790	737	0
Cash and cash equivalents	2,450	2,450	2,450				
Bank balances other than above	77	77	77				
Loans							
Loans - Employees	57	57	57				
Total :	21,676						

March 31, 2020	Carrying amount	Total	Contractual cash flows				
			Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Term loans from banks	47,568	55,052	14,256	9,745	23,467	7,584	-
Term loan from Parent Company (ORIX Corpoartion-Japan)	15,000	15,000	-	-	-	15,000	-
Advance from customers	1,412	1,412	1,412				
Security Deposits- Non Current	243	243	181	5	30	27	-
Lease liabilities	1,180	1,180	135	144	153	339	409
Working capital loans from banks	26,611	26,611	26,611				
Book Overdraft	169	169	169				
Interest accrued but not due on borrowings	573	573	573				
Provision for expenses	745	745	745				
Trade payables	10,608	10,608	10,608				
Total :	1,04,109						

March 31, 2019	Carrying amount	Total	Contractual cash flows				
			Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial assets							
Security Deposits	488	488	35	-	27	400	25
Other non current financial assets	2	2	-	-	1	1	-
Trade receivables	16,228	16,228	16,228				
Other receivables	2,691	2,691	1,696	217	336	442	-
Cash and cash equivalents	564	564	564				
Bank balances other than above	72	72	72				
Loans							
Loans - Employees	37	37	37				
Total :	20,082						

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(All amounts are in INR Lakhs, except as stated)

41 *Financial instruments – Fair values and risk management (Continued)*

iii. Liquidity risk *(Continued)*

March 31, 2019	Carrying amount	Total	Contractual cash flows Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Term loans from banks	70,916	75,817	18,722	13,113	20,654	23,328	-
Advance from customers	1,543	1,543	1,543				
Security Deposits	217	217	157	17	13	30	-
Lease liabilities	1,364	1,364	118	126	259	130	731
- Cash Credit From Banks	505	505	505				
- WORKING capital Demand Loan-Secured	500	500	500				
- WORKING capital Demand Loan-unsecured	9,000	9,000	9,000				
- Overdraft Facility From Bank	8,375	8,375	8,375				
Book Overdraft	120	120	120				
Interest accrued but not due on borrowings	2	2	2				
Provision for expenses	862	862	862				
Trade payables	12,508	12,508	12,508				
Total :	1,05,912						

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to the financial liabilities.

B S R & Co. LLP
Chartered Accountants

ORIX Auto Infrastructure Services Limited

Notes to the standalone financial statements *(Continued)*
for the year ended 31 March 2020

(All amounts are in INR Lakhs, except as stated)

41 *Financial instruments – Fair values and risk management (continued)*

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt.

Currency risk

The Company has its revenues and other transactions in its functional currency i.e. INR except immaterial expenditure in foreign currency. Accordingly the Company has no material exposure to currency risk as on 31st March, 2020

(All amounts are in INR Lakhs, except as stated)

42 Capital Management

The Company's objectives when managing capital are to (a) maximise shareholders value and provide benefit to the stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital

The Company monitors capital using a ratio of "adjusted net debt" to "adjusted equity". For this purpose, adjusted net debt is defined as total liabilities,comprising interest bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity.

	As at 31 March 2020	As at 31 March 2019
Non-Current Borrowings	41,801	43,034
Current Borrowings	27,354	18,502
Current maturity of long term debt	19,978	26,904
Gross Debt	89,133	88,440
Less - Cash and Cash Equivalents	(2,451)	(564)
Adjusted Net debt	86,682	87,876
Total equity	55,537	57,690
Adjusted Net debt to adjusted equity ratio	1.56	1.52

(All amounts are in INR Lakhs, except as stated)

43 Repayment schedule of long term borrowing :

Loan as on 31 March 2020 are repayble as stated blow

	Interest Rate	1-2 years	2-3 years	3-5 years	Total
Floating					
Monthly	8.30% - 9.20%	6,625	2,604	-	9,229
Quarterly	8.10% - 9.20%	4,416	2,417	625	7,458
Bullet Payment	7.88%	-	10,000	-	10,000
Fixed					
Bullet Payment	7.69%	-	-	15,000	15,000
Total		11,041	15,021	15,625	41,687

Loan as on 31 March 2019 are repayble as stated blow

	Interest Rate	1-2 years	2-3 years	3-5 years	Total
Floating					
Monthly	8.85% - 9.15%	9,750	6,625	2,604	18,979
Quarterly	9.20%	3,334	833	-	4,167
Yearly	8.50%	3,333	-	-	3,333
Bullet Payment	8.61%	-	10,000	-	10,000
Fixed					
Monthly	8.00% - 9.50%	3,250	2,000	1,167	6,417
Total		19,667	19,458	3,771	42,896

Note : Processing fees of ₹ -7 (Previous year ₹ -19) and Interest payable on term loan of ₹ 121 (Previous year ₹ 158) not included in above table

(All amounts are in INR Lakhs, except as stated)

44 Deferred tax and Current tax

(a) Movement in deferred tax balances

	Net balance April 1, 2019	Recognised in profit or loss	Recognised in OCI	31 March 2020 Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Depreciation	7,446	(1,106)		6,339	6,339	-
Provisions	427	(135)		292	292	-
Expected Credit Losses	116	29		145	145	-
Maintenance linked Reserves (MLL)	241	(57)		184	184	-
Ind AS Adjustments						
Lease rental Straightlining	0			0	0	-
Effective interest rate on Borrowings	0			0	0	-
Employee benefits P&L	(50)	(71)		(121)	-	(121)
Employee benefits OCI	50		71	121	121	-
Discounting of security deposits paid for premises	2	0		3	3	-
Inventory Revaluation for retired vehicles	1			1	1	-
Right-of-use assets	101	70		171	171	-
Others	-	0		0	0	-
Tax assets (Liabilities)	8,334	(1,270)	71	7,135	7,256	(121)
Net tax assets	8,334	(1,270)	71	7,135	7,256	(121)

(b) Movement in deferred tax balances

	Net balance April 1, 2018	Recognised in profit or loss	Recognised in OCI	31 March 2019 Net	Deferred tax asset	Deferred tax liability
Deferred tax asset						
Depreciation	5,667	1,779		7,446	7,446	-
Provisions	224	203		427	427	-
Expected Credit Losses	116	0		116	116	-
Maintenance linked Reserves (MLL)	219	22		241	241	-
Ind AS Adjustments						
Lease rental Straightlining	21	(21)		0	0	-
Effective interest rate on Borrowings	(0)	0		0	0	-
Employee benefits P&L	(114)	64		(50)	-	(50)
Employee benefits OCI	114		(64)	50	50	-
Discounting of security deposits paid for premises	2	(0)		2	2	-
Inventory Revaluation for retired vehicles	1			1	1	-
Right-of-use assets	-	101		101	101	-
Tax assets (Liabilities)	6,250	2,148	(64)	8,334	8,384	(50)
Net tax assets	6,250	2,148	(64)	8,334	8,384	(50)

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

The applicable Indian corporate statutory tax rate for the year ended March 31, 2020 and March 31, 2019 is 25.17% and 34.94% respectively.
During the year under Income option is provided to Corporates to choose tax rate i.e. either 25.17% including Surcharge and Cess without claiming any deduction and exemption available in IT Act or 34.944% including Surcharge and Cess with claim of eligible deductions and exemptions available in IT Act. Company has opted for first option i.e. 25.17% without claiming any deductions and exemptions.

B S R & Co. LLP Chartered Accountants

(All amounts are in INR Lakhs, except as stated)

44 *Deferred tax and Current tax (continued)*

Tax expense

(a) Amounts recognised in profit and loss

	For the year ended March 31, 2020 INR	For the year ended March 31, 2019 INR
Current tax		
Current period (a)	1,232	2,542
Changes in estimate related to prior years (b)	(16)	1
Deferred income tax liability / (asset), net		
Increase in deferred tax assets	1,340	(2,004)
Increase in deferred tax assets due to Ind AS Adjustments	(70)	(144)
Deferred tax expense (c)	1,270	(2,148)
Tax expense for the year (a)+(b)+(c)	2,485	395

(b) Amounts recognised in other comprehensive income

	Tax (expense) benefit INR	Tax (expense) benefit INR
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(71)	64
	(71)	64

(c) Reconciliation of effective tax rate

	For the year ended March 31, 2020 INR	For the year ended March 31, 2019 INR
Profit before tax	545	1,761
Tax using the Company's domestic tax rate	137	615
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Difference in Tax Rate	2,332	(61)
ECB Loan Mark-to-Market		
Corporate Social Responsibility Expenditure	13	7
Difference in Fixed Assets	5	
Others	14	(63)
Change in opening deferred tax-ROU Assets		(102)
Impact on Profit due to IND AS impact of ROU		33
Rectification of error in Bonus		(31)
Permanent difference GST/ Sales Tax Penality, Interest on TDS		(5)
Actuarial Gains and Losses posted through OCI	(71)	64
Current tax expenses relating to prior years	(16)	1
	2,414	455

The applicable Indian corporate statutory tax rate for the year ended March 31, 2020 and March 31, 2019 is 25.168% and 34.94% respectively. The decrease in the corporate statutory tax rate to 25.168% is consequent to changes made in the Finance Act, 2020.

The Taxation Laws (Amendment) Ordinance, 2019 contain substantial amendments in the Income Tax Act 1961 and the Finance (No.2) Act, 2019 to provide an option to domestic companies to pay income tax at a concessional rate. The Company has elected to apply the concessional tax rate. Accordingly, the Company has recognised the provision for income tax and re-measured the net deferred tax assets at concessional rate for the year ended 31 March 2020. Further, the opening net deferred tax asset has been re-measured at lower rate with a one-time impact of Rs.2,332 lakhs recognised in the statement of profit and loss

(All amounts are in INR Lakhs, except as stated)

45 Change in liabilities arising from financing activities

Particulars	01 April 2019	Cash Flows	31 March 2020
Long term borrowing	69,938	-23,159	46,780
Short term borrowing	9,502	17,682	27,184
Cash credit	8,880	(8,880)	-
Book overdraft	120	49	169
ECB Borrowing	-	15,000	15,000
Lease Liability on principal component	1,246	(169)	1,077
Lease liability Interest portion	119	(15)	103
Finance cost	-	(7,764)	(7,764)
Total	89,805	(7,256)	82,549

Particulars	01 April 2018	Cash Flows	31 March 2019
Long term borrowing	63,795	6,143	69,938
Short term borrowing	22,014	(12,512)	9,502
Cash credit	4,525	4,355	8,880
Book overdraft	235	(115)	120
Lease Liability on principal component	-	1,246	1,246
Lease liability Interest portion	-	119	119
Finance cost	-	(8,164)	(8,164)
Total	90,569	(8,928)	81,641

46 Previous year numbers are regrouped / reclassified to confirm to current year's presentation

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No 101248W/W-100022

Ajit Viswanath

Ajit Viswanath
Partner
Membership No: 067114

Mumbai
31 July 2020

For and on behalf of the Board of Directors
ORIX Auto Infrastructure Services Limited
CIN : U63032MH1995PLC086014

Sandeep Gambhir
Managing Director & CEO
(DIN - 00083116)

Ryohei Suzuki
Director
(DIN - 08218883)

Vivek Wadhera
CFO

Jay Gandhi
Company Secretary

B S R & Co. LLP
Chartered Accountants

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Independent Auditors' Report

To the Members of ORIX Auto Infrastructure Services Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the Consolidated Financial Statements of ORIX Auto Infrastructure Services Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Emphasis of matter

As described in Note 42 of the consolidated financial statements, for the lending business in Orix Leasing and Financial Services India Limited, in respect of accounts overdue but standard as at 29 February 2020 where moratorium benefit has been granted, the staging of those accounts at 31 March 2020 is based on the days past due status as at 29 February 2020 in accordance with the Reserve Bank of India COVID-19 Regulatory Package.

As described in Note 1.3 and Note 42 to the consolidated financial statements, the extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of the above matters.

B S R & Co (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability, Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office:
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Mumbai - 400 011. India

Independent Auditors' Report *(Continued)*

ORIX Auto Infrastructure Services Limited

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the companies included in the Group and of , are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group, is responsible for overseeing the financial reporting process of each company.

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

Independent Auditors' Report *(Continued)*

ORIX Auto Infrastructure Services Limited

Auditor's Responsibilities for the Audit of the Consolidated 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 Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis 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 Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the Consolidated Financial Statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of Consolidated Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the Consolidated Financial Statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities.

We believe that the audit evidence obtained by is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(Continued)*

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 1 April 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2020 on the Consolidated Financial Position of the Group. Refer Note 36.1 to the consolidated financial statements.

ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts. The Group did not have any derivative contracts during the year. Refer Note 36.4 the Consolidated Financial Statements.

Report on Other Legal and Regulatory Requirements

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies during the year ended 31 March 2020.

iv. The disclosures in the Consolidated Financial Statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2020.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies operations incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies, to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Ajit Viswanath

Ajit Viswanath
Partner
Membership No. 067114
UDIN: 20067114AAAABK8961

Place: Mumbai
Date: 31 July 2020

Annexure A to the Independent Auditors' report on the consolidated financial statements of ORIX Auto Infrastructure Services Limited for the year ended 31 March 2020

Report on the internal financial controls with reference to the aforesaid Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of ORIX Auto Infrastructure Services Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

ORIX Auto Infrastructure Services Limited

Annexure A to the Independent Auditors' report on the consolidated financial statements of ORIX Auto Infrastructure Services Limited for the year ended 31 March 2020 *(Continued)*

Auditors' Responsibility *(Continued)*

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements 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 controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Ajit Viswanath

Ajit Viswanath
Partner
Membership No. 067114
UDIN: 20067114AAAABK8961

Place: Mumbai
Date: 31 July 2020

B S R & Co. LLP
Chartered Accountants

5th Floor, Lodha Excelus,
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India

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Independent Auditors' Report

To the Members of ORIX Auto Infrastructure Services Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the Consolidated Financial Statements of ORIX Auto Infrastructure Services Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31 March 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Emphasis of matter

As described in Note 42 of the consolidated financial statements, for the lending business in Orix Leasing and Financial Services India Limited, in respect of accounts overdue but standard as at 29 February 2020 where moratorium benefit has been granted, the staging of those accounts at 31 March 2020 is based on the days past due status as at 29 February 2020 in accordance with the Reserve Bank of India COVID-19 Regulatory Package.

As described in Note 1.3 and Note 42 to the consolidated financial statements, the extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of the above matters.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the companies included in the Group and of , are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group, is responsible for overseeing the financial reporting process of each company.

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

Auditor's Responsibilities for the Audit of the Consolidated 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 Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis 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 Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the Consolidated Financial Statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of Consolidated Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the Consolidated Financial Statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities.

We believe that the audit evidence obtained by is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(Continued)*

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 1 April 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2020 on the Consolidated Financial Position of the Group. Refer Note 36.1 to the consolidated financial statements.

ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts. The Group did not have any derivative contracts during the year. Refer Note 36.4 the Consolidated Financial Statements.

Report on Other Legal and Regulatory Requirements

iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies during the year ended 31 March 2020.

iv. The disclosures in the Consolidated Financial Statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2020.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies operations incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies, to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Ajit Viswanath

Ajit Viswanath
Partner
Membership No. 067114
UDIN: 20067114AAAABK8961

Place: Mumbai
Date: 31 July 2020

ORIX Auto Infrastructure Services Limited

Annexure A to the Independent Auditors' report on the consolidated financial statements of ORIX Auto Infrastructure Services Limited for the year ended 31 March 2020

Report on the internal financial controls with reference to the aforesaid Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of ORIX Auto Infrastructure Services Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

ORIX Auto Infrastructure Services Limited

Annexure A to the Independent Auditors' report on the consolidated financial statements of ORIX Auto Infrastructure Services Limited for the year ended 31 March 2020 *(Continued)*

Auditors' Responsibility *(Continued)*

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements 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 controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Ajit Viswanath

Ajit Viswanath
Partner
Membership No. 067114
UDIN: 20067114AAAABK8961

Place: Mumbai
Date: 31 July 2020

ORIX Auto Infrastructure Services Limited

Consolidated Financial Statements
Balance sheet as at 31 March 2020
(All amounts are in INR Lakhs, except as stated)

	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non current Assets			
Property, plant and equipment	2	78,445	83,637
Capital work-in progress		773	1,463
Intangible assets	3	431	488
Right-of-use assets	4	1,347	1,694
Financial assets			
i. Loans	5	1,97,802	2,08,324
ii. Other financial assets	6	3,601	2,528
Deferred tax assets	45	12,596	15,399
Other non current assets	7	5,892	4,532
Total non current assets		3,00,887	3,18,065
Current Assets			
Inventories	8	392	446
Financial Assets			
i. Trade receivables	9	15,383	16,508
ii. Cash and cash equivalents	10	8,381	1,964
iii. Bank balances other than (ii) above	11	77	2,170
iv. Loans	12	46,484	44,736
v. Other financial assets	13	3,245	2,182
Other current assets	14	14,321	12,951
Total current assets		88,283	80,957
TOTAL ASSETS		3,89,170	3,99,022
EQUITY AND LIABILITIES			
Equity share capital	15	12,800	12,800
Other equity	16	59,536	57,977
Total Equity		72,336	70,777
Non current financial liability			
i. Borrowings	17	1,53,022	1,48,598
ii. Lease liabilities	18	1,102	1,444
iii. Other financial liabilities	19	999	1,221
Provisions	20	496	460
Other non-current liabilities	21	973	940
Total non current liabilities		1,56,592	1,52,663
Current financial liabilities			
i. Borrowings	22	49,559	50,382
ii. Lease liabilities	23	426	373
iii. Trade payables	24		
- Total outstanding dues of Micro and Small Enterprises		119	118
- Total outstanding dues of Creditors other than Micro and Small Enterprises		12,138	14,854
iv. Other financial liabilities	25	94,789	1,08,477
Provisions	26	337	361
Other current liabilities	27	2,874	1,017
Total current liabilities		1,60,242	1,75,582
TOTAL EQUITY AND LIABILITIES		3,89,170	3,99,022
Significant accounting policies	1		

The accompanying notes form an integral part of these financial statements

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Ajit Viswanath

Ajit Viswanath
Partner
Membership No: 067114

Mumbai
31 July 2020

For and on behalf of the Board of Directors of
ORIX Auto Infrastructure Services Limited
CIN : U63032MH1995PLC086014

Sandeep Gambhir
Managing Director & CEO
(DIN - 00083116)

Ryohei Suzuki
Director
(DIN - 08218898)

Vivek Wadhera
CFO

Jay Gandhi
Company Secretary

ORIX Auto Infrastructure Services Limited

Consolidated Financial Statements
Statement of Profit and Loss for the Year ended 31 March 2020
(All amounts are in INR Lakhs, except as stated)

		Notes	Year ended 31 March 2020	Year ended 31 March 2019
I	**Revenue**			
	Revenue from operations	28	1,12,355	1,11,207
	Other Income	29	4,020	3,045
	Total income		1,16,375	1,14,252
II	**Expenses**			
	Cost of materials consumed	30	1,297	1,644
	Employee benefit expense	31	11,942	12,465
	Finance cost	32	25,765	24,311
	Depreciation and amortisation expense	33	25,866	24,772
	Other expenses	34	43,249	42,541
	Total expenses		1,08,119	1,05,733
III	**Profit before tax**		8,256	8,519
IV	**Tax expenses**			
	Current tax		3,583	4,210
	Current tax expenses relating to prior years		2	63
	Deferred tax		2,880	(1,878)
V	**Profit for the year**		1,791	6,124
VI	**Other Comprehensive Income**			
A	Items that will not be reclassified to profit or loss			
	Remeasurements of post-employement benefit obligation		307	233
	Income tax related to items that will not be reclassified to profit or loss		(77)	46
VII	**Total Comprehensive Income for the year**		1,561	5,845
VIII	**Profit is attributable to:**			
	Owners of the Group		1,791	6,124
IX	**Other comprehensive income is attributable to:**			
	Owners of the Group		230	279
X	**Total comprehensive income is attributable to:**			
	Owners of the Group		1,561	5,845
XI	**Total comprehensive income attributable to owners of the group arises from:**			
	Continuing operations		1,561	5,845
XII	**Earnings per equity share (Face value ₹ 10 per share)**	35		
	(1) Basic		1.22	5.23
	(2) Diluted		1.22	5.23

Significant accounting policies 1

The accompanying notes form an integral part of these financial statements

As per our report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Ajit Viswanath
Partner
Membership No: 067114

Mumbai
31 July 2020

For and on behalf of the Board of Directors of ORIX Auto Infrastructure Services Limited
CIN : U63032MH1995PLC086014

Sandeep Gambhir
Managing Director & CEO
(DIN - 00083116)

Ryohei Suzuki
Director
(DIN - 08218888)

Vivek Wadhera
CFO

Jay Gandhi
Company Secretary

ORIX Auto Infrastructure Services Limited

Statement of Changes in Equity (SOCIE)
(All amounts are in INR Lakhs, except as stated)

Note (a) : Equity share capital

	As at 31 March 2020 Amount	As at 31 March 2019 Amount
Balance at the beginning of the reporting year	12,800	10,546
Changes in equity share capital during the year	-	2,254
Balance at the end of the reporting year	12,800	12,800

Note (b) : Other equity

Particulars	Reserves and Surplus				Other Comprehensive Income	Total
	Securities premium	General Reserve	Retained earnings	Statutory Reserves		
Balance at 1 April, 2019	39,985	1,856	13,893	2,796	(553)	57,977
Profit for the year			1,789			1,789
Remeasurements of net defined benefit liability / equity					(230)	(230)
Transfer to Statutory Reserve			(731)	731		-
Balance at 31 March, 2020	39,985	1,856	14,951	3,527	(783)	59,536

Note (b) : Other equity

Particulars	Reserves and Surplus				Other Comprehensive Income	Total
	Securities premium	General Reserve	Retained earnings	Statutory Reserves		
Balance at 31 March, 2018	39,985	1,856	8,642	1,922	(273)	52,132
Profit for the year			6,125			6,125
Remeasurements of net defined benefit liability / equity					(280)	(280)
Transfer to Statutory Reserve			(874)	874		-
Balance at 31 March, 2019	39,985	1,856	13,893	2,796	(553)	57,977

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Ajit Viswanath

Ajit Viswanath
Partner
Membership No. 067114

Mumbai
31 July 2020

For and on behalf of the Board of Directors of
ORIX Auto Infrastructure Services Limited
CIN : U63032MH1995PLC086014

Sandeep Gambhir
Managing Director & CEO
(DIN - 00083116)

Ryohei Suzuki
Director
(DIN - 08216806)

Vivek Wadhera
CFO

Jay Gandhi
Company Secretary

Orix Auto Infrastructure Services Limited

Cash Flow Statement for the year ended 31 March 2020
(All amounts are in INR Lakhs, except as stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Cash flow from operating activities		
Profit before tax	8,255	8,520
Adjustments for:		
Depreciation and amortisation expense	25,569	24,482
Provision for employee benefits (net)	399	321
Loss on sale of fixed assets	1,183	1,205
Finance costs	7,764	8,164
Interest income on fixed deposits	(132)	(115)
Interest on lease liability	103	119
Expected credit loss allowances	1,778	1,307
Bad debts written off	224	121
Sundry balances written back	(863)	(245)
Expenses for short term leases	381	358
Operating profit before working capital changes	44,661	44,237
Adjustments for change in working capital:		
(Increase) / Decrease in inventory	19	(344)
(Increase) / Decrease in trade receivable	1,311	4,595
(Increase) / Decrease in Loan and Advances	8,313	(69,648)
(Increase) / Decrease in other assets	(3,292)	(4,344)
Increase / (Decrease) in trade payables	(4,771)	4,391
Increase / (Decrease) in other liabilities & provisions	(20,171)	5,469
Proceeds from Loans assigned	-	8,941
Net cash from operating activities before taxes	26,070	(6,703)
Less : taxes paid (net of refund)	(4,749)	(5,000)
Cash flows generated from operating activities - A	21,322	(11,703)
Cash flow from investing activities		
Purchase of fixed assets	(33,415)	(37,675)
Proceeds from sale of fixed assets	12,717	11,354
Addition to Right-of-use assets	232	(1,271)
Investment in Fixed Deposits	(13,492)	(5,517)
Redemption in fixed deposits	15,505	3,523
Interest on fixed deposits	132	115
Cash flows used in investing activities - B	(18,321)	(29,471)

Orix Auto Infrastructure Services Limited

Cash flow statement ***(Continued)***
for the year ended 31 March 2020
(All amounts are in INR Lakhs, except as stated)

Cash flow from financing activities

Increase / (Decrease) in Processing fees	27	(32)
Proceeds from Long term borrowing	97,000	1,35,000
Repayment of Long term borrowing	(1,20,610)	(66,673)
Proceeds from Short term borrowings	3,72,240	63,500
Repayment of Short term borrowing	(3,43,357)	(87,212)
(Repayment)/ Proceeds from Cash credit / book overdraft	(8,831)	4,240
Increase in ECB Borrowing	15,000	-
Interest Paid	(7,764)	(8,164)
Increase / (Decrease) in Lease Liability on principal component	(270)	1,108
Increase / (Decrease) in Lease liabilty Interest portion	(19)	157
Cash flows generated from financing activities - C	3,416	41,924
Net (Decrease)/Increase in cash and cash equivalents (A+B+C)	6,417	751
Cash and cash equivalents as at the beginning of the year	1,964	1,213
Cash and cash equivalents as at the end of the year (Refer note no.10)	8,381	1,964

The accompanying notes form an integral part of these financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Ajit Viswanath

Ajit Viswanath
Partner
Membership No: 067114

Mumbai
31 July 2020

For and on behalf of the Board of Directors of
ORIX Auto Infrastructure Services Limited
CIN : U63032MH1995PLC086014

Sandeep Gambhir
Managing Director & CEO
(DIN - 00083116)

Ryohei Suzuki
Director
(DIN - 08218888)

Vivek Wadhera
CFO

Jay Gandhi
Company Secretary

(All amounts are in INR Lakhs, except as stated)

1. Group Overview and Significant Accounting policies

1.1 Group Overview

The consolidated financial statements relate to ORIX Auto Infrastructure Services Limited ("the Group"/ "OAIS") its subsidiaries ORIX Leasing & Financial Services India Limited ("OLFS") and ORIX Housing Finance Corporation India Limited (OHFC). The company and its subsidiary constitute "The Group" . The Company was incorporated as public limited company in India under the Companies Act, 1956 on 2 March 1995 and obtained certificate of commencement of business in 1995. ORIX Corporation, Japan is the holding Company. The Group is engaged in the business of providing transport solutions in the form of operating lease, finance lease, car rentals, self-drive vehicles, employee transport solutions, commercial vehicles loan and loan against property. The Company's registered office is at Plot no.94, Marol Co. op. industrial estate, Andheri-kurla road, Andheri (E), Mumbai-400 059, Maharashtra, India

OHFC had applied for license to National Housing Bank (NHB) under section 29A(2) of the National Housing Bank Act,1987. However, the same was withdrawn by the Company in FY 2019-20. The Board of Directors of OHFC has approved proposal of merger of the Company with OAIS in its meeting held on February 19, 2020. The Board of Directors of OAIS, in its meeting held on February 26, 2020, has approved the proposed merger. Approval from relevant stakeholders for the said proposal is yet to be obtained. Once necessary approvals are received, the Company will initiate the process of merging the Company into OAIS.

1.2 Statement of compliance and basis of preparation & presentation of consolidated Financial

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

(b) Basis of preparation

These consolidated financial statements have been prepared in Indian Rupee (₹) and all values are rounded to nearest Rupee (₹) in lakhs except where otherwise stated which is the functional currency of the Group. These consolidated financial statements have been prepared on historical cost basis, except for certain financial instruments which are measured at fair value or amortised cost at the end of each reporting period, as explained in the accounting policies below. All assets and liabilities have been classified as current and non-current as per the Group's normal operating cycle. Based on the nature of services rendered to customers and time elapsed between deployment of resources and the realisation in cash and cash equivalents of the consideration for such services rendered, the Group has considered an operating cycle of 12 months. The statement of cash flows have been prepared under indirect method.

These consolidated financial statements were approved by the Company's Board of Directors and authorised for issue on 31 July 2020.

1. Group Overview and Significant Accounting policies *(Continued)*

(b) Basis of preparation *(Continued)*

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Balance Sheet, the Statement of Changes in Equity and the Statement of Profit and Loss are presented in the format prescribed under Division II of Schedule III of the Companies Act, 2013, as amended from time to time. The Statement of Cash Flows has been presented as per the requirements of Ind-AS 7 Statement of Cash Flows.

Standards Issued but not Effective Yet

As at 31 March 2020, there are no standards which are issued but not effective.

1.3 Use of estimates

The preparation of the consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these consolidated financial statements have been disclosed in the relevant disclosures. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimated useful life of property, plant and equipment (PPE) and intangible asset - useful life of PPE and Intangible assets is reviewed at the end of each reporting period.
- Estimation of defined benefit obligation - Key actuarial assumptions including salary escalation rate, discount rate, mortality rate, attrition rate.
- Recognition of deferred tax assets for carried forward tax losses - availability of future taxable profit

Impairment of trade receivables and financial instruments - The measurement of impairment losses on loan assets and commitments and trade receivables, requires judgement, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

1. Group Overview and Significant Accounting policies *(Continued)*

1.3 Use of estimates *(Continued)*

The Group's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgements and estimates include:

- The Group's criteria for assessing if there has been a significant increase in credit risk
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL model, including the various formulae and the choice of inputs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL model

It has been the Group's policy to regularly review its model in the context of actual loss experience and adjust when necessary.

The COVID-19 pandemic and the long-drawn lock-down has resulted in a significant decrease in the economic activities globally as well as across our country. The extent of impact of COVID-19 on economic growth of the country is difficult to predict and will mainly depend on the future developments in containment of COVID-19 and the actions taken for resumption of operations, which is highly uncertain.

The extent to which the global pandemic will impact the Group's assessment and resultant loss provisions is uncertain. The Group has assessed the potential impact of COVID-19 on the carrying value of its assets based on relevant internal and external factors / information available at the time of making these judgements. In relation to COVID-19, critical estimates and judgements include the extent and duration of the pandemic, the markets and industry in which it operates, its customer's ability to continue in business and pay, support provided by government, assumptions of forecasts such as growth rates and changes in working capital balances, liquidity analysis, discount rates, credit-spread/ counter party credit risk, etc.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

1.4 Revenue Recognition

The Group earns revenue primarily from providing assets on operating lease, finance lease, rentals of cars and rentals of self-drive vehicles, employee transport solutions, maintenance of vehicles, commercial vehicles loan and loan against property.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

- Income from operations is recognized on accrual basis.
- Operating lease income:

Leases in which the Group as a lessor does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Lease rental income on an operating lease is recognized in the Statement of profit and loss on a straight-line basis over the lease term.

1. Group Overview and Significant Accounting policies *(Continued)*

1.4 Revenue Recognition *(Continued)*

In respect of Maintenance Linked Leases (MLL), lease rentals are segregated between income for asset leased and maintenance charges. The maintenance costs are recognised and accounted for as expenses as and when incurred.

- Rental Income from Rent a Car (RAC):

Car rental income and service charges are recognized on completion of the services.

- Service centre:

Sales of automobile spare parts and accessories along with labour charges during service /repairs of cars are accounted for on completion of jobs. Other sale of spares and accessories are accounted for on dispatch basis.

Income on maintenance contracts included in service charges under sales and services has been accounted on period basis.

- Business transport solutions (BTS):

Business Transport solutions income relates to services to corporates towards management of their logistics requirements for transportation of employees. In order to provide these services, the Group normally enters into arrangements with various vendors for use of vehicles on back to back basis. Income is recognized on the basis of actual services provided to clients based on the rates and terms mutually agreed upon.

Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

- Finance lease:

Finance income is apportioned over the period of primary lease at the Internal Rate of Return and in respect of Loans.

In respect of Maintenance Linked Lease ("MLL"), lease rentals are segregated between recovery for asset financed and maintenance charges. The Finance income is apportioned over the primary lease at Internal Rate of Return Method. The maintenance costs are recognised and accounted for as expenses as and when incurred.

Income arising out of modification in Finance Lease is recognised when the recoverability of the same is ascertained.

Initial Direct Cost which includes incremental employee cost for lease is amortised as expense over the lease period.

- Loan against hypothecation and Loan against property

Initial direct cost including origination fees, brokerage expenses, is amortised as income/expense on effective interest rate basis over the loan period.

Initial direct cost including incremental employee cost and credit evaluation cost is amortised as expense over the lease period.

Income arising out of delayed payment in Loans is recognised when they become measurable and when it is not unreasonable to expect their ultimate collection.

1. Group Overview and Significant Accounting policies *(Continued)*

1.4 Revenue Recognition *(Continued)*

Use of significant judgements in revenue recognition

- The Group's contracts with customers could include to transfer multiple products and services to a customer. The Group assesses the products / services in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, performance bonuses, price concessions and incentives. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.
- The Group uses judgement to determine an appropriate standalone selling price for a performance obligation. The Group allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct product or service promised in the contract.
- The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. Transfer of significant risks and rewards to the customer is an indicator.

1.5 Property, plant and equipment

a. Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Cost comprises of cost of acquisition, cost of improvements and any attributable cost of bringing the assets to its working condition for intended use.

b. The cost of fixed assets not ready for their intended use at the balance sheet date is disclosed under capital work in progress.

c. Land and Buildings are taken on a long-term composite lease. The Group has assessed the lease of land and building separately and concluded that both of these leases are finance leases in nature.

d. Assets given by the Group under operating lease are included in fixed assets.

e. PPE is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (caculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognised in the Statement of profit and loss in the year the asset is derecognised.

f. Subsequent costs incurred , after the asset is put to use, are generally maintenance costs or other statutory costs that do not increase useful life of asset and same are charged in the Statement of profit and loss.

g. Residual value , estimated useful life and method of depreciation are reviewed every year. Any change in these estimates are accounted as change in accounting estimates.

1. Group Overview and Significant Accounting policies *(Continued)*

1.5 Property, plant and equipment *(Continued)*

1.5.1 Depreciation / Amortisation:

Depreciation / Amortisation has been provided on straight line method at the rates prescribed under part "C" of Schedule II to the Companies Act, 2013, except for following assets. The useful life of the asset is the period over which the asset is expected to be available for the use to the Group:

Asset Type	Useful life
Leasehold improvements	Over lease period
Car rental Self Drive vehicles	5 years
Business Transport Solution Own Vehicles	4.9 years
Furniture, equipment's to employees	4 years
Furniture and fixtures	7 years
Own executive vehicles	Over agreed period
Plant and machinery	5 years
Computer software	6 years
Motor cars under operating lease	5 years
Commercial Vehicles under Operating Lease	6 years

a. Depreciation for the month of purchase is calculated in the proportionate period from the date of purchase and depreciation for the month of sale is calculated in the proportionate period till the date of sale.

b. Fixed assets costing less than ₹ 5,000 are charged to the Statement of profit and loss in the year of purchase.

1.6 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment.

Intangibles are capitalised at cost of acquisition including cost attributable to readying the asset for use.

Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use.

Amortisation method and useful lives are reviewed periodically including at each financial year end.

Support and maintenance payable annually are charged to the statement of profit and loss

1.7 Basis of Consolidation

1.7.1 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries from the date on which control commences until the date on which control ceases.

1. Group Overview and Significant Accounting policies *(Continued)*

1.7 Basis of Consolidation *(Continued)*

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. These financial statements are prepared by applying uniform accounting policies in use at the Group.

1.7.2 Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

1.7.3 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

1.7.4 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.8 Financial instruments

1.8.1 Initial Recognition

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

1.8.2 De-recognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

1. Group Overview and Significant Accounting policies *(Continued)*

1.8 Financial instruments *(Continued)*

1.8.3 Subsequent measurement

a. Non-derivative financial instruments

i. Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

a. Non-derivative financial instruments *(Continued)*

ii. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

iii. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

iv. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

b. Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

1. Group Overview and Significant Accounting policies *(Continued)*

1.9 Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

1.10 Impairment

a. Financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. The Company recognises lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. If the credit risk is increased significantly, life time allowance is measured.

The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward-looking information.

For trade receivables, Company measures loss allowances using simplified approach.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in profit or loss.

1. Group Overview and Significant Accounting policies *(Continued)*

1.10 Impairment *(Continued)*

b. Non-financial assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

1.11 Provisions, Contingent liability and Contingent assets

A contingent liability is disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote.

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

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. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent Assets are neither recognized nor disclosed in the financial statements.

1. Group Overview and Significant Accounting policies *(Continued)*

1.7 Basis of Consolidation *(Continued)*

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. These financial statements are prepared by applying uniform accounting policies in use at the Group.

1.7.2 Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

1.7.3 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

1.7.4 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.8 Financial instruments

1.8.1 Initial Recognition

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

1.8.2 De-recognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. The difference between the carrying value of the original financial liability and the consideration paid is recognised in the statement of profit and loss.

1. Group Overview and Significant Accounting policies *(Continued)*

1.8 Financial instruments *(Continued)*

1.8.3 Subsequent measurement

a. Non-derivative financial instruments

i. Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

a. Non-derivative financial instruments *(Continued)*

ii. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

iii. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

iv. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

b. Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

1. Group Overview and Significant Accounting policies *(Continued)*

1.9 Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

1.10 Impairment

a. Financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. The Company recognises lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. If the credit risk is increased significantly, life time allowance is measured.

The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward-looking information.

For trade receivables, Company measures loss allowances using simplified approach.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in profit or loss.

1. Group Overview and Significant Accounting policies *(Continued)*

1.10 Impairment *(Continued)*

b. Non-financial assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

1.11 Provisions, Contingent liability and Contingent assets

A contingent liability is disclosed unless the possibility of an outflow of resources embodying the economic benefits is remote.

Provisions are recognised when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

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. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent Assets are neither recognized nor disclosed in the financial statements.

1. Group Overview and Significant Accounting policies *(Continued)*

1.12 Foreign currency transactions

i. Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Subsequent measurement

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at the fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The difference on translation is charged to the Statement of profit and loss account.

1.13 Leases

Effective April 1, 2018, the Group has applied Ind AS 116 which establishes a comprehensive framework for determining Leasing transactions. Ind AS 116 replaces Ind AS 17 Leases. The Group has adopted Ind AS 116 using the modified retrospective method.

The determination of whether an arrangement is a lease, as defined under IND AS 116, is based on whether fulfillment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Group as a Lessor

Leases where the lessor transfers substantially all the risks and rewards of ownership of the leased asset are classified as finance lease and other leases are classified as operating lease.

Group as a lessee:

The Group at the commencement of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Group recognizes the lease payments as an operating expense.

1.14 Asset retirement obligations ('ARO')

ARO is initially measured at the present value of expected cost to settle the obligation and accounted for in the books if found material.

1.15 Retirement and other employee benefits:

i. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided at the undiscounted amount of the benefits expected to be paid in exchange for that service.

(All amounts are in INR Lakhs, except as stated)

1. Group Overview and Significant Accounting policies *(Continued)*

1.15 Retirement and other employee benefits *(Continued)*

A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Post-Employment Benefits

a. Define contribution plans

The Group has taken group gratuity- cum -life assurance scheme of Life Insurance Corporation of India for gratuity payable to the employees and incremental liability based on actuarial valuation as per the projected unit credit method as at the reporting date, is charged to the Statement of Profit and Loss.

b. Define benefit plans

The Group's gratuity benefit scheme is defined benefit plan. The Group's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Group's obligation under each of the two plans is performed annually by a qualified actuary using the projected unit credit method.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

ii. Post-Employment Benefits *(Continued)*

b. Define benefit plans *(Continued)*

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

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1. Group Overview and Significant Accounting policies *(Continued)*

1.15 Retirement and other employee benefits: *(Continued)*

c. Leave encashment

The employees can carry-forward a portion of the unutilised accrued leave encashment and utilise it in future service periods or receive cash compensation on termination of employment. Since the leave encashment do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such leave encashment in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

1.16 Taxation

Income tax expenses represents the sum of the tax currently payable and deferred tax.

i. Current Tax

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the consolidated 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 utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference 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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

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 is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

1. Group Overview and Significant Accounting policies *(Continued)*

1.16 Taxation *(Continued)*

The measurement of deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset as the Group has legally enforceable right to set off current tax assets against current tax liabilities.

iii. Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit and 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.

1.17 Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the Group has appointed a CEO, who assesses the financial performance and position of the Group, and makes strategic decisions of allocation of resources. Hence, CEO has been identified as being the chief operating decision maker.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under unallocated revenue / expenses / assets / liabilities.

Group shall report separately information about operating segment that meets criteria as per IND AS 108.

1.18 Valuation of inventories:

Inventories comprising of stock of spare parts, accessories and vehicles retired from active use in business are valued at the lower of cost and net realizable value. Cost of spare parts and accessories is arrived at on "First in first out" basis. Obsolete, defective and unserviceable stocks are provided for as and when identified based on technical evaluation by the management.

1. Group Overview and Significant Accounting policies *(Continued)*

1.19 Earnings per share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.20 Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand and as imprest, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less.

1.21 Borrowing costs

Borrowing costs (other than those that are attributable to the acquisition, construction or production of qualifying assets) are charged to the statement of profit and loss account in the period in which they are incurred.

1.22 Assignment

Assigned assets are derecognised only if the Company loses control of the contractual rights that comprise the corresponding pool or mortgages transferred. Transfer of pool or mortgages under the current scenario involves transfer of proportionate shares in the pools of mortgages. Such transfers result in de recognition only of that proportion of mortgages as to meet the derecognition criteria. The proportion retained by the Company continue to be accounted for as loans, as mentioned above. Retained interest on loan assigned is recognized upfront in the statement of Profit and Loss Account in the year of assignment. Any changes in retained interest in subsequent years due to change in interest rates, prepayments etc are recognized in the statement of Profit and Loss Account in the year it occurs.

ORIX Auto Infrastructure Services Limited

Notes forming part of financial statements *(Continued)*
as at 31 March 2020
(All amounts are in INR Lakhs, except share data and as stated)

2. Property, Plant and Equipment :

Particulars	Buildings under Finance lease	Leasehold improvements	Plant and equipments	Furniture and fixtures	Vehicles	Data processing equipments	Office equipment	Operating lease - vehicles	Total
Gross carrying amount :									
As At April 01, 2018	3,110	745	11	185	15,319	727	345	90,819	1,11,260
Additions	-	90	-	69	5,419	187	46	32,163	37,875
Transfers	-	-	-	-	(256)	-	-	(1,214)	(1,472)
Disposals	-	-	-	6	1,414	3	1	20,406	21,827
As at March 31, 2019	3,110	835	12	248	19,066	913	390	1,01,362	1,25,936
As At April 01, 2019	3,110	835	12	248	19,066	913	390	1,01,362	1,25,936
Additions	-	32	0	26	6,228	244	41	27,406	33,976
Transfers	-	-	-	-	36	-	-	(827)	(791)
Disposals	-	-	-	17	2,454	2	0	29,206	31,678
As at March 31, 2020	3,110	867	12	256	22,876	1,155	431	98,735	1,27,442
Accumulated Depreciation / amortization and impairment :									
As At April 01, 2018	120	247	6	63	5,193	352	134	22,584	28,699
Additions	60	158	2	48	3,335	221	73	20,314	24,212
Transfers	-	-	-	-	(148)	-	-	(531)	(679)
Disposals	-	-	-	6	852	0	1	9,075	9,933
As at March 31, 2019	180	406	8	105	7,528	574	206	33,292	42,299
As At April 01, 2019	180	406	8	105	7,528	574	206	33,292	42,299
Additions	60	164	2	45	4,085	201	75	20,836	25,268
Transfers	-	-	-	-	20	-	-	(550)	(530)
Impairment	-								-
Disposals	-	-	-	11	1,902	1	0	16,127	18,040
As at March 31, 2020	240	570	10	139	9,732	774	281	37,251	48,997
Net carrying									
Net carrying amount as at March 31, 2019	2,930	429	4	142	11,538	339	184	68,070	83,637
Net carrying amount as at March 31, 2020	2,870	297	2	117	13,144	381	150	81,484	78,445

B S R & Co. LLP
Chartered Accountants

ORIX Auto Infrastructure Services Limited

Notes forming part of financial statements (Continued)
as at 31 March 2020
(All amounts are in INR Lakhs, except as stated)

3. Intangible Assets

Particulars	Software	Total
Gross carrying amount :		
As At April 01, 2018	746	746
Additions	83	83
As at March 31, 2019	829	829
As At April 01, 2019	829	829
Additions	98	98
As at March 31, 2020	927	927
Accumulated Depreciation / amortization and impairment :		
As At April 01, 2018	199	199
Additions	142	142
As at March 31, 2019	341	341
As At April 01, 2019	341	341
Additions	155	155
As at March 31, 2019	496	496
Net carrying		
Net carrying amount as at March 31, 2019	488	488
Net carrying amount as at March 31, 2020	431	431

ORIX Auto Infrastructure Services Limited

Notes forming part of financial statements (Continued)
as at 31 March 2020

(All amounts are in INR Lakhs, except as stated)

4. Right of use Assets

Particulars	Right to use	Total
Gross carrying amount		
As At April 01, 2018	1,884	1,884
Additions	228	228
As at March 31, 2019	2,112	2,112
As At April 01, 2019	2,112	2,112
Additions	96	96
Disposals	11	11
As at March 31, 2020	2,197	2,197
Accumulated Depreciation / amortization and impairment :		
As At April 01, 2018	-	-
Additions	418	418
As at March 31, 2019	418	418
As At April 01, 2019	418	418
Additions	443	443
Disposals	11	11
As at March 31, 2020	850	850
Net carrying		
As at March 31, 2019	1,694	1,694
As at March 31, 2020	1,347	1,347

Orix Auto Infrastructure Services Limited
Notes forming part of financial statements for the year ended 31 March 2020 (Continued)
(All amounts are in INR Lakhs, except as stated)

Particulars	As at 31 March 2020	As at 31 March 2019
Financial Assets		
Note 5		
Loans		
Loan against Hypothecation of vehicle	16,216	31,946
Loan against Property	1,59,648	1,53,305
Finance Leases	26,625	26,119
Less: Expected credit loss allowance	(4,687)	(3,046)
Total	1,97,802	2,08,324
Note 6		
Other financial assets		
Security Deposits- Premises	214	227
Less: Expected credit loss allowance	(7)	(3)
	207	223
Security Deposits- Petrol & Sundry Deposits	234	265
Bank deposits with residual maturity of more than 12 months*	89	8
Retained Interest on Loan Assigned	432	557
Out of pocket expenses recoverable	2,639	1,454
TOTAL	3,601	2,526

*The bank deposits have been kept as a security for registration with the VAT authorities of various states

Particulars	As at 31 March 2020	As at 31 March 2019
Note 7		
Other non current assets		
Balances with Government authorities- VAT Input Credit and TDS refund	1,775	1,782
Prepaid Expenses	216	89
Advance Tax (net of provision for tax - ₹ 21,581 (previous year ₹ 18,229)	3,901	2,661
TOTAL	5,892	4,532
Note 8		
Inventories		
Stock in Trade	20	55
Stores and spares	34	24
Retired Vehicles held for sale *	338	367
Total	392	446

* The Company has created provision of ₹ 249 (previous year ₹ 329) which is netted off against retired vehicles held for sale

Particulars	As at 31 March 2020	As at 31 March 2019
Note 9		
Trade receivables		
Unsecured		
Considered Good	14,867	16,029
Considered Doubtful	992	820
	15,859	16,849
Less: Expected credit loss allowance	(476)	(341)
TOTAL	15,383	16,508

Orix Auto Infrastructure Services Limited
Notes forming part of financial statements for the year ended 31 March 2020 (continued)
(All amounts are in INR Lakhs, except as stated)

Note 10
Cash and bank balances

(A)Cash and cash equivalents		
Balance with Banks		
In current accounts	8,347	1,934
Cash on hand	34	30
	8,381	1,964

Note 11

(B) Bank balances other than cash and cash equivalents		
Deposit with original maturity of more than 3 months but residual maturity of less than 12 months *	77	2,170
TOTAL	77	2,170

*The bank deposits have been kept as a security for registration with the VAT authorities of various states.

Note 12
Loans

Finance Lease	19,575	17,055
Loan against hypothecation	20,042	24,724
Loan against property	6,803	2,911
Loans and advances to employees	64	46
Total	46,484	44,736

Note 13
Other financial assets
Non-Derivative Asset

Deposits	126	429
Interest Accrued on deposits	-	25
Retained Interest on Loan Assigned	132	149
Out of pocket expenses recoverable	3,004	1,605
Less: Expected credit loss allowance	(17)	(25)
	2,987	1,580
	3,245	2,183

Note 14
Other current assets

Capital Advances	1,461	706
Prepaid Expenses	1,261	1,229
Advances to suppliers - considered good	2,059	1,279
Advances to suppliers - considered doubtful	225	225
Less: Allowance for doubtful advances	(225)	(225)
Balance with government authorities		
GST credit receivable	9,085	9,490
Advance for expenses	339	57
Incentive receivable from dealers	93	114
Insurance claim	-	76
Others Receivables	33	0
TOTAL	14,321	12,951

Note 15
Equity Share Capital

Authorised		
1,60,000,000 (previous year 1,60,000,000) equity shares of ₹ 10 each	16,000	16,000
10,000,000 (previous year 10,00,000) 13.5% preference shares of ₹ 10 each	1,000	1,000
Issued		
1,29,461,287 (previous year 1,29,461,287) equity shares of ₹ 10 each	12,946	12,946
Subscribed and Fully Paid-up		
1,27,996,498 (previous year 1,27,996,498) equity shares of ₹ 10 each fully paid up	12,800	12,800
TOTAL	12,800	12,800

(All amounts are in INR Lakhs, except as stated)

15.1 **Share capital:**

Particulars	As at 31 March 2020 Number	Amount	As at 31 March 2019 Number	Amount
Authorized				
Equity shares of ₹ 10 each	16,00,00,000	16,000	16,00,00,000	16,000
13.5% preference shares of ₹ 10 each	1,00,00,000	1,000	1,00,00,000	1,000
Issued				
Equity shares of ₹ 10 each	12,94,61,287	12,946	12,94,61,287	12,946
Subscribed and fully paid-up				
Equity shares of ₹ 10 each	12,79,96,498	12,800	12,79,96,498	12,800

i) **Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:**

Particulars	As at 31 March 2020 Number	Amount	As at 31 March 2019 Number	Amount
Shares outstanding at the beginning of the year	12,79,96,498	12,800	10,54,61,287	10,546
Shares issued during the year	-	-	2,25,35,211	2,254
Shares outstanding at the end of the year	12,79,96,498	12,800	12,79,96,498	12,800

ii) **Terms / rights attached to equity shares:**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive residual assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

iii) 127,984,998 Equity Shares (previous year - 127,984,998) are held by ORIX Corporation, Japan, the holding company and its nominees.

iv) **Details of shareholders holding more than 5% shares in the Company / shares held by holding / ultimate holding company:**

Particulars	As at 31 March 2020 No. of shares held	% of holding	As at 31 March 2019 No. of shares held	% of holding
ORIX Corporation (Japan), the holding company and its nominees	12,79,84,998	100.00%	12,79,84,998	100.00%

Note :

1 No shares have been reserved for issue under options

2 No shares have been alloted pursuant to contract(s) without payment being received in cash

Orix Auto Infrastructure Services Limited
Notes forming part of financial statements for the year ended 31 March 2020 (continued)
(All amounts are in INR Lakhs, except as stated)

Note 16
Other equity

Securities premium account	39,985	39,985
General reserve	1,856	1,856
Statutory Reserve	3,527	2,796
Retained Earnings	14,951	13,892
Other Comprehensive Income	(783)	(552)
TOTAL	59,536	57,977

i) Securities premium is used for recording the premium on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.
ii) The general reserve comprises of transfer of profit from retained earnings for appropriation purposes. The reserve can be distributed/utilized by the company in accordance with the Companies Act, 2013.
iii) Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilised only for limited purposes as specified by RBI from time to time and every such utilisation shall be reported to the RBI within specified period of time from the date of such utilisation.
iv) Reserves and surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, transfers to General reserve or any such other appropriations to specific reserves.
v) Actuarial gains and losses on defined benefit plans are recognized in other comprehensive income, net of taxes.

Note 17
Borrowings

Secured loan		
Non-Convertible Debentures	-	20,000
Unsecured loan		
Term Loan		
- From Banks	1,10,522	1,11,098
- Masala Bond	10,000	10,000
- From Parent Company (ORIX Corpoartion-Japan)	15,000	-
- ECB Borrowing from Bank	17,500	7,500
TOTAL	1,53,022	1,48,598

1. The Group borrows from various banks, in the form of term loan up to a period 5 years. As on Mar 31,2020 interest rate range was 7.69% p.a. to 9.50% p.a. (previous year interest rate range was 8.00% p.a. to 9.50% p.a.)
2. Term loan from Banks is guaranteed by ORIX Corporation, Japan (Holding Company).
3. The NCDs are secured by way pari-passu charge on the mortgage on identified immovable property of the Company and a specific floating charge over future receivables of the Company with security cover of 1.1x.

Note 18
Lease liabilities

Lease liabilities (Refer note no 40)	1,102	1,444
	1,102	1,444

Note 19
Other financial liabilities

Security deposits from lesses	999	1,221
TOTAL	999	1,221

Note 20
Provisions

Provision for employee benefits		
- Provision for Compensated absences	405	435
- Provision for Gratuity	91	25
TOTAL	496	460

Note 21
Other non-current liabilities

Deffered Income-Securities deposit	325	301
Other liabilities	648	639
TOTAL	973	940

Orix Auto Infrastructure Services Limited
Notes forming part of financial statements for the year ended 31 March 2020 (continued)
(All amounts are in INR Lakhs, except as stated)

Note 22
Short term borrowings

Secured		
Loans repayable on demand from banks		
- Cash Credit and Overdraft facilities From Banks	198	7,941
- Term loans	-	2,800
- Working capital Demand Loan	-	500
Unsecured		
Loans repayable on demand from banks		
- Working capital Demand Loan	26,611	9,000
- Overdraft facilities From Banks	-	8,375
- Book Overdraft	177	12,291
- Term loans	20,500	6,500
Interest accrued but not due on borrowings	2,073	2,975
TOTAL	49,559	50,382

1. The Group's borrowings from various banks, in the form of cash credit / short term loan / working capital demand loan up to a period of 1 year carried interest rate of 6.75% p.a. to 8.30% p.a. (previous year. 8.00% p.a. to 10.65% p.a.)
2. Loans are secured by floating charge by way of hypothecation of the following assets as per the drawing power:
i. Unencumbered owned assets
ii. Receivables under operating lease with underlying assets
iii. Receivables from the Group's other business activities

Note 23
Lease liabilities

Lease liabilities (Refer note no 40)	426	373
TOTAL	426	373

Note 24
Trade Payables

Total outstanding dues of Micro and Small Enterprises (Refer note 36.5)	119	118
Total outstanding dues of Creditors other than Micro and Small Enterprises	12,138	14,854
TOTAL	12,258	14,972

Note 25
Other financial liabilities

Current maturities of long term debts-Unsecured*	69,224	70,230
Current maturities of Non-Convertible Debentures-Unsecured	20,000	32,000
Other Payables to Employees	1,499	1,476
Payable in respect of loans assigned	83	297
Other Payables	321	245
Advance from customers	2,423	2,977
Security Deposits from Lesses	307	257
- Security Deposits for operating lease & self drive vehicles	186	133
- Provision for expenses	746	862
TOTAL	94,789	1,08,477

*Term loan from banks as above is guaranteed by ORIX Corporation, Japan (Ultimate holding Company)

Note 26
Short term Provisions

Provision for employee benefits		
- Provision for Compensated absences	23	55
- Provision for Gratuity	298	297
Other Provisions		
- Others	16	9
TOTAL	337	361

Note 27
Other current liabilities

Provision for income tax ((Net of TDS and Advance tax of ₹ 4,677(previous year. ₹ 4,520)	143	67
Statutory remittances (Contributions to PF, withholding taxes, Sales Tax, Service Tax, etc)	2,190	480
Operating lease rentals accrued but not due	363	346
Advance rental under self drive	65	67
Net insurance & maintenance reserves of operating lease	85	52
Payable to Employees	9	5
Insurance claim	19	-
TOTAL	2,874	1,017

Orix Auto Infrastructure Services Limited
Notes forming part of Profit and Loss for the Year ended 31 March 2020 (Continued)
(All amounts are in INR Lakhs, except as stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Note 28		
Revenue from operations		
Sale of products		
Spares and Consumables	1,490	1,858
Sale of services		
Operating leases on vehicles	30,560	30,843
Car rentals	22,681	27,092
Car Rental - Self Drive	2,090	1,590
Business transport solutions	21,081	18,323
Service Centre Revenue	295	286
Maintenance Revenue	731	632
Interest	31,543	26,763
Other Operating Revenue		
Discount Received From Dealers	102	99
Income on pre termination of lease	233	274
Discount- Business transport solutions vendors	357	307
Insurance Commission	282	264
Penal Interest Income	24	4
Origination and processing fees	424	450
Termination / Rescheduling charges	278	250
Fleet Management Services	186	172
TOTAL	1,12,355	1,11,207
Note 29		
Other Income		
Interest Income on:		
Bank deposits	156	127
Income tax refund	74	415
Loans and advances	23	34
Loans to employees	1	1
Others	9	65
Securities-Leases	71	70
Security Deposits-Premises	15	14
Other Non-Operating Income		
Bad debts recovered	82	38
Sundry balances written back	863	245
Gain on Loan transfer Transactions	-	706
Miscellaneous Income	2,726	1,330
TOTAL	4,020	3,045
Note 30		
Cost of material consumed		
Spare Parts, Accessories and Used Cars		
Inventory at the beginning of the year	19	18
Add: Purchases	1,307	1,645
Less: Inventory at the end of the year	(29)	(19)
TOTAL	1,297	1,644
Note 31		
Employee benefit expenses		
Salaries and wages	10,560	11,204
Contribution to provident and other funds	865	754
Staff welfare expenses	517	507
TOTAL	11,942	12,465
Note 32		
Finance Cost		
Interest expense on financial liabilities at amortised cost	24,932	23,536
Other finance / Borrowing charges	695	618
Interest on lease liability	138	157
TOTAL	25,765	24,311

Orix Auto Infrastructure Services Limited

Notes forming part of Profit and Loss for the Year ended 31 March 2020 (Continued)

(All amounts are in INR Lakhs, except as stated)

Note 33

Depreciation and amortisation expense

Depreciation on tangible fixed assets	25,268	24,212
Depreciation on Right-of-use assets	443	418
Amortization of intangible assets	155	142
TOTAL	25,866	24,772

Note 34

Other expenses

Contract labour / chauffeurs payment	4,081	3,430
Service station labour charges	155	132
Car hire charges for Car rental	6,887	6,162
Car hire charges for Business Transport Solution	15,833	16,186
Rent	273	189
Electricity	223	217
Travelling and conveyance	586	726
Communication expenses	345	328
Professional and legal fees	816	810
Vehicle running expenses	2,984	3,080
Repairs and maintenance :		
- Plant and Machinery		
- Others	55	50
Insurance premium	1,670	1,510
Rates and taxes	1,926	1,634
Directors' sitting fees	692	377
Printing and stationery	17	20
Software maintenance expenses	86	83
Loss on sale of fixed assets (net)	460	406
Freight and forwarding charges	1,182	1,205
Bad debts	21	22
Loss Allowance ECL	224	316
Loss on foreclsoure of commercial vehicle loans	1,778	1,307
Corporate Social Responsibility Expenditure (Refer note (i) below)	485	478
Payment to the auditor (Refer note (ii) below)	139	106
Retained Interest Receivable Adjustment	120	112
Miscellaneous expenses	88	-
	2,159	1,656
TOTAL	43,249	42,542

Notes :

(i) Corporate Social Responsibility Expenditure (CSR) :

1. Gross amount required to be spent by Company on CSR is ₹ 139 (previous year ₹ 106) and the same is spent during the
2. Amount spent during the year on:

Particulars	Amount Spent	
1. Construction/acquisition of any asset	-	-
2. On purposes other than (1) above	139	106
Total	139	106

(ii) Payment to Auditors:		
Statutory Audit		
Other services	113	102
For Certification Work	7	9
Total	120	112

Note 35

Earnings per equity share

Profit after tax attributable to equity shareholders	(A)	1,561	5,845
Calculation of weighted average number of equity shares			
Number of equity shares at the beginning of the year		12,79,96,498	10,54,61,287
Number of equity shares outstanding at the end of the year		12,79,96,498	12,79,96,498
Weighted average number of equity shares outstanding during the year	(B)	12,79,96,498	11,16,97,058
Basic and diluted earnings per share (INR)	(A / B)	1.22	5.23
Face value per share (INR)		10	10

ORIX Auto Infrastructure Services Limited

Notes forming part of financial statements (Continued)
for the year ended 31 March 2020
(All amounts are in INR Lakhs, except as stated)

36 Notes to accounts

36.1 Contingent liabilities and commitments (to the extent not provided for):

Particulars	31 March 2020	31 March 2019
i) Claims against the Group not acknowledged as debts		
Income tax	1,194	374
Sales tax and Value added tax	5,624	4,957
Service tax	16,295	16,336
Litigation pending against the Group	76	62
Total	23,188	21,729
ii) Commitments:	3,408	719

1) The Groups's pending litigations comprise of claims against the Group's primarily by the customers and proceedings pending with Income Tax, Sales Tax and Service Tax authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilies where applicable, in its financial statements. The amount of provisions / contingent liabilities is based on management's estimate, and no significant liability is expected to arise out of the same.

36.2 Expenditure in foreign currency:

Particulars	31 March 2020	31 March 2019
Foreign travel	6	5
Bank guarantee and Charges	244	218
Commitment Charges	23	13
Reimbursement of salary	83	73
Professional fees	-	4
Interest on ECB	749	747
Total	1,104	1,060

0

36.3 Foreign currency exposures not hedged by derivative instruments are as follows:

Particulars	31 March 2020		31 March 2019	
	Amount in foreign currency	Amount in INR	Amount in foreign currency	Amount in INR
Amount payable for Bank Guarantee fees (USD)	2	86	2	113
Amount payable for Bank Global fees (USD)	0	1	0	1
Amount payable for Reimbursement of Salary (YEN)	119	83	72	73
Amount payable for Reimbursement of Expenses Received (USD)	3	204	2	110

36.4

The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts has been made in the books of accounts. The Comapny did not enter into any derivative transactions during the year

36.5 Details of dues to micro enterprises and small enterprises

Based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, there are no amounts due to MSME as at 31 March 2018

Particulars	31 March 2020	31 March 2019
a) Principal amount due and remaining unpaid to suppliers as at the year end	98	118
b) Interest accrued and due to suppliers on the above amount as at the year end	24	-
c) Interest paid to suppliers in terms of Section 16 of the MSMED Act	-	-
d) Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
e) Interest paid to suppliers (other than Section 16 of the MSMED Act)	-	-
f) Interest due and payable to suppliers for payments already made (for the period of delay, if any)	-	-
g) Interest accrued and remaining unpaid at the year end	-	-
h) Further interest due and payable even in the succeeding years, until such date when the interest due as above are actually paid to the small enterprises	-	-

36.6 There has been no other events after the reporting date that require disclosure in these financial statement

(All amounts are in INR Lakhs, except as stated)

Note - 37

Employee benefit

The Group contributes to the following post-employment defined benefit plans in India.

(i) Defined Contribution Plans:

The Group makes contributions towards provident fund, superannuation fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

The Group recognised ₹ 289 (previous year ₹ 223) for superannuation contribution and other retirement benefit contributions in the Statement of Profit and Loss.

The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

The Group recognised ₹ 576 (previous year ₹ 531) for provident fund contributions in the Statement of Profit and Loss.

(ii) Defined Benefit Plan:

A. The Group makes annual contributions to the Group Gratuity cum Life Assurance Schemes administered by the Life Insurance Corporation of India, a funded defined benefit plan for qualifying employees. The scheme provides for payment as under:

i) On normal retirement / early retirement / withdrawal / resignation:
As per the provisions of the Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

ii) On death in service:
As per the provisions of the Payment of Gratuity Act, 1972 without any vesting period.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group's financial statements as at balance sheet date:

	31 March 2020	31 March 2019
	Gratuity Funded	
Defined benefit obligation	2,001	1,671
Fair value of plan assets	1,612	1,350
Net defined benefit (obligation)/assets	389	321
Non-current	91	25
Current	298	296

B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

	31 March 2020	31 March 2019
	Gratuity Funded	
Defined benefit obligation		
Opening balance	1,671	1,302
Included in profit or loss		
Current service cost	196	155
Past service cost		
Interest cost (income)	127	105
	1,994	1,562
Included in OCI		
Remeasurement loss (gain):	141	72
Actuarial loss (gain)	99	163
	2,234	1,797
Other		
Contributions paid by the employer	(49)	(42)
Benefits paid	(186)	(84)
Closing balance	2,000	1,671
Fair value of plan asset		
Opening balance	1,350	1,191
Included in profit or loss	-	-
Interest income	103	96
	1,453	1,287
Included in OCI		
Return on plan assets excluding interest income	(67)	1
	1,386	1,288
Other		
Contributions paid by the employer	460	188
Benefits paid	(234)	(126)
Closing balance	1,612	1,350
Represented by		
Net defined benefit asset	-	-
Net defined benefit liability	389	321
	389	321

C. Plan assets

Plan assets comprise the following

	31 March 2020	31 March 2019
	Gratuity Funded	
Investment in scheme of insurance	100%	100%

Orix Leasing and Financial Services Limited
Notes forming part of financial statements (Continued)
(All amounts are in INR Lakhs, except as stated)

D. Defined benefit obligations
i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31 March 2020	31 March 2019
Discount rate	6.84%	7.54%
Expected rate of return on plan assets	6.84%	7.54%
Salary escalation	7.00%	7.00%
Mortality pre retirement	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
Mortality post retirement	N. A.	N. A.
Employee turnover rate (for different age groups)	21.00% - 2.00%	21.00% - 2.00%

The estimate of future salary increases, considered in actuarial valuation takes into consideration inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

E. Reconciliation of net liability/asset

Gratuity	As at 31 March 2020	As at 31 March 2019
Opening Balance	321	111
Expenses Recognized in the Statement of Profit or Loss	220	164
Expenses Recognized in OCI	308	234
Net Liability/(Asset) transfer in	-	-
Net Liability/(Asset) transfer out	-	-
(Benefit paid directly by employer)	-	-
(Employer benefits)	(480)	(188)
Net liability/Asset recognised in the balance sheet	368	321

F. Expenses recognized in Statement of Profit & loss

Expenses Recognized in the Statement of Profit or Loss for Current Period	As at 31 March 2020	As at 31 March 2019
Current Service Cost	196	155
Net Interest Cost	24	9
Expenses Recognized	220	164

G. Expenses recognized in Other Comprehensive Income (OCI)

Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period	As at 31 March 2020	As at 31 March 2019
Actuarial (Gains)/Losses on Obligation For the Period	240	235
Return on Plan Assets, Excluding Interest Income	67	(1)
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	307	234

H. Reconciliation of OCI

Gratuity	As at 31 March 2020	As at 31 March 2019
Opening Balance	553	273
Acturial losses during the year	230	280
Balance end of the year	783	553

I. Other Details

	As at 31 March 2020	As at 31 March 2019
Prescribed contribution for next years (12 months)	358	349

J. Maturity Analysis of Projected Benefit Obligation : From the Fund

Projected benefits payable in future years from the date of reporting	As at 31 March 2020	As at 31 March 2019
1st following Year	60	103
2nd following Year	52	59
3rd following Year	70	62
4th following Year	186	73
5th following Year	83	166
Sum of years 6 to 10	971	734

K. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31-Mar-20		31-Mar-19	
	Increase	Decrease	Increase	Decrease
	Gratuity		Gratuity	
Discount rate (1% movement)	(182)	211	(148)	172
Future salary growth (1% movement)	209	(183)	171	(150)
Employee turnover rate (1% movement)	3	(2)	4	(5)
Mortality post retirement	N. A.	N. A.	N. A.	N. A.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

iii. Other long term employee benefits.
Compensated absences are payable to employees. The charge towards compensated absences for the year ended 31 March 2020 based on actuarial valuation using the projected accrued benefit method is ₹ 425 (previous year ₹ 490).

ORIX Auto Infrastructure Services Limited

Notes forming part of financial statements (Continued)
(All amounts are in INR Lakhs, except as stated)

Note - 38

A. Names of Related Parties

Particulars	Country of Incorporation	Proportion of ownership interest
Holding Company		
ORIX Corporation (Japan)	Japan	100.00%
Key Management Personnel		
Mr. Sandeep Gambhir, Chief Executive Officer		
Mr. Vivek Wadhera, Chief Financial Officer		
Mr. Harukazu Yamaguchi, Chairman and Director		
Mr. Kiyokazu Ishinabe, Director		
Mr. Ikuo Nakamura, Director		
Mr. Nagesh Dubey, Independent Director		
Mr. Abhay Kakkar, Independent Director		
Mr. Ryohei Suzuki, Additional Director		
Ms. Meela Sanghvi, Director		
Fellow Subsidiary		
Infrastructure Leasing And Financial Services Ltd	India	0.00%

B. Transactions with Related Parties

Particulars	Holding Company	Key management personnel	Fellow subsidary
ECB borrowing	25,000 (-)	- (-)	- (-)
Interest Expenses on ECB	1,117 (-)	- (-)	- (-)
Bank Guarantee & Other Exp	263 (224)	- (-)	- (-)
Reimbursement of Professional fees	- (33)	- (-)	- (-)
Reimbursement of Extriate allowance	83 (44)	- (-)	- (-)
Reimbursement of Salary	- (29)	- (-)	- (-)
Reimbursement of Expenses Received	186 (152)	- (-)	- (-)
Mr. Sandeep Gambhir, Chief Executive Officer	- (-)	280 (444)	- (-)
Mr. Vivek Wadhera, Chief Financial Officer	- (-)	219 (182)	- (-)
Mr. Ryohei Suzuki, Additional Director	- (-)	85 (56)	- (-)
Mr. Abhay Kakkar	- (-)	8 (9)	- (-)
Mr. Nagesh Dubey	- (-)	7 (9)	- (-)
Premises Deposits	- (-)	- (-)	20 (-)
Expenses towards Rent & electricity	- (-)	- (-)	92 75
Loans & receivables (Net off ECL)	- (-)	- (-)	4 (35)
Income from finance lease	- (-)	- (-)	1 (9)

Figures in brackets relate to previous year.

ORIX Auto Infrastructure Services Limited

Notes forming part of financial statements (Continued)
(All amounts are in INR Lakhs, except as stated)

Details of related party outstanding balances as at the year-end are given below:

Particulars	Holding Company	Key management personnel	Fellow subsidary
Payable	25,875	-	-
	(159)	(-)	(-)
Interest and other Expenses	126	-	-
	(115)	(-)	(-)
ECB borrowing	25,000	-	-
	(-)	(-)	(-)
Interest Expenses on ECB	687	-	-
	(-)	(-)	(-)
Reimbursement of Extriate allowance	83	-	-
	(44)	(-)	(-)
Receivable Service fees towards provide staffing and advisary	204	-	
	(110)	(-)	
Payable towards Director sitting fees			
Mr. Abhay Kakkar	-	2	-
	(-)	(-)	(-)
Mr. Nagesh Dubey	-	2	-
	(-)	(-)	(-)
Receivable	-	-	21
	(-)	(-)	(3)
Payable	-	-	18
	(-)	(-)	(35)

Figures in brackets relate to previous year.

Orix Auto Infrastructure Services Ltd.
Notes forming part of financial statements (Continued)
(All amounts are in INR Lakhs, except as stated)

Note - 39

Finance Lease as Lessor

The Company has given vehicles on finance lease. These leases have a primary period, which is fixed and cannot be terminated without consent of both the parties. There are no exceptional / restrictive covenants in the lease agreements. The reconciliation between the total gross investment in the lease at the balance sheet date and the present value of minimum lease payments receivable at the balance sheet are as follows:

Risk management on the residual interest of the leasing portfolio happens through the process of RV committee. RV committee meets on a periodic basis and determines the RV that are offered for each model. In case of Finance lease transaction , there is a commitment by the lessee / user and guaranteed residual value is included in lease payment receivable. The same is factored lease rental calculation and hence RV risk is taken care of.

	As at 31 March, 2020	As at 31 March, 2019
Finance lease income	8,561	5,285
Net investment in finance lease	44,216	41,575

Category of lease

	As at 31 March, 2020	As at 31 March, 2019
Vehicle	35,820	34,873
Equipment	8,393	6,897
Two Wheeler	112	82
Furniture & Fixture	52	
	44,377	41,652

Movement of net investment in finance leaase

	As at 31 March, 2020	As at 31 March, 2019
Opening balance	41,576	29,722
Net addition	2,640	11,853
Net closing of net investment in finance leaase	44,216	41,575

Addition to lease are net off of deletion

Gross investment in lease and present value of minimum lease payments for each of the following periods are as follows:

	As at		As at	
	Gross investment in lease	Net present value of MLP	Gross investment in lease	Net present value of MLP
Less than one year	22,646	17,291	20,432	15,376
Between one and five years	31,826	27,086	31,239	26,414
More than five years	-	-	-	-
	54,472	44,377	51,671	41,790

Operating Lease as Lessor:

The Company is in the business of leasing vehicles. The lease term for these contracts ranges from 2 to 4 years and are fixed and cannot be terminated without consent of both the lessor and lessee. No purchase options are given to the lessees during or at the end of the lease term. On retirement of vehicles from the rental business i.e. when a vehicle is not actively let out on a lease for more than 6 months, the vehicle becomes held for sale and reclassified to inventory. Any contigent rent is not conisdered as part of MLP as they are not resonably measured at the commncement of the lease and recognised in profit and loss as income when recieved.
Risk management on the residual interest of the leasing portfolio happens through the process of RV committee. RV committee meets on a periodic basis and determines the RV that are offered for each model.

In case of Operating lease transaction RV commitee decides the residual value of each asset class. The Company has adequate expertise, data and resources to estimate the RVs at the inception of lease and manage the sale process at the end of lease tenor.

Category of lease

	As at 31 March, 2020	As at 31 March, 2019
Vehicle	65,401	64,901
	65,401	64,901

I. Future Minimum Lease Payments
Non-cancellable operating lease rentals payable (minimum lease payments) under these leases are as follows:

	As at 31 March, 2020	As at 31 March, 2019
Less than one year	25,222	27,613
Between one and five years	29,182	33,895
More than five years	-	-
	54,404	61,508

All initial direct costs are recognised as expenses in the Profit and Loss account at the inception of the lease.

Finance Lease as Lessee:

The Group has entered into lease agreements for leasehold land and building, the land and building has been classfied as finance lease. The lease term is for 62 years expiring on 31 March 2068 . The arrangement does not grant an extension option to the Group. Following is the carrying amount of the leasehold building:

	As at 31 March, 2020	As at 31 March, 2019
Gross carrying amount	3,103	3,103
Addition	-	-
Net carrying amount	3,103	3,103
Opening Accumulated depreciation	178	119
Depreciation for the period	59	59
Net carrying amount	2,866	2,925

(All amounts are in INR Lakhs, except as stated)

Note - 40

The group adopted Ind AS 116, Leases, which applied to all lease contracts outstanding as at April 1, 2019, using modified retrospective method by recording the cumulative effect of initial application as an adjustment to opening retained earnings.

The group has made use of the following practical expedients available in Ind AS 116: -

a) The group will not reassess whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered by the Company or modified by the Company before April 1, 2018,

b) The group has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment. Consequently, the Company has recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-of-use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted using the incremental borrowing rate at the date of initial application,

c) The group does not recognize Right of use assets and lease liabilities for leases with less than twelve months of lease term and low value assets on the date of initial application.

Until March 31, 2018, prior to adoption of Ind AS 116, The Company had taken office premises under cancellable and non-cancellable operating lease agreements that were renewable on a periodic basis at the option of both the lessor and the lessee. The operating lease agreements extended up to a maximum of nine years from their respective dates of inception and some of these lease agreements had price escalation clause.

The difference between the lease obligation disclosed as of March 31, 2018 under Ind AS 17 and the value of the lease liabilities as of April 1, 2018 is primarily on account of practical expedients exercised for low value assets and short term leases as at adoption of the standard, in measuring the lease liability and discounting the lease liabilities to the present value in accordance with Ind AS 116.

Operating lease commitments disclosed as at March 31, 2018	2,543
(Less): Impact of discounting on opening lease liability	629
(Less): Short-term leases not recognized as a liability	30
Lease liability recognized as at April 1, 2018	1,884

IND AS 116 disclosure

Particular	As at 31 March, 2020	As at 31 March, 2019
Depreciation charge of ROU	443	418
Interest expenses on lease liability	138	157
Expenses for short term leases	247	358
Expenses for low value leases	-	-
Cash outflow of leases during the year	522	452
additions to ROU during the year	96	569
Carrying amount of ROU	1,346	1,694
Maturity analysis of undiscounted lease cash flows		
Less than 6 months	254	233
6-12 months	257	241
1-2 years	297	479
2-5 years	587	678
More than 5 years	482	627
Total	1,877	2,258

ORIX Auto Infrastructure Services Limited
Notes forming part of financial statements (Continued)
(All amounts are in INR Lakhs, except as stated)

Note - 41
Segment reporting

A. General Information

(a) Factors used to identify the entity's reportable segments, including the basis of organisation
For management purposes, the Group is organised into business units based on its business verticles and has two reportable segments, as follows:
- Segment-1, Lending
- Segment-2, Transport Solutions

The Chief Executive Officer (CEO) been identified as the Chief Operating Decision Maker (CODM). The CEO regularly reviews the performance reports and make decisions about allocation of resources.

(b) Following are reportable segments

Reportable segment
- Segment-1, Lending
- Segment-2, Transport Solutions

B. Information about reportable segments

For the year ended March 31, 2020	Reportable segments				
Particulars	**Lending**	**Transport Solutions**	**Total Segments**	**Adjustments & Eliminations**	**Consolidated**
Revenue					
External Customers	34,891	81,485	1,16,376		1,16,376
Inter-segment	45	466	511	511	-
Total Revenue	34,936	81,951	1,16,887	511	1,16,376
Income / (expenses)					
Interest Income	31,832	204	32,036	119	31,917
Interest expense	17,585	7,347	24,932	119	24,814
Depreciation and amortization	927	24,940	25,867		25,867
Income tax expense	3,980	2,486	6,466		6,466
Material non-cash items other than depreciation and amortisation (Bad debts and Loss allowance ECL)	1,807	195	2,002		2,002
Segment profit / (loss)	7,710	546	8,256		8,256
Segment assets	2,69,188	1,63,578	4,32,766	43,598	3,89,170
Segment liabilities	2,69,188	1,63,578	4,32,766	43,596	3,89,170
Other disclosures					
Investment in an associate and a Joint venture	-		-	-	-
Capital expenditure	358	33,715	34,073	-	34,073

For the year ended March 31, 2019	Reportable segments				
Particulars	**Lending**	**Transport Solutions**	**Total Segments**	**Adjustments & Eliminations**	**Consolidated**
Revenue					
External Customers	32,059	82,193	1,14,252		1,14,252
Inter-segment	20	467	487	487	-
Total Revenue	32,079	82,660	1,14,739	487	1,14,252
Income / (expenses)					
Interest Income	29,043	543	29,586	20	29,606
Interest expense	15,706	7,830	23,536	74	23,610
Depreciation and amortization	811	23,961	24,772		24,772
Income tax expense or income	2,000	1,043	3,043		3,043
Material non-cash items other than depreciation and amortisation (Bad debts and Loss allowance ECL)	1,514	110	1,623		1,623
Segment profit / (loss)	6,758	1,762	8,520		8,520
Segment assets	2,77,098	1,65,683	4,42,781	43,759	3,99,022
Segment liabilities	2,77,098	1,65,683	4,42,781	43,759	3,99,022
Other disclosures					
Investment in an associate and a Joint venture			-		-
Capital expenditure	1,788	36,270	38,058		38,058

C. Geographic Information
The Group operates only in India and it perceives that there is no significant difference in its risks and returns in operating from different geographic areas within India.

D. Information about major customers

The Group is not reliant on any one client or group of connected clients for generation of revenues.

B S R & Co. LLP
Chartered Accountants

ORIX Auto Infrastructure Services Limited

Notes forming part of financial statements (Continued)
(All amounts are in INR Lakhs, except as stated)
Note - 42

Financial Instruments – Fair values and risk management
A. Accounting classification and fair values

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below.

March 31, 2020 INR	Carrying amount	Fair value			
	Total	Level 1	Level 2	Level 3	Total
Financial assets					
Loans					
Loan against Hypothecation of vehicle	33,994	-	31,967	-	31,967
Loan against Property	1,64,752	-	1,64,752	-	1,64,752
Finance Leases	45,476	-	41,254	-	41,254
Security Deposits	519	-	519	-	519
Other Advances	1,260	-	1 260	-	1,260
Other Deposits	10	-	10	-	10
Other financial assets	89	88	1	-	89
Trade receivables	15,134	-	15,134	-	15,134
Other receivables	3,884	-	3,884	-	3,884
Cash and cash equivalents	8,459	8,459	-	-	8,459
Retained Interest on Loan Assigned	563	-	563	-	563
Loans and advances to employees	57	-	57	-	57
Other Current Financial Assets	562	-	562	-	562
	2,74,759	8,547	2,59,963	-	2,68,510
Financial liabilities					
Term Loan	2,00,246	-	1,79,774	-	1,79,774
Masala Bond	10,000	-	9,818	-	9,818
ECB Borrowing from Bank	17,500	-	17,364	-	17,364
Non-convertible Debentures	20,000	-	19,898	-	19,898
Term loan from Parent Company (ORIX Corpoartion-Japan)	15,000	-	14,761	-	14,761
Security Deposits From Lessees	1,492	-	1,492	-	1,492
Cash Credit	198	-	198	-	198
Overdraft facilities	177	-	177	-	177
Working capital Demand Loan-Unsecured	26,611	-	26,611	-	26,611
Unrealised gain on Loan assigned	83	-	83	-	83
Other Payables to Employees	1,499	-	1,499	-	1,499
Advance from customers	2,424	-	2,424	-	2,424
Trade and other payables	12,555	-	12,555	-	12,555
Provision for expenses	746	-	746	-	746
Interest accrued but not due on borrowings	2,073	-	2,073	-	2,073
Lease liabilities	1,528	-	1,528	-	1,528
	3,12,132	-	2,91,001	-	2,91,001

March 31, 2019 INR	Carrying amount	Fair value			
	Total	Level 1	Level 2	Level 3	Total
Financial assets					
Loan against Hypothecation of vehicle	55,597	-	54,195	-	54,195
Loan against Property	1,55,389	-	1,55,389	-	1,55,389
Finance Leases	42,029	-	33,770	-	33 770
Security Deposits	522	-	522	-	522
Other Deposits	22	-	22	-	22
Other Advances	676	-	676	-	676
Other financial assets	8	-	8	-	8
Trade receivables	16,179	-	16,179	-	16,179
Other receivables	2,691	-	2,691	-	2,691
Cash and cash equivalents	4,134	4,134	-	-	4,134
Loans and advances to employees	743	-	743	-	743
Other Current Financial Assets	116	-	116	-	116
	2,76,106	4,134	2,64,311	-	2,68,445
Financial liabilities					
Term Loan	1,90,630	-	1,81,082	-	1,81,082
Masala Bond	10,000	-	10,000	-	10,000
ECB Borrowing from Bank	7,500	-	7,500	-	7,500
Non-convertible Debentures	52,000	-	49,401	-	49,401
Security Deposits From Lesses	1,612	-	1,612	-	1,612
Cash Credit	7,941	-	7,941	-	7,941
Overdraft facilities	20,545	-	20,545	-	20,545
- Working capital Demand Loan-Secured	500	-	500	-	500
- Working capital Demand Loan-unsecured	9,000	-	9,000	-	9,000
Book Overdraft	120	-	120	-	120
Other Payables to Employees	1,476	-	1,476	-	1,476
Advance from customers	2,977	-	2,977	-	2,977
Payable in respect of loans assigned	297	-	297	-	297
Trade and other payables	16,079	-	16,079	-	16,079
Lease liabilities	1,816	-	1,816	-	1,816
Interest accrued but not due on borrowings	2,974	-	2,974	-	2,974
	3,25,467	-	3,13,320	-	3,13,320

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ORIX Auto Infrastructure Services Limited
Notes forming part of financial statements (Continued)
(All amounts are in INR Lakhs, except as stated)

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Derivative Valuation
The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc. and the mark to market gains and losses are recognised in the Statement of profit and loss.

Assumptions
(1) Assets that are not financial assets (such as prepaid expenses, advances to suppliers etc.), are not included.
(2) In this table, the Group has disclosed the fair value of each class of financial assets and financial liabilities in a way that permits the information to be compared with their carrying amounts. In addition, it has reconciled the assets and liabilities to the different categories of financial instruments as defined in Ind AS 109. This presentation method is optional and a different presentation method may be more appropriate, depending on circumstances.
(3) The fair value of Borrowings carrying a floating rate coupon have not be disclosed as the carrying amount are reasonable approximation of it's fair value.

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

a. Fair value of cash and bank balances, prepaid guarantee commission, other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to short term maturities of these instruments

b. The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Financial Instruments measured at fair value

Type	Valuation technique
Fixed rates long term borrowings	The valuation model considers present value of expected payments discounted using an appropriate discounting rate.
Security Deposits	The valuation model considers present value of expected payments discounted using an appropriate discounting rate.
Loans	The valuation model considers present value of expected payments discounted using an appropriate discounting rate.

ORIX Auto Infrastructure Services Limited

Notes forming part of financial statements (Continued)
(All amounts are in INR Lakhs, except as stated)
Financial instruments – Fair values and risk management (continued)

Financial risk management

The Group has exposure to the following risks arising from financial instruments:
• Market Risk (Interest Rate risk)
• Credit risk ;
• Liquidity risk ; and
• Currency risk

Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates primarily to the Group's borrowings with floating interest rates.

Exposure to interest rate risk

Group's interest rate risk arises from borrowings. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

		INR	
Borrowings		March 31, 2020	March 31, 2019
Fixed rate borrowings			
Non-Convertible Debentures		20,000	52,000
Term Loan from Banks		64,250	47,255
Term loan from Parent Company (ORIX Corpoartion-Japan)		15,000	-
Lease liabilities		1,180	1,364
Security Deposits		1,491	1,612
	Total	1,01,921	1,02,231
Variable rate borrowings			
Term Loan from Banks		1,63,496	1,60,874
Cash Credit and Overdraft facilities From Banks		375	28,607
Working capital Demand Loan		26,611	9,500
	Total	1,90,482	1,98,981

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

		INR	
Interest bearing financial assets		March 31, 2020	March 31, 2019
Fixed Rate			
Loan against Hypothecation of vehicle		33,994	55,597
Finance Leases		45,476	42,029
Advance to employees		64	46
Security Deposits		519	522
Deposit		50	2,025
Other Deposits		215	570
Trade receivable		661	280
	Total	80,979	1,01,069
Variable Rate			
Loan against Property		1,64,752	1,55,389
	Total	1,64,752	1,55,389

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below.

	Profit or (loss)	
INR Lakhs	100 bp increase	100 bp decrease
31-Mar-20		
Variable-rate instruments	(257)	257
Cash flow sensitivity (net)	(257)	257
31-Mar-19		
Variable-rate instruments	(436)	436
Cash flow sensitivity (net)	(436)	436

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. The sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

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(All amounts are in INR Lakhs, except as stated)

Financial instruments – Fair values and risk management *(Continued)*

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances.

The maximum exposure to the credit risk at the reporting date is primarily from Operating Lease, Rent-a-car , business transport solutions receivables, loans against hypothecation of vehicle, loans against property and finance leases

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer

a. Collaterals held and concentrations of credit risk

The company holds security deposit as collaterals against its credit exposures from Operating Lease
The Company evaluates the credit risk after considering factors such as colletral value (security deposit) , and the past credit history of customer

Below table provides the value of collateral held against credit impaired outstanding:

Operating Lease	Maximum exposure to credit risk	Security deposit	Net Exposure
31 March 2020	2,903	24	2,879
31 March 2019	3,001	65	2,936

b. Amounts arising from ECL

i. Inputs, assumptions and techniques used for estimating impairment

Inputs considered in the ECL model:
When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience, expert credit assessment and including forward looking information.

In assessing the impairment of loan assets / receivables under Expected Credit Loss (ECL) Model, the loans have been segmented into three stages based on the risk profiles. The three stages reflect the general pattern of credit deterioration of a financial instrument

	Days past due		
	Stage 1	Stage 2	Stage 3
Operating Lease	0-30	31-90	More than 90 Days
Car Rental	0-120	120-180	More than 180 Days
Business Transport Solution	0-120	120-180	More than 180 Days
Loans against hypothecation of vehicle	0-30	31-90	More than 90 Days
Loans against property	0-30	31-90	More than 90 Days
Finance lease	0-30	31-90	More than 90 Days
Other receivables	0-30	31-90	More than 90 Days

Assumption considered in the ECL model:
- "Loss given default" (LGD) is an estimate of loss from a transaction given that a default occurs
- "Probability of default" (PD) is defined as the probability of whether the borrowers/ customers will default on their obligations in the future. Stage 3 assets are considered to have a 100% PD
- "Exposure at default" (EAD) represents the expected exposure in the event of a default and is the gross carrying amount in case of the financial assets held by the Company

Estimation techniques considered in ECL models:
For Operating Lease, Rent-a-car and business transport solutions receivables:
The ECL has been computed on trade receivables in accordance with simplified approach based on days past due buckets of respective portfolios. The days past due has been adjusted to give effect to following
- the time lag between the raising of invoices and handing it over to the customer
- the credit period mentioned in respective invoice
- The time lag incorporated for Car Rental and Business Transport Solution (BTS) is 90 days
- The probability of default is based on the historical trends of impairment of trade receivables. The historical trends are adjusted with macro economic factors to make it forward looking
- Loss given default is based on the recovery pattern for the default clients, as well as Basel guidelines
-Given the economic scenario, an additional LGD of 5% has been factored in for Car Rental and BTS
-The company categorises receivables into stages based on the days past due status adjusted to give effect of credit period and time lag for invoicing

ORIX Auto Infrastructure Services Limited

Notes forming part of financial statements (Continued)
for the year ended 31 March 2020

(All amounts are in INR Lakhs, except as stated)

Financial instruments – Fair values and risk management *(Continued)*

ii. Credit risk (Continued)

Estimation techniques considered in ECL models (continued)

Loans against hypothecation of vehicles, Loans against property and Finance Lease receivables:

The following risk parameters have been assessed to evaluate the ECL :

- The probability of default is assessed based on the flow of receivables flowing through successive DPD bucket based on past portfolio performance
- Loss given default is assessed based on factors such as past recoveries, applicable regulatory guidance etc
-Given the economic scenario, an additional LGD of 5% has been factored in for Loans against hypothecation of vehicles
- For assets which are in Stage 1, a 12 month ECL is assessed For Stage 2 and stage 3 assets a lifetime ECL is assessed
-Exposure at default is arrived at after factoring in prepayments, which are estimated based on past portfolio performance These have been adjusted to factor in the situation arising out of COVID 19

Impact of Covid-19 :

The COVID-19 pandemic and the long-drawn lock-down has resulted in a significant decrease in the economic activities globally as well as across our country The extent of impact of COVID-19 on economic growth of the country is difficult to predict and will mainly depend on the future developments in containment of COVID-19 and the actions taken for resumption of operations, which is highly uncertain The Reserve Bank of India as a part of its measures to support and boost the economy has vide its notifications titled "COVID-19 Regulatory Package" dated 27 March, 2020 and 17 April, 2020 directed all Banks, NBFCs and other financial institutions to grant moratorium of three months on the payment of all instalments and/or interest as applicable to all eligible borrowers

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020 and April 17, 2020, the Company has offered a moratorium on the payment of instalments falling due between March 1, 2020 and May 31, 2020 ('moratorium period') to eligible borrowers In respect of accounts overdue but standard at 29 February 2020 where moratorium benefit has been granted, the staging of those accounts at 31 March 2020 is based on the days past due status as on 29 February 2020 Based on an assessment by the Company, this relaxation does not automatically trigger significant increase in credit risk The Company continues to recognise interest income during the moratorium period and in the absence of other credit risk indicators, the granting of a moratorium does not result in accounts becoming past due and automatically triggering Stage 2 or Stage 3 classification criteria

The RBI vide its guidelines dated May 23, 2020 has permitted all Banks, NBFCs and other financial institutions to grant moratorium for an additional period of 3 months on payment of instalments falling due between June 1, 2020 and August 31, 2020 The Company has chosen to offer this to its customers

Based on the moratorium plan rolled out by the Company and other information available up to the date of approval of these financial results/statements the Company assessed the impact on its assets, expected credit loss on its loan portfolio and liabilities including Asset Liability Management ("ALM") position

Based on the detailed evaluation, the Company has,
a) made adequate provision for credit losses on its loan portfolio against the potential impact of COVID -19 The aggregate provisions are adequate vis-à-vis
the minimum regulatory provisions prescribed by the Reserve Bank of India, and
b) stress tested its ALM position and the Company has a comfortable liquidity outlook across all maturity buckets and has adequate liquidity position maintained in form of high-quality liquid assets and undrawn committed lines of credit

The final impact of the global health pandemic is very uncertain and the actual impact may be different than that estimated based on the conditions prevailing as at the date of approval of these financial results/statements The management will continue to closely monitor the material changes in the macro-economic factors impacting the operations of the Company

Forward looking information:

The below table shows the values of forward looking macro economic variable used in each of the scenarios for the ECL calculation For this purpose the Company has used the data source of Economist Intelligence Unit GDP has been used as a macro economic factor to calculate the forward looking probablities of default The upside and downside % change has been derived using historical standard deviation from the base scenario

Scenario Weights have been arrived at taking into consideration product characteristics and prevailing macro-economic conditions Given the economic conditions on account of COVID 19, the worst case scenario weights have been increased for Car Rental and retail lending products This is basis management's estimation of the market scenario and related impact on product-specific portfolio quality

31 March 2020	Probability assigned		
	Best Case	Base Case	Worst Case
Operating Lease			
Car Rental	21.20%	68.20%	10.60%
Business Transport Solution	21.20%	48.40%	30.40%
	21.20%	68.20%	10.60%
GDP % Operating Lease, Car Rental, Business Transport Solution			
2020 (%)	7	6	5
Loans against hypothecation of vehicle	21.20%	36.40%	42.40%
Loans against property	21.20%	47.00%	31.80%
Finance lease	21.20%	68.20%	10.60%
GDP % Loans against hypothecation of vehicle, Loans against property, Finance lease			
2020 (%)	7	6	5
2021 (%)	7	6	5
2022 (%)	7	6	5
2023 (%)	7	6	5
2024 (%)	7	6	5
2025 (%)	8	7	6
2026 (%)	8	7	6
Subsequent years (%)	8	7	7

ORIX Auto Infrastructure Services Limited

Notes forming part of financial statements (Continued)
for the year ended 31 March 2020

(All amounts are in INR Lakhs, except as stated)

Financial instruments – Fair values and risk management ***(Continued)***

ii. Credit risk (Continued)
Forward looking information (Continued)

31 March 2019	Probability assigned		
	Best Case	Base Case	Worst Case
Operating Lease	21 20%	68 20%	10.60%
Car Rental	21 20%	68 20%	10.60%
Business Transport Solution	21 20%	68 20%	10.60%
GDP % Operating Lease, Car Rental, Business Transport Solution	8	7	6
Loans against hypothecation of vehicle	21 20%	68 20%	10 60%
Loans against property	21 20%	68 20%	10 60%
Finance lease	21 20%	68,20%	10 60%
GDP % Loans against hypothecation of vehicle, Loans against property, Finance lease			
2019 (%)	8	7	6
2020 (%)	8	7	6
2021 (%)	8	7	7
2022 (%)	8	7	7
2023 (%)	8	7	6
2024 (%)	9	8	7
2025 (%)	8	8	7
Subsequent years (%)	8	7	7

Assessment of significant increase in credit risk:
For Loans against hypothecation of vehicles, Loans against property and Finance Lease receivables:
The credit risk on a financial asset of the Company are assumed to have increased significantly since initial recognition when contractual payments are more than 30 days past due and/ or management assessment of credit deterioration. Accordingly the financial assets shall be classified as Stage 2, if on the reporting date, it has been 30 days past due.
Certain categories of Loan Against Property borrowers less than 30 days past due have been classified as Stage 2 borrowers based on the assessment of their Industry and Economic Sector. Management has done an indepth assessment of portfolio into industries and basis the management's estimation of impact of COVID 19 on specific industries, stage has been moved
For Operating Lease, Rent-a-car and business transport solutions receivables:
As the simplified approach has been followed, there would not be any assessment of significant increase in credit risk

Definition of default
A default on a financial asset is when the counterparty fails to make the contractual payments within 180 days of raising the invoice for rent a car and business transport solutions portfolios. For operating lease receivables portfolio, loan against property, commercial vehicle loan and finance lease, the same would be within 90 days from the due date of the rental. This definition of default is determined by considering the business environment in which the company operates and other micro-economic factors.

Policy for write-off of receivables
The management reviews trade receivables and expected credit losses on the same periodically. Basis past experience and management's expectations about the collectebility of receivables, receivables are written off in the statement of profit and loss

Write offs done by the management during the periods for consideration are as follows:

Write off	Operating Lease	Car Rental	Business Transport Solution	Others	Total
31 March 2020	90	-	11	-	101
31 March 2019	37	36	48	0	121

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ORIX Auto Infrastructure Services Limited

Notes forming part of financial statements (Continued)
for the year ended 31 March 2020

(All amounts are in INR Lakhs, except as stated)

Financial instruments – Fair values and risk management *(Continued)*

ii. Credit risk *(Continued)*
b. Amounts arising from ECL *(Continued)*

ii Exposure at default and Loss allowance for operating lease, car rental, business transport solution and others

Exposure at default

Operating Lease	Operating Lease	Car Rental	Business Transport Solution	Others	Total
Stage 1	1,910	5,502	5,383	6,235	19,030
Stage 2	694	208	202	165	1,269
Stage 3	788	256	197	256	1,497
Total	3,392	5,966	5,782	6,656	21,796
Loss Allowance	81	158	134	143	516

31 March 2019	Operating Lease	Car Rental	Business Transport Solution	Others	Total
Stage 1	1,847	5,881	6,021	3,728	17,477
Stage 2	897	263	329	204	1,693
Stage 3	375	309	146	91	921
Total	3,119	6,453	6,496	4,023	20,091
Loss Allowance	30	149	84	114	377

Loss allowance

The movement in the allowance for impairment in respect of trade and other receivable during the year was as follows:

	31 March 2020	31 March 2019
Operating Lease		
Balance as the beginning of the year	30	42
Impairment loss recognised (net)	51	(12)
Balance as at the year end	81	30
Car Rental		
Balance as the beginning of the year	149	157
Impairment loss recognised (net)	9	(8)
Balance as at the year end	158	149
Business Transport Solution		
Balance as the beginning of the year	84	62
Impairment loss recognised (net)	50	22
Balance as at the year end	134	84
Others		
Balance as the beginning of the year	114	83
Impairment loss recognised (net)	29	31
Balance as at the year end	143	114
Total Loss allowance	516	377

iii Exposure at default and Loss allowance for loan against property, loan against hypothecation of vehicles and finance lease

Exposure at default

Loan against Property	2020		2019	
	EAD	ECL	EAD	ECL
Stage 1	1,34,435	170	1,47,230	21
Stage 2	24,534	656	4,341	228
Stage 3	6,945	873	4,143	578
Total	1,65,914	1,699	1,55,714	827

(All amounts are in INR Lakhs, except as stated)

Financial Instruments – Fair values and risk management *(Continued)*

ii. Credit risk *(Continued)*
iii Exposure at default and Loss allowance for loan against property, loan against hypothecation of vehicles and finance lease

Loan against Hypothecation of vehicle	2020		2019	
	EAD	ECL	EAD	ECL
Stage 1	24,384	229	49,340	125
Stage 2	4,466	231	3,920	115
Stage 3	7,346	1,805	3,118	836
Total	36,196	2,265	56,378	1,076

Finance Leases	2020		2019	
	EAD	ECL	EAD	ECL
Stage 1	33,888	222	38,118	739
Stage 2	11,451	304	3,410	265
Stage 3	1,478	198	582	140
Total	46,817	724	42,110	1,144

The following table shows reconciliations from the opening to the closing balance of gross exposure

Gross carrying amount	Stage 1	Stage 2	Stage 3	Total
Loan against Hypothecation of Vehicles				
Balance as at March 31, 2018	58,407	2,180	1,184	61,771
Transfer to stage one	125	(125)	-	-
Transfer to stage two	(4,191)	4,191	-	-
Transfer to stage three	(1,688)	(769)	2,457	-
Net remeasurement of loss allowance	(15,735)	(1,498)	(412)	(17,645)
New financial assets originated or purchased	19,969	638	167	20,774
Financial assets that have been derecognised	(7,547)	(697)	(278)	(8,522)
Write – offs	-	-	-	-
Balance as at March 31, 2019	49,340	3,920	3,118	56,378
Transfer to stage one	379	(354)	(25)	-
Transfer to stage two	(3,726)	3,741	(16)	(1)
Transfer to stage three	(3,391)	(1,547)	4,938	-
Net remeasurement of loss allowance	(14,350)	(802)	(13)	(15,165)
New financial assets originated or purchased	1,882	312	150	2,344
Financial assets that have been derecognised	(5,750)	(804)	(806)	(7,360)
Write – offs	-	-	-	-
Balance as at March 31, 2020	24,384	4,466	7,346	36,196

ORIX Auto Infrastructure Services Limited

Notes forming part of financial statements (Continued)
for the year ended 31 March 2020

(All amounts are in INR Lakhs, except as stated)

Financial instruments – Fair values and risk management *(Continued)*

ii. Credit risk *(Continued)*
Reconciliations from the opening to the closing balance of gross exposure (Continued)

Gross carrying amount Loan against Property	Stage 1	Stage 2	Stage 3	Total
Balance as at March 31, 2018	95,512	2,163	1,377	99,052
Transfer to stage one	390	(390)	-	-
Transfer to stage two	(3,293)	3,293	-	-
Transfer to stage three	(1,811)	(855)	2,667	1
Net remeasurement of loss allowance	(11,439)	130	99	(11,210)
New financial assets originated or purchased	83,824	-	-	83,824
Financial assets that have been derecognised	(15,953)	-	-	(15,953)
Write – offs	-	-	-	-
Balance as at March 31, 2019	1,47,230	4,341	4,143	1,55,714
Transfer to stage one	909	(769)	(140)	-
Transfer to stage two	(18,864)	19,340	(477)	(1)
Transfer to stage three	(2,973)	(976)	3,949	-
Net remeasurement of loss allowance	(3,743)	(173)	243	(3,673)
New financial assets originated or purchased	35,654	3,231	-	38,885
Financial assets that have been derecognised	(23,778)	(460)	(773)	(25,011)
Write – offs	-	-	-	-
Balance as at March 31, 2020	1,34,435	24,534	6,945	1,65,914

Gross carrying amount Finance Lease Receivables	Stage 1	Stage 2	Stage 3	Total
Balance as at March 31, 2018	24,120	9,293	358	33,771
Transfer to stage one	7,509	(7,466)	(43)	-
Transfer to stage two	(193)	215	(22)	-
Transfer to stage three	(89)	(123)	212	-
Net remeasurement of loss allowance	887	17	142	1,046
New financial assets originated or purchased	14,839	1,610	86	16,535
Financial assets that have been derecognised	(8,955)	(136)	(151)	(9,242)
Write – offs	-	-	-	-
Balance as at March 31, 2019	38,118	3,410	582	42,110
Transfer to stage one	864	(862)	(2)	-
Transfer to stage two	(6,116)	6,122	(6)	-
Transfer to stage three	(685)	(111)	796	-
Net remeasurement of loss allowance	(2,241)	(491)	13	(2,719)
New financial assets originated or purchased	4,591	3,599	132	8,322
Financial assets that have been derecognised	(643)	(216)	(37)	(896)
Write – offs	-	-	-	-
Balance as at March 31, 2020	33,888	11,451	1,478	46,817

The following table shows reconciliations from the opening to the closing balance of the loss allowances and write offs:

Loan against Hypothecation of Vehicles	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Balance as at March 31, 2018	81	67	483	631
Transfer to 12 month ECL	-	-	-	-
Transfer to Lifetime ECL not credit impaired	(8)	8	-	-
Transfer to Lifetime ECL credit impaired	(4)	(27)	30	(1)
Net remeasurement of loss allowance	29	70	385	484
New financial assets originated or purchased	38	20	34	92
Financial assets that have been derecognised	(11)	(23)	(96)	(130)
Write – offs	-	-	-	-
Balance as at March 31, 2019	125	115	836	1,076
Transfer to 12 month ECL	5	(5)	-	-
Transfer to Lifetime ECL not credit impaired	(189)	190	(1)	-
Transfer to Lifetime ECL credit impaired	(834)	(381)	1,215	-
Net remeasurement of loss allowance	1,125	312	84	1,521
New financial assets originated or purchased	16	20	37	73
Financial assets that have been derecognised	(19)	(20)	(366)	(405)
Write – offs	-	-	-	-
Balance as at March 31, 2020	229	231	1,805	2,265

Write Offs - Loan against Hypothecation of Vehicles	2019-20	2018-19
Amount of Loans written off during the period but still recoverable	-	-

ORIX Auto Infrastructure Services Limited

Notes forming part of financial statements (Continued)
for the year ended 31 March 2020

(All amounts are in INR Lakhs, except as stated)

Financial instruments – Fair values and risk management *(Continued)*

ii. Credit risk *(Continued)*
Reconciliations from the opening to the closing balance of the loss allowances and write offs:

Loan against Property	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Balance as at March 31, 2018	20	113	280	413
Transfer to 12 month ECL	-	-	-	-
Transfer to Lifetime ECL not credit impaired	(1)	1	-	-
Transfer to Lifetime ECL credit impaired	-	(40)	40	-
Net remeasurement of loss allowance	(7)	149	263	405
New financial assets originated or purchased	12	25	-	37
Financial assets that have been derecognised	(3)	(20)	(5)	(28)
Write – offs	-	-	-	-
Balance as at March 31, 2019	21	228	578	827
Transfer to 12 month ECL	3	(2)	(1)	-
Transfer to Lifetime ECL not credit impaired	(446)	481	(35)	-
Transfer to Lifetime ECL credit impaired	(362)	(121)	483	-
Net remeasurement of loss allowance	916	82	21	1,019
New financial assets originated or purchased	41	18	-	59
Financial assets that have been derecognised	(3)	(30)	(173)	(206)
Write – offs	-	-	-	-
Balance as at March 31, 2020	170	656	873	1,699

Write Offs - Loan against Property	2019-20	2018-19
Amount of Loans written off during the period but still recoverable	-	-

Finance Lease Receivables	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Balance as at March 31, 2018	349	305	75	729
Transfer to 12 month ECL	216	(210)	(6)	-
Transfer to Lifetime ECL not credit impaired	(3)	3	-	-
Transfer to Lifetime ECL credit impaired	(2)	(6)	7	(1)
Net remeasurement of loss allowance	(25)	50	45	70
New financial assets originated or purchased	277	125	65	467
Financial assets that have been derecognised	(73)	(2)	(46)	(121)
Write – offs	-	-	-	-
Balance as at March 31, 2019	739	265	140	1,144
Transfer to 12 month ECL	6	(6)	-	-
Transfer to Lifetime ECL not credit impaired	-148	148	-	-
Transfer to Lifetime ECL credit impaired	-68	(11)	80	1
Net remeasurement of loss allowance	(321)	(181)	(26)	(528)
New financial assets originated or purchased	29	112	13	154
Financial assets that have been derecognised	(15)	(23)	(9)	(47)
Write – offs	-	-	-	-
Balance as at March 31, 2020	222	304	198	724

Write Offs - Finance Lease Receivables	2019-20	2018-19
Amount of Loans written off during the period but still recoverable	-	-

ECL changes on Financial instruments recorded in P&L

Year ended 31 March 2020	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Simplified approach	Total
Loan against Hypothecation of Vehicles	104	116	969		1,189
Loan against Property	148	428	296		872
Finance Lease Receivables	-517	39	57		-421
Trade receivables and others				138	138
Total	-265	583	1,322	138	1,778

Year ended 31 March 2019	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Simplified approach	Total
Loan against Hypothecation of Vehicles	45	47	352		444
Loan against Property	1	115	297		413
Finance Lease Receivables	390	-40	66		416
Trade receivables and others				34	34
Total	436	122	715	34	1,307

There is increase in expected credit loss in statement of profit and loss account is primarily due to forward-looking impact of material deterioration in the economic outlook due to the COVID-19 pandemic.
There is no material concentration of loss allowance at any particular geographic area.

ORIX Auto Infrastructure Services Limited

Notes forming part of financial statements (Continued)
(All amounts are in INR Lakhs, except as stated)
Financial Instruments – Fair values and risk management (continued)

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation

Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments

March 31, 2020		Contractual cash flows					
	Carrying amount	Total	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial assets							
Loans							
Cash and cash equivalents	6,381	6,381	6,381	-	-	-	-
Loan against Hypothecation of vehicle	33,994	33,994	9,901	8,161	11,066	4,866	-
Loan against Property	1,64,752	1,64,752	2,850	2,917	6,407	1,52,578	-
Finance Leases	45,476	45,476	10,215	8,124	13,716	13,422	-
Trade receivable	15,134	15,177	15,177	-	-	-	-
Other receivables	3,884	3,851	1,819	535	790	737	-
Security deposits Premises	519	522	62	26	138	271	25
Sundry Deposits	39	39	39	-	-	-	-
Retained Interest on Loan Assigned	563	563	563	-	-	-	-
Other Deposits	10	10	-	-	-	10	-
Loans and advances to employees	64	64	64	-	-	-	-
Other Advances	2,472	2,472	1,212	-	-	1,260	-
	2,73,267						
Non-derivative financial liabilities							
Non-convertible Debentures	20,000	20,619	20,619	-	-	-	-
Term Loans from Banks	2,01,034	2,36,952	51,768	50,063	63,615	71,506	-
Masala Bond	10,000	11,114	210	386	10,518	-	-
ECB Borrowing from Bank	32,500	23,148	1,120	2,096	3,977	15 955	-
Security deposits	1,492	1,904	238	311	600	855	-
Cash Credits Facilities	198	198	198	-	-	-	-
Overdraft facilities	7	7	7	-	-	-	-
Other Payables to Employees	711	711	711	-	-	-	-
Working capital loans from banks	26,611	26,611	26,611	-	-	-	-
Book Overdraft	170	170	170	-	-	-	-
Advance from customers	2,424	2,424	2,424	-	-	-	-
Loans and advances from related party	672	672	672	-	-	-	-
Trade and other payables	12,578	12,578	12,578	-	-	-	-
Payable in respect of loans assigned	83	83	83	-	-	-	-
Interest accrued but not due on borrowings	2,073	2,073	2,073	-	-	-	-
Commitment	3,408	3,408	3,408	-	-	-	-
Lease liabilities	1,528	1,528	483	144	153	339	409
Provision for expenses	746	746	746	-	-	-	-
Total	3,16,334						

March 31, 2019		Contractual cash flows					
	Carrying amount	Total	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial assets							
Loans							
Cash and cash equivalents	2,089	2,089	2,083	-	6	-	-
Loan against Hypothecation of vehicle	55,597	55,597	13,711	11,029	17,494	13,363	-
Loan against Property	1 55 389	1,55,389	3,903	2 374	5,184	1,43,928	-
Finance Leases	42,029	42,029	8,300	7,227	12,558	13,944	-
Trade receivable	16,179	16,179	16,179	-	-	-	-
Other receivable	2,691	2 691	1,697	217	336	441	-
Security deposits Premises	522	522	36	-	27	434	25
Sundry Deposits	394	394	394	-	-	-	-
Retained Interest on Loan Assigned	706	706	706	-	-	-	-
Other Deposits	22	22	-	-	-	22	-
Loans and advances to employees	46	46	46	-	-	-	-
Other Advances	1,318	1,318	640	-	1	677	-
	2,76,982						
Non-derivative financial liabilities							
Non-convertible Debentures	52,000	57,749	25,404	10 795	21,550	-	-
Term Loans from Banks	1,82,308	2,01,157	46,237	36 668	63,847	54,405	-
Masala Bond	10,000	12,117	385	385	770	10,577	-
ECB Borrowing from Bank	7,500	8,870	288	288	3,336	4,958	-
- Term loans	2,800	2,819	2,819	-	-	-	-
Security deposits	1,612	1,999	220	274	372	1,133	-
Cash Credits Facilities	7,941	8,465	4,771	3,694	-	-	-
Other Short-term loans	6,500	6,761	6,761	-	-	-	-
Overdraft facilities	20,545	20,954	18,380	2,594	-	-	-
Other Payables to Employees	498	498	498	-	-	-	-
Loans and advances from related party	952	952	952	-	-	-	-
Term loans from others	1,543	1,543	1,543	-	-	-	-
- WORKING capital Demand Loan-Secured	500	500	500	-	-	-	-
Working capital loans from banks	9,000	9,000	9,000	-	-	-	-
Book Overdraft	120	120	120	-	-	-	-
Advance from customers	1,435	1,435	1,435	-	-	-	-
Trade and other payables	16,079	16,079	16,079	-	-	-	-
Interest accrued but not due on borrowings	2,975	2,975	2,771	204	-	-	-
Lease liabilities	1,816	1,816	1,816	-	-	-	-
Payable in respect of loans assigned	297	1,028	297	-	-	-	731
Commitment	719	1,451	719	-	-	-	731
Total	3,27,138						

ORIX Auto Infrastructure Services Limited
Notes forming part of financial statements (Continued)
(All amounts are in INR Lakhs, except as stated)
Financial instruments – Fair values and risk management (continued)

iv. Market risk
Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt.

Currency risk

The Company has its revenues and other transactions in its functional currency i.e. INR except immaterial expenditure in foreign currency. Accordingly, the Group has no material exposure to currency risk as on 31st March, 2020

ORIX Auto Infrastructure Services Limited

Notes forming part of financial statements (Continued)
(All amounts are in INR Lakhs, except as stated)
Note - 43
Capital Management

The Group's objectives when managing capital are to (a) maximise shareholders value and provide benefit to the stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.
The Group monitors capital using a ratio of "adjusted net debt" to "adjusted equity". For this purpose, adjusted net debt is defined as total liabilities, comprising interest bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity.

	As at March 31, 2020	As at March 31, 2019
Non-Current Borrowings	1,53,022	1,48,598
Current Borrowings	49,558	50,382
Current maturity of long term debt	89,224	1,02,230
Gross Debt	2,91,805	3,01,210
Less - Cash and Cash Equivalents	(8,381)	(1,964)
Less - Other Bank Deposits		
Adjusted Net debt	2,83,423	2,99,246
Total equity	72,338	70,777
Adjusted Net debt to equity ratio	3.92	4.23

ORIX Auto Infrastructure Services Limited
Notes forming part of financial statements (Continued)
(All amounts are in INR Lakhs, except as stated)
Note 44
Tax expense
(a) Amounts recognised in profit and loss

	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax		
Current period (a)	3,583	4,210
Changes in estimate related to prior years (b)	2	63
Deferred income tax liability / (asset), net		
Increase in deferred tax assets (c)	2,941	(1,878)
Tax expense for the year (a)+(b)+(c)	6,526	2,395

(b) Amounts recognised in other comprehensive income

	Tax (expense) benefit	Tax (expense) benefit
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(77)	46
	(77)	46

(c) Reconciliation of effective tax rate

	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	8,255	8,520
Tax using the Company's domestic tax rate	2,078	2,567
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Difference in Tax Rate	4,347	(73)
Corporate Social Responsibility Expenditure	35	17
Difference in Fixed Assets	5	-
Rectification of error in Bonus	-	(31)
Permanent difference GST/ Sales Tax Penality, Interest on TDS	-	(5)
Error in Debtors	-	
Bad debts written off	-	24
Interest on SA Tax paid	-	5
Difference due to tax audit adjustment	(16)	(59)
Others	24	(64)
Actuarial Gains and Losses posted through OCI	(77)	46
Change in opening deferred tax-Right of use assets	-	(102)
Impact on Profit due to IND AS impact of Right of use assets	-	33
Current tax expenses relating to prior years	2	63
	6,398	2,441

The applicable Indian corporate statutory tax rate for the year ended March 31, 2020 and March 31, 2019 is 25.168% and 34.94% respectively. The decrease in the corporate statutory tax rate to 25.168% is consequent to changes made in the Finance Act, 2020.

The Taxation Laws (Amendment) Ordinance, 2019 contain substantial amendments in the Income Tax Act 1961 and the Finance (No.2) Act, 2019 to provide an option to domestic companies to pay income tax at a concessional rate. The Company has elected to apply the concessional tax rate. Accordingly, the Company has recognised the provision for income tax and re-measured the net deferred tax assets at concessional rate for the year ended 31 March 2020. Further, the opening net deferred tax asset has been re-measured at lower rate with a one-time impact of ₹ 4,347 lakhs recognised in the statement of profit and loss.

ORIX Auto Infrastructure Services Limited
Notes forming part of financial statements (Continued)
(All amounts are in INR Lakhs, except as stated)
Note - 45

Deferred Tax

(a) Movement in deferred tax balances

	Net balance April 1, 2019	Recognised in profit or loss	Recognised in OCI	31-Mar-20 Net	31-Mar-20 Deferred tax asset	31-Mar-20 Deferred tax liability
Deferred tax asset						
Lease rentals and depreciation	13,877	(2,730)	-	11,147	11,147	-
Provisions	972	(53)	-	919	919	-
Expected Credit Losses	337	18	-	355	355	-
Maintenance linked Reserves (MLL)	283	(79)	-	204	204	-
Provision for Leave Encashment and Gratuity	64	(29)	-	36	36	-
Disallowance of preliminary expenses	9	(2)		7	7	-
Ind AS Adjustments						
Lease rental Straightlining	1	0	-	1	1	-
Effective interest rate on Borrowings	22	16	-	38	38	-
Effective Gain on Loan transfer Transactions	(247)			(247)	-	(247)
Employee benefits P&L	(82)	(77)	-	(160)	-	(160)
Employee benefits OCI	82	-	77	160	160	-
Discounting of security deposits paid for premises	(22)	(17)	-	(39)	-	(39)
Inventory Revaluation for retired vehicles	1	-	-	1	1	-
Discounting of security deposits received from lessees	(5)	(0)	-	(7)	-	(7)
Effective interest rate on Loans and Advances	7	3	-	10	10	-
Right-of-use assets	101	70	-	171	171	-
Others	-	0		0	0	-
Tax assets (Liabilities)	15,399	(2,880)	77	12,596	13,049	(453)
Set off tax						
Net tax assets	15,399	(2,880)	77	12,596	13,049	(453)

(b) Movement in deferred tax balances

	Net balance April 1, 2018	Recognised in profit or loss	Recognised in OCI	March 31, 2019 Net	March 31, 2019 Deferred tax asset	March 31, 2019 Deferred tax liability
Deferred tax asset						
Lease rentals and depreciation	12,479	1,398	-	13,877	13,877	-
Disallowance of preliminary expenses	-	9		9	9	-
Provisions	635	337	-	972	972	-
Expected Credit Losses	160	187	-	337	337	-
Maintenance linked Reserves (MLL)	257	26	-	283	283	-
Provision for Leave Encashment and Gratuity	33	31	-	64	64	-
Ind AS Adjustments				-	-	-
Lease rental Straightlining	21	(20)	-	1	1	-
Effective interest rate on Borrowings	(0)	22	-	22	22	-
Effective Gain on Loan transfer Transactions	-	(247)		(247)	-	(247)
Employee benefits P&L	(128)	(18)	-	(146)	-	(146)
Employee benefits OCI	126	64	(46)	146	146	-
Depreciation Adjustment	-	-	-	-	-	-
Discounting of security deposits paid for premises	2	(24)	-	(22)	-	(22)
Inventory Revaluation for retired vehicles	1	-		1	1	-
Discounting of security deposits received from lessees	(6)	(1)	-	(6)	-	(6)
Effective interest rate on Loans and Advances	(6)	13	-	7	7	-
Right-of-use assets	-	101	-	101	101	-
Tax assets (Liabilities)	13,568	1,878	(46)	15,399	15,820	(421)
Set off tax						
Net tax assets	13,568	1,878	(46)	15,399	15,820	(421)

ORIX Auto Infrastructure Services Limited
Notes forming part of financial statements (Continued)
(All amounts are in INR Lakhs, except as stated)
Note - 46

Repayment schedule of long term borrowing :
Loan as on 31 March 2020 are repayble as stated blow

	1-2 years	2-3 years	3-5 years	Total
Floating				
Monthly	23,600	11,330	133	35,063
Quarterly	17,333	7,937	3,125	28,395
Yearly				-
Bullet Payment	-	42,000	-	42,000
Fixed				
Monthly	-			-
Quarterly	2,500	-	-	2,500
Bullet Payment	16,000	4,000	25,000	45,000
Total	59,433	65,267	28,258	1,52,958

Loan as on 31 March 2019 are repayble as stated blow

	1-2 years	2-3 years	3-5 years	Total
Floating				
Monthly	29,100	21,767	9,754	60,621
Quarterly	12,750	6,979	15,937	35,666
Yearly	3,333	-	-	3,333
Bullet Payment	-	10,000	-	10,000
Fixed				
Monthly	3,250	2,000	1,167	6,417
Quarterly	3,000	2,500	-	5,500
Haft Yearly				-
Yearly				-
Bullet Payment	27,000	-	-	27,000
Total	78,433	43,246	26,858	1,48,537

Note : Processing fees of ₹ -57 (previous year ₹ -97) and Interest payable on term loan of ₹ 121 (previous year ₹ 158) not included in above table.

B S R & Co. LLP
Chartered Accountants

ORIX Auto Infrastructure Services Limited
Notes forming part of financial statements (Continued)
(All amounts are in INR Lakhs, except as stated)
Note - 47

Change in liabilities arising from financing activities

Particulars	01 April 2019	Cash Flows	31 March 2020
Long term borrowing	1,81,329	(1,582)	1,79,747
Short term borrowing	18,802	28,882	47,684
Cash credit	8,880	(8,880)	(0)
Book overdraft	120	49	169
Finance cost	-	(7,764)	-
ECB Borrowing	7,500	25,000	32,500
Non Convertible Debenture	52,000	(32,000)	20,000
Lease Liability on principal component	1,660	(270)	1,390
Lease liabilty Interest portion	156	(19)	137
Total	2,70,447	3,416	2,81,627

Particulars	01 April 2018	Cash Flows	31 March 2019
Long term borrowing	1,13,035	68,294	1,81,329
Short term borrowing	42,514	(23,712)	18,802
Cash credit	4,525	4,355	8,880
Book overdraft	235	(115)	120
Finance cost	-	(8,164)	-
ECB Borrowing	7,500	-	7,500
Non Convertible Debenture	52,000	-	52,000
Lease Liability on principal component	551	1,109	1,660
Lease liabilty Interest portion	-	156	156
Total	2,20,360	41,923	2,70,447

Note - 48 Previous year numbers are regrouped / reclassified to confirm to current year's presentation.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Ajit Viswanath

Ajit Viswanath
Partner
Membership No: 067114

For and on behalf of the Board of Directors of
ORIX Auto Infrastructure Services Limited
CIN : U63032MH1995PLC086014

Sandeep Gambhir
Managing Director & CEO
(DIN - 00083116)

Ryohei Suzuki
Director
(DIN - 08218388)

Vivek Wadhera
CFO

Jay Gandhi
Company Secretary

Mumbai
31 July 2020